

THAILAND

Safeguard Framework for Financial Services Liberalization under ASEAN Framework Agreement on Services

Sector: Securities

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sub-sectors *	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
For Securities Companies: - securities brokerage and dealing - derivatives brokerage and dealing - securities borrowing and lending Trading for own account, or for account of customers in the following: (c) derivative products incl., but not limited to,	Market Access <u>Mode 1)</u> No commitment on cross-border supply. <u>Mode 3)</u> No commitment for new license.	Prudential Measures <u>Mode 3)</u> <ul style="list-style-type: none"> License must be granted by the SEC under the terms and conditions stipulated in the Ministerial Regulation Concerning Granting of Approval for Undertaking Securities Business B.E.2551 and other related regulations. Shareholders above 10 percent of a securities company must be approved by the SEC. <ul style="list-style-type: none"> <i>The Notification of the Ministry of Finance Re: Prescription of Conditions for Securities Company to Apply for Approval of Person to be Major Shareholder</i> http://www.sec.or.th/laws_notification/Content_000000561.jsp?categoryID=CAT0000109&lang=en A securities company must maintain the minimum paid-up registered capital of 500 million baht and maintain the minimum net capital of 15 million baht, or 25 million baht if it also holds a derivatives agent license, together with the minimum net liquid capital of 7% of general liabilities in line with the net capital rules (NCR).

* Thailand reserves the rights to further listing safeguard measures related to sectors/sub-sectors to be committed in the future negotiations. Sectors/sub-sectors not listed herein shall not be interpreted as liberalized.

Sub-sectors *	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
futures and options (e) transferable securities		<p>- Notification of the Securities and Exchange Commission No. KorKhor.6/2551 and KorKhor.7/2551 http://capital.sec.or.th/webapp/nrs/data/4389se.pdf http://capital.sec.or.th/webapp/nrs/data/4390se.pdf</p> <ul style="list-style-type: none"> A securities company must meet the conduct, operational, and personnel requirements stated in the SEC 's rules as well as act in compliance with other relevant rules and regulations http://www.sec.or.th/brokers_dealer/BROKERAGE/Content_000000035.jsp?categoryID=CAT0000223&lang=en <p>Other Measures <u>Mode 3)</u></p> <ul style="list-style-type: none"> Except for securities and derivatives brokerage, foreign equity participation equal to or more than 50 percent of paid-up capital in a securities company has to comply with Foreign Business Act and other relevant regulations.
<p>For Securities Companies: Securities Underwriting</p> <p>Participation in issues of all kinds of securities, including underwriting and placement as agents</p>	<p>Market Access <u>Mode 1)</u> No commitment on cross-border supply. <u>Mode 3)</u> No commitment for new license.</p>	<p>Prudential Measures <u>Mode 3)</u></p> <ul style="list-style-type: none"> License must be granted by the SEC under the terms and conditions stipulated in the Ministerial Regulation Concerning Granting of Approval for Undertaking Securities Business B.E.2551 and other related regulations. Shareholders above 10 percent of a securities company must be approved by the SEC. <ul style="list-style-type: none"> - The Notification of the Ministry of Finance Re: Prescription of Conditions for Securities Company to Apply for Approval of Person to be Major Shareholder http://www.sec.or.th/laws_notification/Content_0000000561.jsp?categoryID=CAT0000109&lang=en

Sub-sectors *	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
(whether publicly or privately) and provision of services related to such issues		<ul style="list-style-type: none"> A securities company must maintain the minimum paid-up registered capital of 500 million baht and maintain the minimum net capital of 15 million baht, or 25 million baht if it also holds a derivatives agent license, together with the minimum net liquid capital of 7% of general liabilities in line with the net capital rules (NCR). <ul style="list-style-type: none"> - Notification of the Securities and Exchange Commission No. KorKhor.6/2551, KorKhor.7/2551. http://capital.sec.or.th/webapp/nrs/data/4389se.pdf http://capital.sec.or.th/webapp/nrs/data/4390se.pdf A securities company must meet the conduct, operational, and personnel requirements stated in the SEC's rules as well as act in compliance with other relevant rules and regulations. <ul style="list-style-type: none"> http://www.sec.or.th/brokers_dealer/BROKERAGE/Content_000000035.jsp?categoryID=CAT0000223&lang=en <p>Other Measures <u>Mode 3)</u></p> <ul style="list-style-type: none"> Foreign equity participation equal to or more than 50 percent of paid-up capital in a securities company has to comply with Foreign Business Act and other relevant regulations.
For Asset Management Companies: <ul style="list-style-type: none"> - mutual fund management - private fund management - derivatives fund 	Market Access <u>Mode 1)</u> No commitment on cross-border supply.	Prudential Measures <u>Mode 3)</u> <ul style="list-style-type: none"> License must be granted by the SEC under the terms and conditions stipulated in the Ministerial Regulation Concerning Granting of Approval for Undertaking Securities Business B.E.2551 and other related regulations. Shareholders above 10 percent of a securities company must be approved by the SEC.

Sub-sectors *	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
management - venture capital management Asset management		<ul style="list-style-type: none"> - <i>The Notification of the Ministry of Finance Re: Prescription of Conditions for Securities Company to Apply for Approval of Person to be Major Shareholder</i> http://www.sec.or.th/laws_notification/Content_0000000561.jsp?categoryID=CAT0000109&lang=en • An asset management company must have minimum paid-up registered capital of 100 million Baht. <ul style="list-style-type: none"> - <i>Notification of the Securities and Exchange Commission No. KorKhor.6/2551, KorKhor.7/2551, and KorNor. 26/2545</i> http://capital.sec.or.th/webapp/nrs/data/4389se.pdf http://capital.sec.or.th/webapp/nrs/data/4390se.pdf http://capital.sec.or.th/webapp/nrs/data/748se.pdf • To undertake mutual fund management business, <ol style="list-style-type: none"> (1) The asset management company must maintain capital adequacy; <ul style="list-style-type: none"> - In cases where the asset management company has equity of less than 30 million baht but not less than 20 million baht, the company must inform and submit a plan to raise the equity to the SEC office within the stipulated period. <ul style="list-style-type: none"> - <i>Notification of the Capital Market Supervisory Board No. TorNor. 42/2552</i> - The company shall maintain minimum equity level of 20 million baht. <ul style="list-style-type: none"> - <i>Notification of the Securities and Exchange Commission No. Kornor 20/2552</i> (2) The company is also required to have an appropriate amount of professional indemnity insurance and insurance against acts of fraud by their officers and directors as stipulated in the SEC rule.

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		<ul style="list-style-type: none"> • To undertake private fund management business, <ol style="list-style-type: none"> (1) The asset management company must maintain capital adequacy; <ul style="list-style-type: none"> - <u>If the company only engages in private fund management business;</u> <ul style="list-style-type: none"> - In cases where it has equity of less than 15 million baht but not less than 10 million baht, it has to inform and submit a plan to raise the equity to the SEC office within the stipulated period. <ul style="list-style-type: none"> - <i>Notification of the Capital Market Supervisory Board No. TorNor. 42/2552</i> - The company shall maintain minimum equity level of 10 million baht. <ul style="list-style-type: none"> - <i>Notification of the Securities and Exchange Commission No. Kornor 20/2552</i> - <u>If the company also engages in provident fund management business;</u> <ul style="list-style-type: none"> - In cases where it has equity of less than 30 million baht but not less than 20 million baht, it has to inform and submit a plan to raise the equity to the SEC office within the stipulated period. <ul style="list-style-type: none"> - <i>Notification of the Capital Market Supervisory Board No. TorNor. 42/2552</i> - The company shall maintain minimum equity level of 20 million baht. <ul style="list-style-type: none"> - <i>Notification of the Securities and Exchange Commission No. Kornor 20/2552</i> (2) The company which also engages in provident fund management business is required to have an appropriate amount of professional indemnity insurance and insurance against acts of fraud by their officers and directors as stipulated in the SEC rule.

Sub-sectors *	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
		<p>- Notification of the Capital Market Supervisory Board No. TorNor. 42/2552</p> <ul style="list-style-type: none"> An asset management company must meet the conduct, operational, and personnel requirements stated in the SEC's rules as well as act in compliance with other relevant rules and regulations. http://www.sec.or.th/asset/Category_Template_1_Base_000006_Copy.jsp?categoryID=CAT0000009&lang=en <p>Other Measures <u>Mode 3)</u></p> <ul style="list-style-type: none"> Foreign equity participation equal to or more than 50 percent of paid-up capital in a securities company has to comply with Foreign Business Act and other relevant regulations.
<p>For Securities Companies</p> <p>Advisory, Intermediation and Other Auxiliary Financial Services: Investment Advisory</p>	<p>Market Access <u>Mode 1)</u> No commitment on cross-border supply.</p>	<p>Prudential Measures <u>Mode 3)</u></p> <ul style="list-style-type: none"> License must be granted by the SEC under the terms and conditions stipulated in the Ministerial Regulation Concerning Granting of Approval for Undertaking Securities Business B.E.2551 and other related regulations. The securities company licensed to undertake securities business in the category of investment advisory service shall have minimum paid-up registered capital as specified in the SEC Act and Foreign Business Act. <ul style="list-style-type: none"> - Notification of the Securities and Exchange Commission No. KorKhor.6/2551, KorKhor.7/2551. http://capital.sec.or.th/webapp/nrs/data/4389se.pdf http://capital.sec.or.th/webapp/nrs/data/4390se.pdf

Sub-sectors *	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
		<ul style="list-style-type: none"> An investment advisory company must maintain the minimum liquid asset at all time equal to 100,000 baht. - <i>Notification of the Office of the Securities and Exchange Commission No. SorNor. 20/2545</i> An investment advisory company must meet the conduct, operational, and personnel requirements stated in the SEC's rules as well as act in compliance with other relevant rules and regulations. http://www.sec.or.th/invest_advisor/Category_Template_1_Base_000012.jsp?categoryID=CAT0000010&lang=en <p>Other Measures <u>Mode 3)</u></p> <ul style="list-style-type: none"> Foreign equity participation equal to or more than 50 percent of paid-up capital in an investment advisory company has to comply with Foreign Business Act and other relevant regulations.

Without prejudice