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**Notification of the Securities and Exchange Commission  
No. KorChor. 5/2552  
Re: Determination of Definitions in Notifications relating to  
Issuance and Offer for Sale of Debt Securities**

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By virtue of Section 14 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No.4) B.E. 2551 (2008) which contain certain provisions in relation to the restriction of right and liberty of persons which Section 29 in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44 and Section 64 of the Constitution of the Kingdom of Thailand so permit by virtue of law, the Securities and Exchange Commission hereby issues the following regulations:

**Clause 1** The Notification of the Securities and Exchange Commission No. KorChor. 11/2551 Re: Definition of Related Person under Notifications relating to Issuance and Offering of Securities dated 23 September 2008 shall be repealed.

**Clause 2** Except where otherwise specified, the definitions determined in this Notification, Notifications of the Securities and Exchange Commission or Notifications of the Capital Market Supervisory Board shall be applied, in which the rules, conditions and procedures are prescribed on the following matters:

- (1) application for and approval of offer for sale of newly issued debt securities;
- (2) application for and approval of offer for sale of newly issued structured notes;
- (3) application for and approval of offer for sale of newly issued debt securities for securitization;
- (4) exemption from filing of registration statements for offer for sale of debt securities;
- (5) filing of registration statements for offer for sale of debt securities;
- (6) disclosure of information relating to financial status and operating result of issuing company;

**Clause 3** In this Notification and the forms attached with the Notifications under Clause 2:

- (1) definitions relating to type of securities:
  - (a) “debt securities” means government bonds, corporate bonds or bills of exchange;

(b) “convertible securities” means convertible bonds or structured notes;

(c) “short-term bonds” means corporate bonds with maturity date of no more than two hundred and seventy days from issuing date, but not including convertible bonds;

(d) “structured notes” means corporate bonds with repayment term in any of the following manners:

1. the value of return payment based upon the pre-specified underlying factor other than interest rate;

2. the value of principle redeemed in full or partially based upon the pre-specified underlying factor; or

3. the issuer’s right to make principle redemption or return payment or the holder’s right to receive principle or return, whether in full or partially, in the form of securities other than shares newly issued by the issuer of structured notes or other properties;

(e) “bills of exchange” means bills of exchange which are securities under the Notification of the Securities and Exchange Commission governing determination of characteristics of bills of exchange which are securities;

(f) “short-term bills of exchange” means bills of exchange payable at a future time of no more than two hundred and seventy days from issuing date or bills of exchange payable on demand or at sight;

(2) definitions relating to type of investors:

(a) “institutional investors” means:

1. commercial banks;

2. finance companies;

3. securities companies for management of proprietary portfolios or private funds or investment projects established under laws governing finance business, securities business and credit foncier business;

4. credit foncier companies;

5. insurance companies;

6. government units and state enterprises under laws governing budgetary procedures or any other juristic persons established under specific laws;

7. Bank of Thailand;

8. international financial institutions;

9. Financial Institutions Development Fund;

10. Government Pension Fund;

11. provident funds;

12. mutual funds;

13. foreign investors with the same characteristics as investors under (1) to (12), *mutatis mutandis*;

(b) “high net worth investors” means:

1. individual persons having forty million baht or more of assets, excluding liabilities of such persons;

2. juristic persons having two hundred million baht or more of assets as recorded in the latest audited financial statements;

(3) definitions relating to type of persons:

(a) “listed company” means a company whose shares are listed in the Stock Exchange of Thailand;

(b) “parent company” means:

1. a company which holds shares of the debt securities issuer more than fifty percent of the total number of shares with voting rights of the debt securities issuer;

2. a company which holds shares of the company under 1. more than fifty percent of the total number of shares with voting rights of such company;

3. a company which holds shares in all upward levels beginning with the company which holds shares of the company under 2. provided that the shareholding in each level exceeds fifty percent of the total number of shares with voting rights of the company being held;

4. a company which holds shares of the debt securities issuer, whether directly or indirectly, in an aggregate number of more than fifty percent of the total number of shares with voting rights of such debt securities issuer;

The shareholding of the company under 1, 2, 3 or 4 shall include those shares held by related persons.

(c) “subsidiary company” means:

1. a company whose shares are held by the debt securities issuer more than fifty percent of the total number of shares with voting rights of such company;

2. a company whose shares are held by the company under 1. more than fifty percent of the total number of shares with voting rights of such company;

3. a company whose shares are held in all downward levels beginning with the company whose shares are held by the company under 2. provided that the shareholding in each level exceeds fifty percent of the total number of shares with voting rights of the company being held;

4. a company whose shares are held by the debt securities issuer or the company under 1, 2, or 3, whether directly or indirectly, in an aggregate number of more than fifty percent of the total number of shares with voting rights of the company being held;

5. a company in which the debt securities issuer or the company under 1, 2, 3 or 4 has controlling power in determining financial policies and operational matters of the company in order to gain benefits from business activities of the company;

The shareholding of the debt securities issuer or the company under 1, 2, 3 or 4 shall include those shares held by related persons.

(d) “associated company” means:

1. a company whose shares are held by the debt securities issuer or the subsidiary company in an aggregate number of twenty percent or more but not exceeding fifty percent of the total number of shares with voting rights of the company being held;

2. a company in which the debt securities issuer or the subsidiary company has power to participate in making decisions on financial policies and operational matters of the company but not insomuch as to have control over such policies and not deemed as subsidiary company or joint venture;

The shareholding of the debt securities issuer or the subsidiary company shall include those shares held by related persons.

(e) “executive” means a manager, or the next four executives succeeding the manager, a person holding equivalent position to the fourth executive, including a person holding the position of manager or equivalent in accounting or finance departments;

(f) “major shareholder” means a person holding shares of the debt securities issuer more than ten percent of the total number of shares with voting rights of the debt securities issuer including shares held by related persons;

(g) “controlling person” means a shareholder or any other person who by behavior has influence over policy making, management or operation of the company in a significant manner, whether as a result of being a shareholder or authorized under an agreement or any other matter, especially a person falling under any of the following characteristics:

1. a person who has voting rights, whether directly or indirectly, more than twenty five percent of the total number of shares with voting rights of the company;

2. a person who by behavior can take control over appointment or removal from office of a director of such company;

3. a person who by behavior can take control over a person responsible for policy making, management or operation of the company to follow his order in policy making, management or operation of the company;

4. a person who by behavior takes part in the company’s operation or has responsibility for the company’s operation as director or executive, including a person who holds the position with the same authority as such person of the company;

(h) “related person” means a person or a partnership having relationship with a person in any of the following manners:

1. a spouse of such person;

2. a minor child of such person;

3. an ordinary partnership in which such person or the person under 1. or 2. is a partner;

4. a limited partnership in which such person or the person under 1. or 2. is a partner with unlimited liabilities or a partner with limited liabilities holding shares in an aggregate number of more than thirty percent of the total number of shares of such limited partnership;

5. a limited company or a public limited company in which such person or the person under 1. or 2. or the partnership under 3. or 4. holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;

6. a limited company or a public limited company in which such person or the person under 1. or 2. or the partnership under 3. or 4. or the company under 5. holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;

7. a juristic person in which such person has managing power in his position as representative of juristic person;

(i) “person who may have conflict of interest” means

1. a director or an executive of the debt securities issuer;

2. a major shareholder of the debt securities issuer;

3. a controlling person of the debt securities issuer;

4. a person having relationship by blood, marriage or legal registration with the person under 1, 2, or 3 which includes father, mother, spouse, child or other close relative;

5. any juristic person in which the person under 1, 2, or 3 holds shares or has controlling power or any other interest, whether directly or indirectly, in a significant manner;

(j) “internal person of issuer of underlying shares” means a person who is in the position that may have an opportunity to know inside information of the issuer of underlying shares as a result of shareholding structure or joint management with the issuer of underlying shares, especially a person with any of the following characteristics:

1. holding shares, whether directly or indirectly, more than twenty five percent of the total shares with voting rights of the issuer of underlying shares;

2. being held by the issuer of underlying shares, whether directly or indirectly, in the amount of more than twenty five percent of the total shares with voting rights;

3. being held, whether directly or indirectly, in the amount of more than twenty five percent of the total shares with voting rights by a person who is in the same group of the person who holds shares, whether directly or indirectly, of the issuer of underlying shares more than twenty five percent of the total shares with voting rights;

4. having a director or an executive who is in the same group of the authorized director or executive of the issuer of underlying shares;

5. having shareholding structure or management in any other manner which can demonstrate that a person wishing to file an application has control over the issuer of underlying shares or having the issuer of underlying shares as controlling person or having the same the controlling person as the issuer of underlying shares.

The number of shares under 1, 2 or 3 shall include those held by related persons of such person and, in case of such person being a juristic person, shall include those held by directors and executives in the line of work relating to issuance and offer for sale of structured notes of such juristic person.

(k) “juristic person under specific laws” means a juristic persons established under specific laws for the purpose of business undertaking;

(l) “securities finance institution” means a company licensed to undertake securities business in the category of securities finance;

(4) other definitions:

(a) “credit rating” means credit rating arranged by a credit rating agency granted approval from the Office, whether being credit rating of debt securities, debt securities issuers, debt securities guarantors, or providers of aval to issuer of bills of exchange;

(b) “exercise of rights under convertible securities” means exercise of conversion rights under convertible bonds or exercise of rights to deliver underlying securities under structured notes, as the case may be;

(c) “continual information disclosure” means any of the following actions being carried on by a debt securities issuer:

1. submitting financial statements or reports on financial status and operating result in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board by virtue of Section 56, in case of the debt securities issuer being a limited company or a public limited company;

2. complying with an agreement made with the Office in preparing financial statements or reports on financial status and operating result in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board by virtue of Section 56 and reporting to the Office without delay when there is an event under Section 57, in case of the debt securities issuer not being a limited company or a public limited company;

(d) “electronic data” means statements which are created, submitted, received, maintained or processed by electronic means;

(e) “consolidated financial statements” means consolidated financial statements of the debt securities issuer and the subsidiary company;

(f) “registration statements” means registration statements for offer for sale of debt securities.

**Clause 4** This Notification shall come into force as from 31 March 2009.

Notified this 13<sup>th</sup> March 2009.

(Mr. Vijit Supinit)  
Chairman  
Securities and Exchange Commission

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Remark: The rationale for issuing this Notification is to determine the definitions mutually used in the Notifications relating to issuance and offer for sale of debt securities.