

**Notification of the Board of Directors of the Thai Bond Market Association
Re: Standard of Practices for the Bond Market**

By virtue of Clause 20 (2) of the Articles of Association of the Thai Bond Market Association dated September 21, 2005, the Board of Directors of the Thai Bond Market Association hereby issues the followings:

Clause 1. In this Notification:

“Member(s)”	means	Member(s) of the Association;
“Trading”	means	trading of debt instrument;
“Trading Price”	means	price or yield from trading of debt instrument;
“Client”	means	the Client who trades debt instrument with the Member;
“Trading Counterpart”	means	financial institute who obtained a license to trade security which is debt instrument and to trade thereof with the Member;
“Office of the SEC”	means	the office of the Securities and Exchange Commission.

Clause 2. The Member shall comply with and supervise its director, Executive officer, Trader of debt instrument, employee or person under its direct or indirect supervision to comply with standard practice stipulated by the Association as follows:

(1) Contact with Client/ Trading Counterpart

(1.1) A for determining purchasing line for each Client/ Trading Counterpart, the member shall determine appropriate and explicit procedures/person having power to determine thereof.

(1.2) In case there is any assignment to other person in order to act on behalf of Client/ Trading Counterpart, the Member shall cause Client/ Trading Counterpart to prepare a power of attorney having details of power assigned explicitly and completely.

(1.3) The Member shall record change in the information of Client/ Trading Counterpart every time. The member shall also always update such information.

(2) Offer of Trading Price

(2.1) A Trader of debt instrument is responsible for explicit offering of trading price whether such price is Firm or only Indicative price. Unless otherwise specified, it shall be deemed that the offered price is Indicative price.

(2.2) A Trader of debt instrument who offers Firm price to Client/Counterpart shall be ready to conclude the deal under the specified conditions and standard amount.

(3) Trading of debt instrument

(3.1) The Member shall record Trade Time in particulars completely and in accordance with the actual Time of Execution.

(3.2) “Trade Time” or “Time of Execution” means the time when the Member concludes a deal with Client/ Trading Counterpart regardless of what type of Trade. Trade time shall not mean the time when the member and/or Client/ Trading Counterpart receives a written confirmation.

(3.3) In case the Trading limit of each Client/Counterpart is stipulated, the Member shall cause an inspection of the Trading limit of each Client/ Trading Counterpart prior to Trading.

(4) Non-market price Trading

The Member shall not conclude Trading out of market price unless there is reasonable ground to do so. The member shall also ensure that such Trading shall not be against the laws and ethics e.g. conceal of profits and loss, cause false price comparing to market price, make trouble for Counterpart or Client and etc.

In case of a Trading under a non-marketing price having justifiable grounds e.g. Trading under option, the Member is required to express the reasons of such Trading explicitly so that it can be inspected.

(5) Confirmation of trading

(5.1) When a trading is concluded, the member shall ensure its correction and confirm thereof to Client/ Trading Counterpart in writing on the date of Trading except for a Trading which is concluded after normal working hour. In this case, the written confirmation shall be made within 9.00 a.m. of the next working day.

(5.2) Confirmation of Trading shall contain at least the information as follows:

- Name of Client/ Trading Counterpart;
- Name of trader of debt instrument;
- Name, amount, and value of debt instrument thereof;
- Trading Price and/or yield from trading of debt instrument;
- Date and time of Trade Time and date of payment and delivery;

(6) Change, amendment, or termination of Trading

When a Trading is concluded, the Member shall comply with such agreement. Change, amendment, or termination thereof can be done only as agreed by both parties and the Member shall notify the Association of change, amendment, or termination

(7) Order of payment and delivery;

(7.1) The Member shall cause a sending of order of payment and delivery to Client/Counterpart without delay via the payment and delivery methods agreed in advance. In case of change thereof, the Member shall notify Client/ Trading Counterpart of such change immediately;

(7.2) Trading Price to be paid or to be received shall be in accordance with those agreed under the Trading and the Member shall prepare complete documents related to payments or receipts from such Trading;

(8) Liabilities in case of incorrect or late payment

(8.1) In case there is difference between a payment due to an error thereof, the member shall not receive any benefit from such error collection. In this case, the Member

shall return the difference and interest thereof after deduction of related expenses to a Trading Counterpart immediately upon requested unless otherwise agreed by the Member and such Counterpart.

(8.2) In case there is damage to a Trading Counterpart /Client due to late payment, the Trading Counterpart /Client has the right to claim for damages arising from such late payment.

(9) Tape recording or electronic information recording relating to Trading.

(9.1) The Member shall make tape recording or electronic information recording relating to each Trading for a period at less 1 month or the extended period of time as stipulated by the

(9.2) The Member shall notify Client/ Trading Counterpart of such recordings in advance.

(9.3) The Member shall keep such records of tape or information in a safe place in order to prevent misuse thereof. If there is no recording as aforementioned, the Member may lack of evidence in case of dispute.

(10) Standards of Trading

In conducting transaction, Member shall follow market conventions such as calculation formulas, standard trading volume, and type of price quoted as specified by the Association.

(11) Policy, Plan, and Operation method

The Member shall cause a preparation of written policy, plan, and operation methods including supervision of Trading in accordance with related regulations of the in charged entities and the Association. Such policy, plan, and operation methods shall always be updated.

Clause 3. In Trading with retail Client, the Member may be discharged from Clause 2 (1.1), (1.3), (3.3).

In this regard, the Member should prepare appropriate practices in order to prevent any disagreement or dispute which may be occurred due to the non-compliance under paragraph one.

Clause 4. The Extraordinary Member shall comply with this Notification mutatis mutandis except for Clause 2 (1.1), (2.1), (3.3), (7.1), (7.2), (8.1), (8.2), and Clause 3.

Clause 5. The Board shall have the power to stipulate additional practices, terminate, or change the practices for the common interest of debt instruments market.

Clause 6. This Notification shall come into effect as from December 1, 2005.

Giving on this 10th day of November 2005
 (Mr. Sommai Phasee)
 Chairman of the Board
 The Thai Bond Market Association