

**Notification of the Board of Directors of the Thai Bond Market Association**  
**Re: Administrative Sanctions concerning Reporting of Debt Instrument Trading**

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By virtue of Clause 20 (2) and Clause 68 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 Regulations as follows:

**Clause 1** The Notification of the Board of Directors of the Thai Bond Market Association Re: Administrative Sanctions concerning Reporting of Debt Instrument Trading dated April 24, 2012 shall be repealed.

**Clause 2** In this Notification:

“Association”	Means	The Thai Bond Market Association;
“Member(s)”	Means	Member(s) of the Association;
“Late Transaction”	Means	Outright Transaction which is not reported in accordance with the time as stipulated in Clause 8 of The Notification of the Board of Directors of the Thai Bond Market Association Re: Terms, Conditions, and Procedure concerning Reporting of Debt Instrument Trading transaction and reported within the next working day from the date of trading but not including Outright Transaction of debt instruments with less than one year maturity incurred from auction;
“Error Transaction”	Means	(1) Transaction that contains an error or incorrect which is reported by Ordinary and Associate Members before 4:00pm. without correction

		or cancelation of such transaction before 4:00pm. or
		(2) Transaction that contains an error or incorrect which is reported by Extraordinary Member without correction or cancelation of such transaction;
“Missing Transaction”	Means	Trading transaction required to be reported but fail report to the Association or report later than one working day from trade date;
“Outright Auction Transaction”	Means	Transaction incurred from Auction through Member.
“Small lot Transaction”	Means	Transaction which has value trade per transaction stipulated by Association.

**Clause 3** Under this Notification , practice of non-compliance with terms, condition, and procedure concerning Reporting of Debt Instrument Trading transaction not including the trading transaction caused by force majeure or trading transaction which is requested from customer to amend or cancel later.

**Clause 4** Non-compliance with Terms, Condition, and Procedure concerning Reporting of Debt Instrument Trading transaction shall be fined as follows:

4.1 For Late Transaction, the fine shall be 30 THB per transaction;

4.2 For Late Transaction exceeding 5% of total Outright Transactions of such Member which is continued for 3 consecutive months, the fine shall be 5,000 THB in the third month and 10,000 THB in the fourth consecutive month and shall be fine additional 10,000 THB in the following months in progressive rate if Late Transaction continues to exceed 5%;

4.3 For Error Transaction, the fine shall be 100 THB per transaction;

4.4 For Missing Transaction, the fine shall be 100 THB per day until Member reports such transaction. The maximum level of the fine shall not exceed 30 business days per transaction.

The maximum level of the fine in each Clause mentioned above (Clause 4.1- 4.4) shall not exceed 300,000 THB.

**Clause 5** The fine charge according to Clause 4 shall not apply to the following Late Transactions:

5.1 Late Transaction not exceeding 1% of the total number of Outright Transactions which Member reports to the Association in each month;

5.2 Late Transaction not exceeding 6 transactions or the average number of Late Transactions not exceeding 1% in a half calendar year.

5.3 Error Transaction does not create affect to the Bond Market and insignificant or has very low affect to bond price such as

5.3.1 Yield amendment equal or less than 0.01% (1 basis point);

5.3.2 Symbol amendment for bond with duration less than 1 year and has next series i.e. series A to B;

5.3.3 Settlement date amendment;

5.3.4 Small lot amount amendment.

**Clause 6** Missing Transaction according to Clause 4.4 shall be fined in a maximum of THB 30,000 for the total transactions as follows:

6.1 Debt instrument whose value is less than THB 1 million per transaction or

6.2 Short-term debt instrument whose term is not exceeding 1 year and which is sold to the counterparty by Outright Auction Transaction.

A fine shall be calculated from the reporting date every half calendar year.

**Clause 7** Error and Missing transactions that are found by Internal audit unit or compliance unit of Member and report to the Association, the fine shall be reduce in a half of total fines with the maximum of 100,000 THB.

**Clause 8** In case that the Association notify Member in writing to examine and report correct transaction to Association including ordered to take remedial action for implementing measures for improvement and prevention of Missing Transaction and Member has proceeds

to resolve within the specified period, a fine according to Clause 4.4 shall not be applied to the Transaction which is reported after an order of the Association.

**Clause 9** Managing Director of the Association shall have an authority to consider and order Member to examine and report correct transaction to the Association, to order the penalty for Late Transaction, Consecutive Late Transaction, Error Transaction, or Missing Transaction. The result of penalties shall be reported to a Disciplinary Committee in the next meeting after an order of punishment.

**Clause 10** A Disciplinary Committee shall have the power to increase the penalty besides that provided in Clause 4 if it is believed that there is intention not to report according to the Terms, Conditions, and Procedure concerning reporting of Debt Instrument Trading transaction and it affects trading or mark to market. An increase of penalty shall comply with the Disciplinary procedures performed by Disciplinary Committee.

**Clause 11** This Notification shall come into effect from January 21, 2014.

Given on this 21<sup>st</sup> day of January 2014

(Mr. Bandid Nijathaworn)  
Chairman of the Board  
The Thai Bond Market Association