

(Translation)  
Regulations  
Thai Bond Market Association  
(Codified)

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Thai Bond Market Association is an association dealing with securities business. The Association was founded by virtue of the provisions of The Securities and Exchange Act B.E. 2535 (A.D.1992) and supervised by the Office of the Securities and Exchange Commission.

Section I  
General Provisions

**Article 1** This Association is named “Thai Bond Market Association”

**Article 2**<sup>1</sup> The Association is located at 900 Tonson Tower 10<sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

**Article 3**<sup>2</sup> (Repealed)

**Article 4** In these Regulations:

“Regulations”	means	the Regulations of the Association
“Association”	means	Thai Bond Market Association
“Member”	means	the member of the Association
“Securities Company”	means	a juristic person licensed to engage in the trading of securities business
“Board”	means	the board of the Association
“Director”	means	the director of the Association
“President”	means	the president of the Association
“Registered Debt Securities”	means	a debt securities registered with the Association
“Office of the SEC”	means	the office of The Securities and Exchange Commission
“The SEC”	means	The Securities and Exchange Commission
“Executive Officer”	means	an executive of a member appointed to act as representative of the member

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<sup>1</sup> Amended by the Regulation of Thai Bond Market Association amended (No. 6) B.E. 2559 dated April 27, 2016

<sup>2</sup> Repealed by the Regulation of Thai Bond Market Association amended (No. 6) B.E. 2559 dated April 27, 2016

“Compliance Officer”	means	an executive of a member having supervisory power to ensure compliance by members in their performance
“Trader”	means	a member’s officer appointed to act as a representative in debt securities trading and registration with the Association
“Trading”	means	trading of the debt securities
“Trading Price”	means	price or yield from the debt securities trading
“Client”	means	a client who trades the debt securities with the member
“Trading Counterpart”	means	a financial institution having the debt securities trading license and trading the debt securities with the Member
“Major Shareholder”	means	any person who directly or indirectly holds shares in member companies more than 10% of number of shares with full voting rights of the company
“Order of Punishment” <sup>3</sup>	means	orders of the Board, orders of the President and orders of sub committees resulting in punishment to any person breaching or involving in breaching of the provision of the Association
“Procurement”	means	acquisition of materials or services purposes as the case may be
“Material”	means	office supplies, furniture, office decorations and equipment, vehicles, item used for maintenance or repairing, books, notifications and printing forms required to conduct normal business of the Association
“Services”	means	hire of work, hiring of labor, renting or hire of service contractor but excluding hiring of regular employees of the Association
“Special Project”	means	any projects of the Association received funding by government or other sectors

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<sup>3</sup> Repealed and amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

“Provision of the Association”<sup>4</sup> means the regulations, notifications, rules defined by the Board and the Association in order to force to the Member, the trader and the person filing an application for debt securities registration

## Section II Objectives

**Article 5** Objectives of the Association are:

- (1) To be a debt securities market information center and providing services of the debt securities;
- (2) To promote and develop the debt securities market and transactions involved the debt securities by taking into account the benefits of the Member and market participants in the debt securities market;
- (3) To promote, develop and prescribe standards and procedures in conducting the debt securities business;
- (4) To supervise the Member to comply with the rules and regulations, the Regulation, Code of Conduct and the standard of procedures in debt securities market;
- (5) To promote and support the research education regarding the debt securities including giving advices, providing professional views of related subjects as well as publicizing information involving the debt securities market;
- (6) To promote relationship and cooperation among the Member;
- (7) To compromise and resolve disputes over conducting the debt securities business between the Member or between the Member and the third parties;
- (8) To carry out activities for public benefits or work on other activities to satisfy the Association’s foregoing objectives.

Furthermore, the foregoing objectives are all non-political.

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<sup>4</sup> Amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

**Section III**  
**Member and Membership**

**Article 6**<sup>5</sup> The Member of the Association consists of the Securities Company which is founding members of the Association and other securities companies which are admitted as Member by the Board pursuant to these Regulations.

The Member of the Association can be categorized into 3 types as follows:

- (1) Ordinary Member is Securities Company licensed to engage in the trading of debt securities;
- (2) Extraordinary Member is Securities Company licensed to be Inter-dealer Broker;
- (3) Associate Member is Securities Company licensed to engage in the trading of debt securities but limiting to those who have outright debt securities trading value at the average of less than one hundred million (100,000,000) Baht per month for the past calendar year and wish to be Associate Member of the Association.

When the outright trading value reaches at least one hundred million Baht per month for the past calendar year, the Associate Member shall pay the balance of the admission fee according to Article 116 (1) (c). The Associate Member shall thereby be changed its status to be Ordinary Member.

**Article 7** A Securities Company possessing the qualification prescribed in Article 6 wishing to apply for membership shall submit an application therefore to the Association in the forms pursuant to the rules, terms and condition and procedure as prescribed by the Association.

**Article 8** After the Association checked and verified the qualification of the applicant and deems that it is complete accuracy, the Association shall submit the application to the next Board meeting for consideration and approval.

**Article 9** In considering and approving a membership application, the Board may make the following requests:

- (1) That the applying Securities Company submits additional evidence, documents, and information;
- (2) That the executives of the applying Securities Company attend an interview to be conducted by the Board, the President or any other person assigned by the Board.

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<sup>5</sup> Article 6(3) repealed and amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

**Article 10** When the Board resolves to approve and admit an applying Securities Company as a Member, the Association shall notify the applying Securities Company in writing of the approval and shall set the time within which the applying Securities company shall pay the membership admission fee or the membership transfer fee, as the case may be, the annual fee and other service fees at the rate and within the periods set by the Association.

**Article 11** After the Association has received the membership admission fee or the membership transfer fee, as the case may be, the annual fee, and the services fees under Article 10, the applying Securities Company shall be deemed to be a Member as of the date of receipt in full by the Association of such fees or any date specified by the Board of which shall not be later than the date the applicant has paid the fee in full. The Association shall then announce the name of the new Member to the other Members.

**Article 12** If it appears that:

- (1) the facts or other evidence notified or submitted by the applying Securities Company to the Association for consideration in connection with the application differs from the truth; or
- (2) the applying Securities Company fails to pay the membership admission fee, annual fee or the membership transfer fee, as the case may be, to the Association within the period specified by the Board pursuant hereto.

The Board may modify or cancel its resolution having had admitted the applying Securities Company as a Member.

**Article 13** A Member may transfer its membership to another Securities Company pursuant to the rules, terms and conditions and procedure prescribed by the Board. The provision of article 6 to 12 shall apply, mutatis mutandis, to the transferee Securities Company.

#### **Section IV**

#### **Rights and Obligations of Members**

**Article 14**<sup>6</sup> The Member shall have the following rights:

- (1) To participate in the meetings, discuss and give opinions in the general meeting of the Association and only Ordinary Members and Extraordinary Members have the rights to vote the Board election;
- (2) To propose the opinions or recommendation to the Association and the Board concerning the Association's business;

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<sup>6</sup> Article 14 repealed and amended by the Regulation of Thai Bond Market Association amended (No.4) B.E.2554 dated May 23, 2011

(3) To use the services made available by the Association pursuant to the rules, terms and conditions and procedure prescribed by the Association.

**Article 15** The Member shall be obligated to do the following:

- (1) To strictly comply with the rules, Regulations of the Associations, disciplines, Code of Conduct of the Member and standard procedure of the debt securities market, resolution of the meetings and resolutions of the Board;
- (2) To appoint an Executive officer and a Compliance Officer and a Trader to represent the Member. The Member shall supervise them to ensure their compliance with the Code of Conduct of the Member and standard of procedure of the debt securities market, and rules and regulations of the Association;
- (3) To report trading prices and information relating to the trading of debt securities pursuant to the terms and conditions and procedures prescribes by the Association;
- (4) To prepare and keep the records of documents and evidence including accounting records of the trading of debt securities for the benefits of auditing pursuant to the terms and conditions and procedure prescribed by the Association;
- (5) To be accountable for the performance of the Director, employees involved in the Trading of debt securities;
- (6) To submit reports and financial statements on the forms and pursuant to the terms and conditions and procedure prescribed by the Association;
- (7) To pay the membership admission fee or membership transfer fee, the annual fee and the service fees to the Association in accordance with the rules and regulations prescribed by the Board;
- (8) To maintain the honor, benefits and interests of the Association;
- (9) To promote and support the activities of the Association, as well as to participate in research and education and to express views beneficial to the development of debt instrument market in general;
- (10) To notify the Association upon having knowledge that any other Members breach or fail to comply with sub-clause (1).

**Section 5**  
**Board of Directors of the Association**

**Article 16**<sup>7</sup> The Board of Director shall have no more than 11 members, consisting of 1 president who shall be a director by position and the person elected by the Ordinary and Extraordinary Members not more than 10 persons, of whom not less than 3 directors shall be independent directors.

**Article 17**<sup>8</sup> The independent directors under Article 16 shall not be executive, director, president, person who having day-to-day managerial powers, personnel, employees, or major shareholders of the Member.

**Article 18**<sup>9</sup> A Board of Directors shall jointly elect any director except for the President to be a Chairman of the board, Vice-Chairman, Audit Committee, Chairman of the Audit Committee and any other officers as a board deems appropriate.

A Board of Directors shall appoint the President. The President shall be entitled to receive such salaries and other remunerations as specified by the Board.

The President appointed by the Board shall not be counted as an independent director.

Qualification, obligation, responsibility and number of Audit Committee are prescribed by the Board. Additionally, the chairman of the Audit Committee shall be an independent director.

**Article 19** Whenever there is change in Directors, the Association shall notify the new name and position to the Office of the SEC to register the change within 30 days of the change.

**Article 20** The Board shall have the following duties:

- (1) To prescribe policies for managing the Association in accordance with objectives, the Regulations and resolutions of general meetings;
- (2) To issue rules, regulations, announcement, orders of the Association;
- (3) To prescribe the code of conduct for the Association;
- (4) To consider the admission and termination of a Member;
- (5) To consider the taking of disciplinary action against any Member who braches the rules, regulation, notifications, orders and code of conduct of the Association;
- (6) To appoint sub committees and advisors of the Association

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<sup>7</sup> Article 16 repealed and amended by the Regulations of Thai Bond Market Association amended (No.3) B.E.2553 dated May 10, 2010 and the Regulations of Thai Bond Market Association amended (No.4) B.E.2554 dated May 23, 2011.

<sup>8</sup> Article 17 repealed and amended by the Regulations of Thai Bond Market Association amended (No.4) B.E.2554 dated May 23, 2011

<sup>9</sup> Article 18 repealed and amended by the Regulations of Thai Bond Market Association amended (No.3) B.E.2553 dated May 10, 2010

**Article 21** A Director shall possess the qualifications and shall not subject to the restrictions as follows:

- (1) Being of Thai Nationality;
- (2) Not being or having been a bankrupt person except having been relieved from bankruptcy not less than three years;
- (3) Not being an incompetent person or quasi-incompetent person;
- (4) Not having been punished with imprisonment by a final judgments, except a punishment for an offence committed with negligence or for a petty offence.

**Article 22** In electing the Directors, the Ordinary Members and/or Extraordinary Members shall nominate persons who are qualified and are not subject to the restrictions under Article 21 and who are suitable in the opinion of the Members to be appointed as Directors for the consideration at the meeting of Members, each nominee is to be seconded by not less than two other Ordinary or Extraordinary Members.

The nomination in the first paragraph shall have the prior consent of the nominee. If the nominee is not present at the meeting, his consent in writing shall be obtained.

**Article 23** The Ordinary Members and Extraordinary Members shall elect such number of Directors as are then required from among the nominees pursuant to Article 22 and to be elected equal to the number that must be elected at that time.

**Article 24** The persons to be elected Directors shall be those who receive the highest number of votes in descending order. If there is more than one person receiving the next highest number of votes, it shall be decided by drawing lots.

**Article 25** The casting of votes for the election of the Director shall be made by means of an open vote unless a confidential vote is requested by the Board or by any Ordinary Members or Extraordinary Members present at the meeting.

**Article 26** The Director, except the President, shall be in office for a term of three years each, but initially upon the lapse of one year, the Director, except the President, shall retire from office by one-third or closest to one-third in number by drawing lots. The second one-third of the Director, shall retire from office in the second year by drawing lots except that the Directors themselves shall reach other agreement otherwise. For the third and the following years the Director who has hold the office the longest shall retire next. The Director so retiring by drawing lots shall be deemed to have retired by rotation.

The Directors to replace those retiring under this Article may be elected equal in number to the retiring Directors in relation to which the provisions of article 16 shall apply *mutatis mutandis*.



**Article 27**<sup>10</sup> When the Director retires from office by rotation, a new Director will be elected within sixty days [of retirement from office of the previous Directors]. The retiring Director shall continue in office until such time as the new Director assumes duty.

A Director retiring by rotation may be re-elected, but may hold the Director's office for not more than two terms consecutively.

The President shall be in office for a term of four years, and may hold the Director's office for more than two terms consecutively.

**Article 28** Besides retirement from the office by rotation, a Director shall be vacated upon:

- (1) Death;
- (2) Resignation;
- (3) Lack of qualifications or possession of prohibited characteristics under Article 21
- (4) Removal by the resolution of the SEC;
- (5) Removal by the resolution of the meeting of Members.
- (6) Lack of qualifications or possession of prohibited characteristics under Article 17

The content of (6) is only applied to the independent directors.

**Article 29** The election and removal of the Board pursuant to the resolution of the meeting of Members shall be decided by majority votes of Ordinary and Extraordinary Members present at the meeting. The votes shall be accounted for in two parts, as follows:

Part 1 (75%) counting shall be made of the votes of Ordinary and Extraordinary Members, each of whom shall have one vote; and

Part 2 (25%) counting shall be made of votes of Ordinary and Extraordinary Members by reference to each Member's outright trading value during the period of one (1) year ended on the date 30 days prior to the voting.

The trading value of the Extraordinary Member to be counted shall be ten percent of the one way transaction value of that Extraordinary Member.

**Article 30** When a Director vacates his office before the expiration of his term, the remaining Directors may appoint a new Director to replace the vacating Director, provided the number of Directors shall be as stipulated in Article 16, and the Director so appointed shall retain his office during such time only as the vacating Director was entitled to retain the same.

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<sup>10</sup> Last paragraph of Article 27 repealed and amended by the Regulation of Thai Bond market Association amended (No. 3) B.E.2553 dated May 10, 2010

**Article 31** The Meeting of the Board shall be held at least once every quarter.

In case that the Chairman of the Association, President, or not less than one-third of Directors deem appropriate, a special Board meeting may be called.

**Article 32**<sup>11</sup> Not less than one-half of the total number of Directors must be present at their meeting to constitute a quorum.

At the meeting of the Board, if the Chairman of the Board is not present or is unable to perform the duty at the meeting, the vice-chairman, if there is one, shall be the chairman of the meeting. If there is no vice-chairman, or if the vice-chairman fails to attend the meeting, the Directors at the meeting shall elect one of the Directors presented at the meeting to preside over the meeting.

The meeting of the Board may be held through electronic meetings.

**Article 33**<sup>12</sup> The resolution of the meeting of Directors shall be decided by a majority vote presented at the meeting. Each Director shall have one vote. In case of a tie vote, the Director presiding over the meeting shall have an additional vote as a casting vote.

In the resolution for order of punishment on termination of membership, the resolution shall be approved by at least three-fourth of the Board excluding Directors who have a conflict of interest. Each Director shall have one vote. A Director who has a conflict of interest in such matter shall not participate in the decision of that resolution.

**Article 34** A Director who has an interest in any resolution shall not participate in the decision of that resolution.

**Article 35** The Board shall appoint various committees as follows:

(1) *Market Practice Committee*; to consider and provide recommendation on standard of practices in the bond market in various aspects in order for the market to be efficient, appropriate and be on par with international standard. The Committee shall consist of representatives of Members, Board, the SEC, Bank of Thailand, Federation of Accounting Professions, The Association of Investment Management Companies, Mutual Fund Supervisors and honorary committees from various sectors;

(2) *Market Regulation Committee*; to consider and provide recommendation to establish and expand the roles of the Association as Self Regulatory Organization, as well as recommending ways to promote ethics and standard of good practice of the bond market and traders. The Committee shall consist of representatives of Members, Board, the SEC, Bank of Thailand,

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<sup>11</sup> Article 32 repealed and amended by the Regulation of Thai Bond Market Association amended (No. 9) B.E.2563 dated April 23, 2020

<sup>12</sup> Article 33 repealed and amended by the Regulation of Thai Bond Market Association amended (No. 7) B.E.2560 dated May 4, 2017

Federation of Accounting Professions, The Association of Investment Management Companies, and honorary committees from various sectors;

(3) Market Information Committee; to consider and recommend ways to promote and expand the roles of the Association as the information center for debt instruments and to promote efficiency in bond information management to be able to cope with the needs of the market participants. The Committee shall consist of Members, the Board, the SEC, Bank of Thailand, TRIS, the Association of Investment Management Companies, and honorary committees from various sectors.

Qualification, duty and responsibility and numbers of the Committees shall be determined by the Board.

**Article 36** The Board may appoint advisor(s) and additional committees to those stipulated in Article 35 to consider and provide recommendation involving any Association's activities designated by the Board. The advisor(s) and the committees shall have a specific term of office and shall receive the remuneration determined by the Board.

Quorum and resolution of the subcommittees pursuant to this Article, if the Board has not prescribed otherwise, Article 32, 33 and 34 shall apply *mutatis mutandis*.

**Article 37**<sup>13</sup> The President must:

- (1) Possess qualifications and not be subject to the restrictions stipulated in Article 21;
- (2) Be able to work on a full-time basis for the Association.

**Article 38** The President has the duty to manage the operation of the Association in accordance with the policy and the rules and regulations of the Association and has authority over the officers and employees of the Association.

The President shall in the management of operation of the Association be responsible to the Board.

**Article 39** The Board represents the Association in any business dealing with a third party, and for this purpose, the Board may delegate his power in writing to the President to undertake any activity on the Board's behalf, provided that such delegation of power does not contrary to the rules or regulations prescribed by the Board.

**Article 40** When the President position has become vacant or when the President is unable to fulfill his or her duty, the Board shall appoint a Director or personnel of the Association temporarily to act as President. In this regard, the acting President shall have the same power and duty as the President.

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<sup>13</sup> Article 37 repealed and amended by the Regulation of Thai Bond market Association amended (No. 3) B.E.2553 dated May 10, 2010

**Article 41** The chairman, the vice-chairman, and the Directors shall be entitled to receive such remuneration as specified at a meeting of Members.

The chairman, the vice-chairman, and the Directors who work for the Association on the full-time basis or upon the condition of time prescribed by the Board shall be entitled to receive such salaries and other remunerations as specified by the Board.

The President shall be entitled to received salaries and other remunerations as specified by the Board.

## Section VI

### Code of Conducting Business

#### Chapter I

##### Code of Conduct of the Member

**Article 42** Members shall strictly comply with the code of conduct requirements. The Members shall cause directly or indirectly its directors, executives, personnel or any persons under its control to strictly comply with the etiquette requirements. If any such person breaches or fail to comply with the code of conduct requirements, that Member shall be deemed to be in breach of the code of conduct.

**Article 43** Honesty as a Professional

Members shall conduct their business honestly and ethically in dealing with clients or general public and securities companies as well as with other Members.

**Article 44** Fairness and Knowledge

Members shall deal with their clients or trading counterparts fairly and non-discriminately and provide them with services dedicatedly with skills, knowledge, prudence, sufficient information and well-referenced documents.

**Article 45** Conflict of Interest

Members shall devise measures to efficiently prevent conflict of interest by disclosing information, declining to provide services or taking other appropriate measures. If such conflicts arise despite preventive measures, Members must treat their clients fairly and equitably. Members shall refrain from taking advantage of clients.

Members shall disclose to their clients / counterparts if the Members have direct or indirect conflict of interest in the services to be provided.

**Article 46** Independence

Members shall conduct their business independently by not promising to offer nor receive compensation or benefits (bribery) that conflict with the duties of Members, employees or their representatives to their clients in the conduct of business.

**Article 47** Prevention of Illegal Transaction

Members shall be prohibited to assist or encourage any persons to engage in illegal activities that violate securities and securities market laws or to commit dishonest acts involving assets or to engage in any acts endangering the national security or economy, as well as to conceal or take part in embezzlement or disposal of such assets.

**Article 48** Responsibilities to Clients

(1) Service agreement and responsibilities to clients.

In preparing service agreements or juristic acts to provide investment details on their service, Members shall provide adequate details on their service principles to clients.

Members shall not produce any letters or contracts that cancel or restrict the Members' responsibilities to clients according to applicable laws and regulations of the regulators;

(2) Undertake to provide proper and best prices to clients.

In trading debt instruments for and with clients, Members shall adequately ensure that the executed prices for clients shall be fair, best and proper under the prevailing market situation by considering various factors, such as, liquidity of the market and debt instruments, volume and types of transactions, source and quantity of quoted prices at the time.

(3) Discontinuing of services

Should Members wish to discontinue doing business with any counterparts or clients, Members shall ensure that outstanding tasks are either completely done or smoothly transfer to other companies.

**Article 49** Confidential Information of Clients/Counterparts

Members shall keep information relating to clients and counterparts in strict confidence.

Members shall not disclose personal information, trading information or financial data of clients/ counterparts obtained by dealing business and such confidential information should not be disclosed to public in normal practice except that the disclosure is done to comply with the law or with consent from involving parties.

**Article 50** Business Dealing with Clients/ counterparts

(1) Business dealing

In business dealing, Members shall execute clients/counterparts' orders fairly. When deals are concluded, Members shall immediately act on such agreements.

(2) Control of trading limits

At all times, members shall manage to strictly control bond traders to keep track of their trading value to stay within their responsible trading limits and strictly control and manage associated risks when trading with each client/counterpart.

**Article 51** Characteristic of Wrongdoing

Members shall refrain from wrongdoing in accordance with the regulations prescribed by The Association.

**Article 52** Communication and Investment Recommendation

(1) Members shall assign the personnel to be responsible for contacting and providing recommendation to clients in accordance with rules and regulations prescribed by the SEC and shall supervise such personnel to comply with rules and regulations prescribed by the SEC.

(2) In providing recommendations or presentation of information or dissemination of investment information about any debt instruments, Members shall exercise reasonable diligence, knowledge and expertise based on logics and academic explanation. Members shall not provide recommendations or information that may mislead the clients in the material investment facts.

(3) Members shall get to know their clients / counterparts by at least preparing documents showing the existence of the clients / counterparts or their authorized personnel who make trading decision, if the clients / counterparts are juristic persons

(4) In communicating with retail clients, Members shall disseminate the information, prepare necessary documents, and provide investment recommendation in accordance with rules and regulations prescribed by the SEC.

**Article 53** Public Interest

Members shall cooperate in any activities of public interests as a matter of priority over their own interests.

**Article 54** Relationship Towards Business Partners

Members shall refrain from spreading damaging accusation against other Members or engaging in any activities to create division or conflicts among business partners except that such activities engaged or business conducted by the counterparts are deemed to breach the rules and regulation, illegal or against ethics requirement. In such cases the Members shall immediately report the incidents to the regulatory bodies.

**Article 55** Relationship with the Regulators

(1) Cooperation

Members shall cooperate and provide detailed information to regulators who are authorized to monitor the Members' operations and trading of debt instruments, and investigate complaints made by their counterparts.

(2) Information Disclosure

Members shall inform their regulatory bodies without delay if there is any information on law-violated conduct that qualifies for disclosure.

**Article 56** Organization structure and Internal Control

(1) Organization Chart

Members shall organize and manage their organization to facilitate productivity, strict internal controls, efficient recording of information, and proper measures of protections of accessing departmental confidential information from other departments or unauthorized personnel or Members (Chinese wall). Members should have sufficient and capable human resources in operating business and have operational guidelines that are in accordance with relevant rules and regulations and shall supervise their bond traders to conform to such rules and regulations.

(2) Authorization of Power and Responsibility

Members shall appoint and authorize appropriate management and staff of bond traders to carry out operations on behalf of the company; such appointment and authorization must be made in writing. Members are held accountable for the actions of their authorized management and traders.

(3) Maintenance and Classification of Client's Assets

Members shall maintain and protect client's assets appropriately and classify them clearly.

(4) Control of Client Accounts / Counterparts

Members shall not allow clients to trade beyond their means or account limits. There shall be reviews to determine the proper account limits on regular basis.

**Article 57** Compliance with Laws, Rules and Regulations

(1) Operation in complying with Laws, Rules and Regulations

Member shall operate in accordance with laws, rules or Regulations and shall not take part or assist others to violate laws, rules or Regulations.

(2) Recording and Collecting Information

Members shall keep sufficient and comprehensive records and shall make them available for examination by regulators.

(3) Receipt of complaints made by Clients/ Counterparts

Member shall establish procedures on handling complaints from counterparts and clients, and shall notify these parties of the alternatives they have under existing laws and regulations to resolve disputes.

(4) Registration of Debt Securities Traders and Training of code of conduct

Member shall appoint debt instrument traders who have registered with the Association pursuant to the rules and procedures prescribed by the Association, and shall organize training on code of conduct for bond traders on an on-going basis.

(5) Accuracy of Financial Reports

Members shall prepare updated, accurate and complete financial reports as well as disclose or disseminate the financial reports prescribed by the regulatory bodies.

**Article 58** Financial Stability

(1) Capital Sufficiency

Members shall maintain sufficient capital for conducting business and dealing with risks that may arise from operations.

(2) Liquidity and quality of assets

Members shall ensure that assets earned from the business operation are sufficiently liquid and of good quality.

**Article 59** Contingency Plan

Members shall establish and implement contingency plans for the treasury operations of both their front and back offices to ensure that these operations will continue with minimal disruption in the event of disaster or crisis. The plan should be reviewed regularly to keep it updated and relevant.

**Article 60** Extraordinary Members shall observe ethics requirement in this sub-section mutatis mutandis; but will be exempted from the provisions of Article 52 and Article 57 (4).



**Chapter II**  
**Code of Conduct for Managements and Traders**

- Article 61** The managements and Traders shall observe the same sub ethics requirement for the Members set forth in chapter 1 as well as other related ethics requirement *mutatis mutandis*.
- Article 62** Entertainment, Gifts and Favors
- (1) Management shall formulate guidelines to limit excessive or too frequent offering or receiving of gifts or any benefits from outside parties.
- (2) Traders shall notify their management when they are offered unusual or excessive entertainment, gifts, favors, or other benefits.
- Article 63** Professional standards of operation
- Managements and Traders shall behave professionally by not committing or involving with any activity that appear unfit for a professional, such as gambling, or consume alcoholic drink during office hour, etc.
- Article 64** Dealing for Personal Account
- The Management shall carefully consider whether or not they should allow heir traders to trade for their own account. If this practice is allowed, management must ensure that adequate guidelines and regulations are established to prevent abuse or insider trading in any form. Traders shall strictly adhere to their employer’s established guidelines on dealing for personal account.
- Article 65** Trading of Debt Securities Terminology
- Traders shall use clear and unambiguous language when dealing to prevent misleading and to ensure that Trading of Debt Securities terminology and convention are observed.
- Article 66** Disputes with counterparts or clients
- If the counterpart/ clients refuse to execute a trade as previously agreed or there is any other dispute related to debt instrument trading, traders shall inform management immediately and prepare related reporting documents.
- Article 67** Exploitation of the wrongful duties
- The Trader shall not utilize their duties to wrongfully benefit themselves.

**Section VII**  
**Disciplines and Sanction of the Member**

**Article 68** Any Members breach or fail to comply with its obligations as prescribed by The Association, the Board may resolve to take any disciplinary actions against the Member as follows;

- (1) Warning;
- (2) Probation;
- (3) Fine;
- (4) Barring from any rights conferred to Members;
- (5) Revocation of membership pursuant to Article 110 (3).

**Article 69** Any Members breach or fail to perform duties of Members as prescribed by The Association and the Board considers and deems that the said charge was committed or taken part by directors, personnel or employees of the Members, the Board may order such Members to punish those directors, personnel or employees of the Members as the Board deems appropriate.

**Chapter I**  
**Disciplinary Procedures and Actions**

**Article 70** The Board shall appoint one or more Disciplinary Committees to consider the wrongdoing and mete out punishment and shall perform duty prescribed by this Regulation.

**Article 71**<sup>14</sup> A Disciplinary Committee shall consist of 5 members consisting of 2 Directors representing the Association and at least 3 members from non-member companies comprising of at least one expert in securities business and one expert in law.

The Board shall appoint a chairman from the Committee pursuant to the first paragraph.

The President shall appoint at least one employee of the Association to act as secretary of the Committee to gather relevant facts and evidences, examine and present his/her views, facts and relevant and applicable laws to the Disciplinary Committee as well as to perform other activities as needed to fulfill the duty prescribed by this Regulation.

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<sup>14</sup> Article 71 repealed and amended by the Regulation of Thai Bond market Association amended (No. 4) B.E.2554 dated May 23, 2011

**Article 72**<sup>15</sup> The Disciplinary Committee shall be in office for a term of 3 years.

When the Disciplinary Committee members retire from the office when their term of office expires, the Board shall appoint new Disciplinary Committee members. In the interim, the retiring Disciplinary Committee shall continue in office until such time as the new Committee members assume duty.

**Article 73** Besides retirement from office when term expires, the Disciplinary Committee members shall retire from office upon:

- (1) Death;
- (2) Resignation;
- (3) Final judgment of receiving order;
- (4) Being an incompetent person or quasi-incompetent person;
- (5) Having been punished with imprisonment by a final judgment except a punishment for an offence committed with negligence or for a petty offence;
- (6) Removal by the resolution of the Board;
- (7) Lack of the qualifications under Article 71

In the event that the Committee member vacates his office before the expiration of his term, the Board may appoint other person to replace the vacating Committee member to serve the remaining term.

**Article 74** For the meeting quorum and resolution of the Disciplinary Committee, Article 32, 33 and 34 shall apply *mutatis mutandis*. Additionally, if any Disciplinary Committee member has dissenting opinion, such opinion shall be written with supporting reasons in the meeting minutes. Such Disciplinary Committee member may also present his dissenting opinion in writing.

**Article 75**<sup>16</sup> The Disciplinary Committee shall have the power to consider the charge and mete out punishment to the Members and bond traders who committed or took part in the breach of rules and regulations of the Association except for the following:

- (1) Revocation of the membership;
- (2) Other cases as prescribed by the Board

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<sup>15</sup> Article 72 repealed and amended by the Regulation of Thai Bond market Association amended (No. 3) B.E.2553 dated May 10, 2010 and the Regulation of Thai Bond market Association amended (No. 5) B.E.2555 dated April 24, 2012

<sup>16</sup> Article 75 repealed and amended by the Regulation of Thai Bond market Association amended (No. 4) B.E.2554 dated May 23, 2011

**Article 76** Should it appear that the said charge or doubt leads to believe that Provisions of the Association were breached, the President shall consider the relevant facts and information

- (1) If the President deems that there is reasonable reason ground to believe the charge, shall gather and collect the facts, relevant evidence and prepare his opinion with supporting reasons and the relevant and applicable laws presented to the Disciplinary Committee and shall notify the charge to the accused in writing.
- (2) If the President deems that it is groundless, the President shall order to stop the consideration and shall report to the Disciplinary Committee. If the Disciplinary Committee does not agree with the decision, it may order to continue the consideration in accordance with (1).

If it appears that the case under consideration is beyond the jurisdiction of the Disciplinary Committee in accordance with Article 75 (1) or (2), The Disciplinary Committee shall render opinion and forward the case to Appeal Committee within 15 days for consideration and proceeding according to Article 97.

**Article 77**<sup>17</sup> Letter of notification shall compose the following:

- (1) Name and address of the accused;
- (2) The description of disputed accused actions as well as circumstances in connection therewith;
- (3) Identify and refer to the applicable rules and regulations of the Association to be breached;
- (4) Period to clear up the charge shall not exceed sixty (60) days from the date of receiving letter of notification.

**Article 78** To proceed according to the provision of this Regulation, the accused may act on his own motion or delegate his right to other persons to do on his behalf.

**Article 79** Proceedings shall be expediently carried out and completed. However, the accused shall be given full opportunity to clear the accusation and present his side of supporting witnesses and documents as evidence in support of his contentions.

The clarification and explanations, according to the first paragraph, shall be made in writing except that the Disciplinary Committee may permit the accused to answer therefore orally before the Disciplinary Committee.

To clarify and answer orally according to the second paragraph, the secretary shall record the proceedings and shall be signed by the accused as written evidence.

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<sup>17</sup> Article 77 (4) repealed and amended by the Regulation of Thai Bond market Association amended (No. 4) B.E.2554 dated May 23, 2011

**Article 80** The accused at his discretion, may or may not make and answer to the Disciplinary Committee. The secretary shall then report to the Disciplinary Committee after such period set forth in Article 77 lapsed in order to set the date to begin the proceeding. The Disciplinary Committee is authorized to proceed the consideration of the charge and render decision in the absence of such answer.

**Article 81** The Disciplinary Committee shall conclude the proceedings within 90 days after the first day of the proceeding.

During the proceed the Disciplinary Committee may summon in writing the accused to appear before the Disciplinary Committee for questioning, or may order the accused to submit to the same additional documents within a specified period.

Time as set forth in the first paragraph, shall not start counting until the Disciplinary Committee who rendered the decision or order in accordance with the second paragraph, has received additional documents, evidence or explanation in full and complete.

**Article 82** To specify the time set forth in this section the Disciplinary Committee shall be empowered to grant a reasonable time extension to the accused, if it is deemed appropriate after obtaining the approval of the Board.

**Article 83** After the Disciplinary Committee has meted out the punishment, the President shall notify the accused in writing, the Board and the SEC of the decision in a timely basis. The notification, at the minimum, shall include:

- (1) Date of the order of punishment;
- (2) Name and address of the accused;
- (3) Causes and facts of the accusation;
- (4) Contents and reasons of the order;
- (5) Effect of the order.

## Chapter 2

### Appeal Procedures and Decision

**Article 84** The Board shall appoint an Appeal Committee of 5 persons consisting of one Director and at least 3 qualified professionals who shall not be representatives from the Member companies. The qualified professionals shall each be law, finance, accounting and securities business expert.

The Appeal Committee set forth in the first paragraph shall be approved by the Office of the SEC.

**Article 85**<sup>18</sup> The Appeal Committee shall be in office for a term of three years and may be re-elected, but they may hold their office for not more than two terms consecutively.

In case of the Appeal Committee retires from office when the term of office expires, the Board shall appoint a new Appeal Committee. In the period of the Appeal Committee shall not be appointed, the retiring Appeal Committee shall continually do any acts in office until such times as the new Appeal Committee takes office. In addition, newly appointed the Appeal Committee must be approved by the SEC.

**Article 86** Besides retirement from office when the term expires the Appeal Committee member shall retire from office upon:

- (1) Death;
- (2) Resignation;
- (3) Final judgment of receiving order;
- (4) Being an incompetent person or quasi-incompetent person;
- (5) Having been punished with imprisonment by a final judgment except a punishment for an offence committed with negligence or for a petty offence;
- (6) Removal by the resolution of the Board

In case of the Appeal Committee retires from office before the term of office expires, the Board may appoint others to be the Appeal Committee and the appointed person shall hold office for the remaining term of the Appeal Committee which his replacement. In addition, newly appointed the Appeal Committee must be approved by the SEC.

**Article 87** The meetings, quorums, and resolutions of the Appeal Committee must be more than one-half of the number of all Appeal Committees excluding committees who have any conflicts of interests and each committee shall have one vote. The committees who have any conflicts of interests in the matters considered shall not participate to consider in such matters.

**Article 88**<sup>19</sup> The punished Members and affecting persons may file a petition to appeal with the Appeal Committee by themselves or delegate, in writing, other persons to do same on their behalves.

**Article 89** The appellants shall file their petition of appeal to the Appeal Committee within 15 days from the date of having received the order of punishment.

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<sup>18</sup> Article 85 repealed and amended by the Regulation of Thai Bond market Association amended (No. 3) B.E.2553 dated May 10, 2010 and the Regulation of Thai Bond market Association amended (No. 9) B.E.2563 dated April 23, 2020

<sup>19</sup> Article 88 repealed and amended by the Regulation of Thai Bond market Association amended (No. 5) B.E.2555 dated April 24, 2012

Petitions to appeal shall be in writing signed by the appellants or their legal representatives as the case may be, with the statement of decision on the order of punishment that cause the petition of appeal, including facts relevant and applicable laws and reasons of contention of dissent orders.

The appellants shall attach any relevant documents and evidence submitted as supporting contentions as the appellants deem beneficial to the defense of the proceedings.

**Article 90** The President shall appoint at least one employee of the Association to act as secretary of the Appeal Committee to gather relevant acts and evidences, review the case and documents and present his views and supporting facts and relevant and applicable laws as well as any work done to comply with the provision of this chapter to the Appeal Committee.

**Article 91** To file a petition of appeal pursuant to Article 89, the petition shall be filed at the Association. The Association upon receipt of the petition shall issue the receipt of the appeal petition. The receipt shall at least include the date of the filing and name of the appellant. The secretary shall send a written notification in respect of the appeal to the Office of the SEC.

**Article 92** Upon the receipt of the petition of appeal, the secretary shall consider and do the following:

- (1) In case that the petition of appeal was filed after the lapsed period set forth in the provision in Article 89 the secretary of Appeal Committee shall dispose of the case and report the decision to the Appeal Committee, and shall notify in writing in respect of the disposal of the petition to the appellant;
- (2) In case that the secretary deems that the petition is not correctly filed or filed with incomplete requirement as set forth with the provision of the rules and regulation prescribed by the Association, the secretary shall notify in writing to the appellant of such error or deficiency, and specifying time limit to correct the error or make good the deficiency and re-file the petition of appeal. In case that the appellant fails to correct the error and file the correct petition of appeal within the specified period, the provision in (1) shall apply. In case that the appellant corrects the error and file the complete petition of appeal within the specified period, it shall be considered that the appellant has complied with the provision of Article 89.
- (3) In case that the secretary deems that the petition of appeal is correct and complete, the secretary shall render his opinions with supporting reasons and relevant and applicable laws to present to the Appeal Committee in a timely basis.

**Article 93** The Appeal Committee shall complete the appeal proceedings within 30 days from the date of the proceeding commenced. In the event that the proceedings cannot be concluded within the specified time, the Appeal Committee may extend the time not to exceed another 30 days. The Association shall thereby notify the appellant in writing of the extension prior to the time of proceeding expires.

During the proceedings of appeal, the Appeal Committee may summon the appellant in writing to answer the questioning or to provide additional documents or evidence or to clarify matter regarding appeal within the specified time.

Clarification pursuant to the second paragraph shall be done in writing, except that the Appeal Committee may permit to answer the questions orally before the Appeal Committee.

In case of oral clarification, pursuant to second paragraph the secretary shall record such clarification and shall be signed by the Appellant to be used as evidence.

The time between the Board issues the order pursuant to the second paragraph and the time the Appeal Committee has received the additional documents, evidence or clarification in full and complete shall not be counted as time elapses in accordance with the first paragraph.

When the Appeal Committee has concluded the consideration, the Secretary shall prepare the report recording the opinions and recommendation of punishment with supporting reasons of the Appeal Committee to present to the Board to reach the decision pursuant to Article 94.

**Article 94** After the Appeal Committee has concluded and rendered the decision, the Association shall notify in writing such decision to the Appellant and the Office of the SEC with supporting reasons in a timely manner.

In consideration and rendering decision, if the Board considers and renders decision different from the opinions suggested by the Appeal Committee pursuant to Article 93, the Board shall state the supporting reasons.

The consideration and decision of the Board shall be final.

**Article 95** Filing appeal shall not be ground for stay of the execution of decision, but the appellant may attach the respite of execution with the petition of appeal. In such respite the appellant shall state the reasons to request the Appeal Committee to respite the execution. A copy of such decision of order of punishment shall be attached.

When the filing of the respite of execution is correct, the Secretary shall consider the said petition in an urgent manner and render opinions and present the same to Appeal Committee in a timely basis.



**Article 96** In case that the Appeal Committee has deemed that it is an urgent manner and the request for respite of the execution is justified, the Appeal Committee may issue an order to stay in part or in all the execution with conditions or with other warranty deemed appropriate. The secretary shall notify the appellant and the issuer of the decision in writing.

In case that the Appeal Committee has deemed that the respite of execution shall not be granted, the secretary shall notify the appellant in writing in a timely manner.

The decision pursuant to the first and the second paragraph of the Appeal Committee shall be final.

**Article 97** In consideration of Appeal Committee with regard to removal of membership or other cases pursuant to second paragraph of Article 76, then Article 87, 90, 93 and 94 shall apply mutatis mutandis. The resolution for such cases shall be adopted by a vote of not less than three-fourth of the number of all Appeal Committee.

## **Section VIII**

### **General Meeting**

**Article 98** The Board shall summon the ordinary general meeting of the Association once a year within 120 days of the end of the accounting year.

Any other meeting of members shall be called an extraordinary meeting.

**Article 99** Notice of the summoning of the general meeting and the extraordinary meeting shall be prescribed by the Board and sent to every Member not less than 7 days before the date fixed for the meeting.

The notice shall be published the place, day, time and agenda of the meeting in that meeting.

**Article 100** An extraordinary meeting may be convened at any time as the Board deems appropriate or upon a request therefore being made in writing by not less than one-fifth of the member of Ordinary and Extraordinary Members.

**Article 101** In the meeting, the Ordinary Member and/or the Extraordinary Member present at the meeting of not less than one-half of the total number of the Ordinary Member and the Extraordinary Member shall constitute a quorum.

In any meeting, if the number of Member present is not sufficient for a quorum, The Board shall summon another meeting within 30 days of the previous meeting, and at the succeeding meeting any number of members present at the meeting shall constitute a quorum.

**Article 102** The chairman of the Board shall preside at each meeting of the Members. If there is no chairman or the chairman is unable to attend the meeting, the vice-chairman shall preside over the meeting. If there is neither chairman nor vice-chairman or if the chairman or the vice-chairman fails to attend the meeting, the Ordinary Member or Extraordinary Member present thereat shall elect one of the Directors present to act as chairman of the meeting.

**Article 103** Activities to be performed in the general meeting are as follows:

- (1) To approve the previous minutes of meeting;
- (2) The Board reports the operation of the past year;
- (3) To consider and approve the balance sheet and income and expense account of the Association;
- (4) To consider and elect the auditor of the association and set out the remunerations;
- (5) To consider and elect the Director (if Any);
- (6) To consider other matters (if any)

**Article 104** The Board shall cause to be prepared and kept the minutes of the general meeting of Members.

The minutes of the meeting in the first paragraph shall be ready within 30 days of the meeting for the signature of the chairman of the meeting thereat. The Board shall then present the certified minutes of the meeting to the next general meeting of the Member for approval.

**Article 105** The chairman of the meeting may postpone a meeting upon the consent of the meeting, provided that no business may be transacted at any adjourned meeting other than the business left unfinished at the original meeting.

**Article 106** Any member who has a special interest in a resolution cannot vote on such resolution.

**Article 107** The casting of votes at any meeting of the Members shall be made means of an open vote unless a confidential vote is requested by the Board or by any least one-tenth of the number of Ordinary Members or Extraordinary Members present at the meeting.

Any confidential vote method can be applied if the chairman of the meeting deems appropriate.

**Article 108** The resolution of the general meeting of Members shall be decided by a majority vote of Ordinary Members and Extraordinary Members. In case of a tie vote, the chairman of the meeting shall be entitled to a second or casting a deciding vote.

**Article 109** Each Ordinary Member and Extraordinary Member shall have one vote at the general meeting of members, except in the case of electing or removal of the directors in which case voting shall be in accordance with the provision of Article 29

## **Section XI**

### **Termination of Membership**

**Article 110** A membership shall terminate:

- (1) For want of the qualification under Article 6;
- (2) Upon resignation being made in writing with the Association;
- (3) Upon a resolution of the Board for the termination of membership in the following cases:
  - (a) Failure to pay the annual fee to the Association within the prescribed periods;
  - (b) A material breach or non-compliance with the obligations of the Member prescribed in the Regulation

A resolution for the termination of the membership under (3) shall be adopted by a vote of not less than three-fourth of the number of all Directors.

When the Board resolves to terminate the membership of a Member under (3), the Association shall notify in writing the Member whose membership is terminated and the other Members of such termination and shall make a report thereon together with reasons to the SEC.

## **Section X**

### **Finance and Accounting of the Association**

**Article 111** The Board shall cause to be prepared Balance Sheet and Income Statement once a year to be audited by the Certified public accountant by February of the following year. Accounting period of the Association ends on December 31 of the year.

**Article 112** The Board shall cause to be prepared the past year performance report of the Association to present to the general meeting of the Association.

**Article 113** The auditor elected by the general meeting of the Members shall have the power to examine all accounting books and all financial documents of the Association, and the auditor shall have the right to question the Directors as well as personnel of the Association handling such accounting and documents. The Directors and the involving personnel shall provide assistance and facilitate such examination.

**Article 114** The accounting books and financial documents of the Association shall be kept at the premise of the Association, and shall be in the responsibility of the financial officers or any personnel assigned by the Board.

**Article 115** Cash of the Association shall be deposited with Commercial Bank(s) or financial institutions located at the same province as that of the Association with the approval of the Board.

Withdrawing and depositing money, authority to pay, keeping the petty cash on hand, and investment management shall be executed in accordance with the provision prescribed by the Board.

The expenses of the Association shall be reimbursed in the actual amount incurred. Should any working units wish to withdraw any expense for the operation of the Association, the said units shall verify with the accounting department to check whether such expenditure is set in the budget of the Association or under the expenditure budget of any special project and having been approved by the Board. Having verified, the withdrawing units shall prepare an invoice in such forms prescribed by the Association as well as attaching the approved documents to process and evidence of payment signed by the withdrawer to be submitted for the approval of the proper authority before forwarding to financial unit to process.

## Section XI

### Membership Admission Fee, Annual Fee, Debt Securities Registration Fee and Other Service Fee<sup>20</sup>

**Article 116**<sup>21</sup> The Members shall pay the admission, annual, and services fee pursuant to type and rate fees as prescribed by the Board as follows:

(1) Member admission fee

The applicants approved by the Board for admission as Member, which do not transferred the right of being Member from other members, shall pay the member admission fee pursuant to the type and rate fees as prescribed by the Board as follow:

(a) Ordinary Member is in the amount of 1,500,000 Baht (one million and five hundred thousands Baht)

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<sup>20</sup> The name of Section XI repealed and amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

<sup>21</sup> the last paragraph of Article 116 amended by the Regulation of Thai Bond Market Association amended (No. 2) B.E.2549 dated February 9, 2006 and Article 116 (2) repealed and amended by the Regulation of Thai Bond Market Association amended (No. 5) B.E. 2555 dated April 24, 2012

The Ordinary Member shall pay the fees within 15 business days of the date that the Association notifies of the admission as Member.

(b) Extraordinary Member is in the amount of 1,500,000 Baht (one million and five hundred thousands Baht)

The Extraordinary Member shall pay at least 10% of the Admission fee within 15 business days of the date that the Association notifies of the admission as Member and shall pay the remaining admission fee within 30 business days of the date that the Extraordinary Member has reached the average amount of debt securities trading (Category Outright) per month at least twenty thousand million (20,000,000,000) Baht during the last calendar year.

(c) Associate Member is in the amount of 1,500,000 Baht (one million and five hundred thousands Baht)

The Associate Member shall pay at least 20% of the Admission fee within 15 business days of the date that the Association notifies of the admission as Member. and shall pay the remaining admission fee within 30 business days of the date that the Associate Member has reached the average amount of debt securities trading (Category Outright) per month at least one hundred thousand million (100,000,000) Baht during the last calendar year.

(2) Member annual fee

The Member shall pay the member annual fee to the Association pursuant to type and rate fees prescribed by the Board as follow:

(a) Ordinary Member shall pay at least 50,000 Baht (fifty thousands Baht) but not to exceed 200,000 Baht (two hundred thousands Baht) by paying at the rate of 0.0005 percent of the outright debt instrument trading value of such Member within the last calendar year.

(b) Extraordinary Member shall pay at least 50,000 Baht (fifty thousands Baht) but not to exceed 200,000 Baht (two hundred thousands Baht) by paying at the rate of 0.0001 percent of the outright debt instrument trading value of such Member within the last calendar year.

(c) Associate Member shall pay 50,000 Baht (fifty thousands Baht).

The annual fee shall be paid in advance within the date of January, 30<sup>th</sup> of each year. For the newly admitted Ordinary and Extraordinary Members, the annual fee shall be paid in full amount within 15 business days of the date that the Association notifies of the admission as Member.

In case of any Member which has started its membership during the year shall pay the annual fee in proportion to numbers of months that the membership is effective.

(3) Other service fees

The Member shall pay the service fee to the Association pursuant to type and rate fees prescribed by the Board as follow:

- (a) Lease fees or service fees of using any computer system provided by the Association;
- (b) Any service fees provided to Members as prescribed by the Board

The exemption or extension of the period of payment of member admission fees and annual fees shall be done upon hearing the opinions of the Ordinary Member and the Extraordinary Member and approved by the Board.

**Article 117** The applicant of membership by transferring from another Member shall pay the membership transfer fee in accordance with rules, terms and conditions and procedure prescribed by The Board.

**Article 118**<sup>22</sup> The Member who requests for the registration of Debt Securities with the Association shall pay the registration fee in accordance with types and rates prescribed by the Board notification.

The Board may change, modify or exempt the Debt Securities registration fee upon approval of the SEC.

**Article 119**<sup>23</sup> Debt Securities registration fee in accordance with Article 118 shall not apply to those bonds issued by the government, State enterprises, the Bank of Thailand, the Financial Institutional Development Fund, or any other debt securities upon the resolution on fee exemption of the Board.

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<sup>22</sup> Article 118 repealed and amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

<sup>23</sup> Article 119 repealed and amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

## Section XII

### Modification, Dissolution and Liquidation of the Association

**Article 120**<sup>24</sup> Modification of the Rules of the Association can be done upon obtaining the approval of the Board. The Board shall present the said change to the meeting of the Members for approval.

The voting for the resolution in the meeting of Members shall be in accordance with Article 105 to 108 *mutatis mutandis*.

**Article 121** The Association is dissolved upon:

- (1) Bankrupt;
- (2) The resolution of the meeting of Members to that effect with not less than three-quarter of all Ordinary and Extraordinary Members votes;
- (3) The order of the SEC to comply with the law.

**Article 122** When the Association is to dissolve for whatever reasons, the Board or any persons appointed by the Board shall be acted as liquidator.

Should there be any residual assets from the liquidation; the said assets shall be donated to any one or more juristic persons that possess objectives for public charity pursuant to the resolution of the meeting of the Members.

## Section XIII

### Material and Service Procurement

**Article 123** Procurement of material and service of the Association shall comply with the rules, terms and conditions, and procedures prescribed by the Board and shall compose of the following detail:

- (1) Procedure and budget of Procurement;
- (2) Inspection and acceptance;
- (3) Contract agreement and warranty

**Article 124** Storing, controlling and disposal of the materials shall comply with the rules, terms and conditions and procedures prescribed by the Board and shall consist at least the following detail:

- (1) Accounting posting or material records;

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<sup>24</sup> Article 120 repealed and amended by the Regulation of Thai Bond Market Association amended (No. 4) B.E.2554 dated May 23, 2011

- (2) Material requisition
- (3) Annual inventory checking
- (4) Material disposal

**Article 125** To procure material or services for the Association all items of procurement shall be verified first with the accounting department whether such items have been budgeted and allocated by the Association or budgeted expenses for special projects approved by the Board. The responsible department shall process the acquisition of the said material or services after the verification and shall present the detail as follows:

- (1) Detail of material or services to be procured;
- (2) Market or estimated prices of the material or services;
- (3) Should the same material or services have been procured within the last six (6) months, the last procured prices shall also be shown;
- (4) Procurement cost shall also be accounted for in the budgeting plan;
- (5) Time of the material to be available or the date of completion of service;
- (6) Procurement method and reasons supporting the proposed method;
- (7) Others (if any)

Procurement budget limit, personnel empowered to approve the budget and the execution of each procurement of materials or services shall be in accordance with the provisions prescribed by the Board.

#### Section XIV Transitory Provision

**Article 126** After the Office of the SEC has issued the permission certificate to register as an association:

- (1) A board of the Thai Bond Dealing Centre and a president who remain in office on the date of registration shall act as temporary board and president until there is an election of first Board of the Association which shall be convened within 120 days from the date of the permission of registration granted to be an association;
- (2) The founding members shall be members of the Association with the exemption of admission fee and the first year annual fee;
- (3) Any members of The Thai Bond Dealing Centre who submit the application of membership to the Association and approved by the Board shall be accorded the same right as that of a founding member and shall be exempted from payment of the admission fee and the first annual fee, provided that the submission is done within the first calendar year of the establishment the Association;



(4) Short term debt instruments, bill of exchange and other similar debt instruments having maturity not exceeding 270 days registered prior to June 30, 2009 shall be exempted from registration fee set forth in Article 118;

(5) Any candidate who submit the application of membership to the Association and approved by the Board shall be exempted from any payment of the Admission fee until the date which the Member's outright trading reaches the average of twenty thousand million (20,000,000) Baht per month for the last calendar year, provided that the submission is done within the first calendar year of the establishment of the Association. The payment of the Admission fee shall be paid within 30 days from the date which the Member's outright trading teaches the above threshold.<sup>25</sup>

**Article 127** This Regulation shall come into force on and from day of 1 October 2005.

Given on this 21st day of September 2005.

(signed)

(Mr. Sommai Pasee)

Chairman Board of Directors

The Thai Bond Market Association

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<sup>25</sup> Article 126 (5) amended by the Regulation of Thai Bond Market Association (No. 2) B.E.2549 dated February 9, 2006