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201 Definitions

“Commodity” means securities, gold, crude oil, or any other property underlying the derivatives contracts as specified by TFEX.

“Variable” means any foreign exchange rate, interest rate, financial index, securities index or any other variable as specified by TFEX.

“Derivatives contracts” means any contract which has any one or any combination of the characteristics according to the derivatives contracts Act B.E. 2546, as amended from time to time, and as prescribed by and listed on TFEX.

“Futures” means a contract in which one party is obliged to deliver a certain amount of commodity to the other party at a given time in the future, and the other party, in turn, is obliged to make payment for such commodity at a price specified therein; or a contract in which one party is obliged to make payment to the other party, or *vice versa*, in the amount which is equivalent to the difference between the price or value of commodity or variable specified in the contract and the price or value of commodity or variable prevailing at a given time or period of time in the future as specified in the contract.

*“Options” means the derivatives contracts under which an options buyer/options holder is granted the right to require an options writer/options seller to perform the duties as prescribed, which are categorized into call options and put options.

*“Single stock futures” means a futures contract underlined by any particular common stocks which are listed securities.

*(*Added November 14, 2008, force November 24,2008)*

*“Interest rate futures” means futures, of which the underlying is the interest rate or debt instrument.

*(*Added September 24, 2010, force October 18,2010)*

*“Natural Rubber Ribbed Smoked Sheet No.3 Futures Contract” means a futures contract, that have Natural Rubber Ribbed Smoked Sheet No.3.as an underlying asset.

*(*Amended August 23, 2017, force September 4, 2017)*

*“Delivery of commodity” means the action to deliver or taking delivery of the commodity in accordance with the obligations specified in the derivatives contract.

*(*Amended December 18, 2015, force Jan 4, 2016)*

*“Gold futures” means a futures contract of which the underlying is gold.

*(*Added November 26, 2008, force November 26, 2008)*

*“Silver Futures” means futures contracts with silver as the underlying commodity.

*“Precious Metal” means precious metal in accordance with the notification of the Securities and Exchange Commission regarding the approval for undertaking derivatives business in the category of derivatives brokers limited to precious metal futures contracts.

*(*Added May 25, 2011. force June 20, 2011)*

*“Crude Oil Futures” means futures contracts whose underlying commodity is crude oil.

*(*Added September 20, 2011. force October 17, 2011)*

*“Currency futures” means a futures contract of which the underlying is currency.

*(*Added May 16, 2012, force June 5, 2012)*

*“Sector futures” means futures whose underlyings are business sector indices

*(*Added September 14, 2012, force October 29, 2012)*

*“Index Options” means options of which the underlying is financial index or securities index.

*“Options buyer/options holder” means a person who holds a long position in options, and has the following rights towards an options writer/options seller through its payment of a premium in exchange of those rights:

(1) to buy or to sell the underlying at a given time or period in the future as specified in the options; and

(2) to receive payment in the amount equivalent to the difference between the price or value of the commodity or variable as specified in the options and the price or value of the commodity or variable prevailing at a given time or period in the future as specified in the options.

*(*Amended July 2, 2007, force July 16, 2007)*

*“Options writer/options seller” means a person who holds a short position in options and has the duties towards an options buyer/options holder in return of the receipt of payment of a premium:

(1) to buy or to sell the underlying at a given time or period in the future as specified in the options; and

(2) to make payment in the amount equivalent to the difference between the price or value of the commodity or variable as specified in the options and the price or value of the commodity or variable prevailing at a given time or period in the future as specified in the options.

*(*Amended July 2, 2007, force July 16, 2007)*

*“Premium” means the trading price agreed between an options buyer/options holder and an options writer/options seller so that the options buyer/options holder shall acquire the rights under the options and the options writer/options seller shall perform the duties thereunder.

*(*Amended July 2, 2007, force July 16, 2007)*

*“Strike price/exercise price” means the price at which an options buyer/options holder can exercise its right to buy or sell the underlying in accordance with the conditions specified in the options contract specification.

*(*Amended July 2, 2007, force July 16, 2007)*

*“Settlement price” means Daily settlement price, Final Settlement Price or Delivery Price.

*(*Amended August 23, 2017, force September 4,2017)*

*“Compensation for Postponement of Delivery” means the compensation for the postponement of delivery in an event of imbalance in the notification of intention to deliver of commodity.

*“Delivery Equalizer” means a person registered by TFEX to trade futures contracts with the objective of equalizing the Delivery of commodity.

*(*Amended August 23, 2017, force September 4,2017)*

*“At-the-money” means options which its strike price of the options is equal to the settlement price or the price or level of underlying at any time.

*(*Amended July 2, 2007, force July 16,2007)*

* “In-the-money” means options which have characteristics as follows;

(1) Call options of which the underlying is below the settlement price or the price or level of underlying at any time.

(2) Put Options of which the underlying is above the settlement price or the price or level of underlying at any time.

*(*Amended July 2, 2007, force July 16,2007)*

*“Out-of-the-money” means options which have characteristics as follows;

(1) Call options of which the underlying is above the settlement price or the price or level of underlying at any time.

(2) Put options of which the underlying are below the settlement price or the price or level of underlying at any time.

*(*Amended July 2, 2007, force July 16,2007)*

*“Options Series” means options of the same underlying, options type, settlement month and strike price.

*(*Amended July 2, 2007, force July 16,2007)*

*“Open Interest” means position in derivatives contracts that have not yet been exercise, expired, or fulfilled by delivery or payment.

*(*Amended July 2, 2007, force July 16,2007)*

“Contract Specification” means the form and substance of the derivatives contracts which prescribe details of the derivatives listed by TFEX.

“Underlying” means the commodity or variable underlying the trading of derivatives contracts.

“Multiplier” means the value used for multiplying the underlying index for the purpose of determining the value of derivatives contracts.

“Minimum tick size” means the minimum difference of the price levels in each bid and ask of exchange trade derivatives.

“Daily price limit” means the range of the bid and ask price each day which can fluctuate to the lowest or the greatest price, as prescribed by TFEX.

*“Listed securities” means securities listed or authorized for trading on the SET.

*(*Amended November 14, 2008, force November 24, 2008)*

*“Corporate action” means any action taken by a listed company issuing underlying common stocks which affects its common stocks, or the return of, or compensation for, the rights and interests arising from common stocks, such as a change in par value, change in capital, merger, payment of dividends in the forms of cash or securities, or any other similar action.

*(*Amended November 14, 2008, force November 24, 2008)*

“Trading system” means a computer system provided by TFEX for use in the trading of derivatives contracts.

“Trading unit” means the volume of derivatives contracts.

“Trading order” means an order to buy or an order to sell derivatives contracts on TFEX.

“Order” means a bid to buy or an ask to sell derivatives contracts on TFEX.

“Trading” means the buying or selling of derivatives contracts on TFEX.

“Trading transaction” means the trading of derivatives contracts on TFEX that has already taken place.

“Margin” means the margin in accordance with the rules and regulations of TCH.

“Closing out the derivatives position” means to discharge an obligation or terminate the rights under existing derivatives contracts by way of trading in another derivatives contracts which results in an offsetting position or by any other means in accordance with the rules and regulations of TCH.

“SEC” means the Securities and Exchange Commission under the laws on securities and exchange.

*“Capital Market Supervisory Board” means the Capital Market Supervisory Board under the law on securities and exchange.

*(**Amended November 26, 2008, force November 26, 2008)*

“Office of SEC” means the Office of the Securities and Exchange Commission under the law on securities and exchange.

“SET” means the Stock Exchange of Thailand.

“Affiliates” means the SET and the companies in which the SET holds shares in excess of fifty percent of their paid-up capital.

“TFEX” means Thailand Futures Exchange Public Company Limited.

“TCH” means Thailand Clearing House Company Limited.

*“Listed company” means a listed company whose common stocks are listed on the SET.

*(*Amended November 14, 2008, force November 24, 2008)*

“Board” means the Board of Directors of TFEX.

“Managing Director” means the Managing Director of TFEX.

“Compliance Sub-Committee” means a sub-committee appointed by the Board to perform the duty of considering the offences committed by the offenders or persons involved in the commission of offences against the regulations of TFEX, and the punishment against those persons.

“Appeal Committee” means a committee in charge of considering and deciding the appeals against punishment order.

“Secretary to the Compliance Sub-Committee” means the secretary of the Compliance Sub-Committee.

“Secretary to the Appeal Committee” means the secretary of the Appeal Committee.

“Applicant” means an applicant who files an application for membership of TFEX.

“Member” means a member of TFEX.

*“Selling Agent” means a service provider under the Notification of the Office of the Securities and Exchange Commission regarding the rules for derivatives brokers on using precious metal futures contact services.

*(*Amended May 25, 2011, force June 20, 2011)*

“Client” means a person for whom the member acts as an agent or broker in the trading of derivatives contracts on TFEX.

“Beneficiary” means

- (1) a beneficiary or co-beneficiary in the trading of derivatives contracts;
- (2) a person who has the power to control the trading of derivatives contracts;
- (3) a person who provides financial support for the purpose of the trading or the clearing related to or as a result of the trading of derivatives contracts.

This is irrespective of whether the benefit, control or financial support arises from an agreement, understanding, any relationship or otherwise.

*“Hedger” means a person registered as a hedger by TFEX for the purpose of trading derivative position for risk hedging.

*(*Added February 22,2017 force February 22,2017)*

“Related person” means a person who has relationship with a member or client as follows:

- (1) the spouse;
- (2) a minor child;
- (3) an ordinary partnership in which the member or client or the person under (1) or (2) is a partner;
- (4) a limited partnership in which the member or client or the person under (1) or (2) is an unlimited liability partner or a limited liability partner who collectively holds contribution in an amount exceeding 30 percent of the total contribution of the limited partnership;

(5) a limited company or a public limited company in which the member or client or the person under (1) or (2) or the partnership under (3) or (4) collectively holds shares in an amount exceeding 30 percent of the total shares sold of that company;

(6) a limited company or a public limited company in which the member or client or the person under (1) or (2) or the partnership under (3) or (4) or the company under (5) collectively holds shares in an amount exceeding 30 percent of the total shares sold of that company; or

(7) a juristic person over which the member or client has the power of management as its representative.

*“Investor Contact” means a person who has been granted approval to carry out the duties of contacting investors; soliciting or giving advice on or planning investment for investors for the purposes of trading or investing in futures contracts, in accordance with the Notification of the Capital Market Supervisory Board re: Approval for Personnel of Business Operators to Perform Investment Analyses and Investment Advisory Duties.

*(*Amended September 14, 2012, force October 29, 2012)*

“Authorized trader” means a person registered by TFEX in order to be an agent of the member in the trading through the trading system.

*“Market maker” means a person registered as a market maker to maintain the liquidity of trading on TFEX.

*“Market making officer means a person who registered with TFEX representing the Market Maker in trading on the Trading System”

*(*Amended August 24, 2006, force August 28, 2006)*

“Arbitrators” means the arbitrators provided by TFEX.

“Applicant for dispute settlement” means a party that files an application for dispute settlement by arbitrators.

“Force majeure” means any event that may happen and could not be prevented even though appropriate care is taken as might be expected in that situation and condition.

“Punishment order” means an order of the Board, an order of the Managing Director and an order of the sub-committee appointed by the Board as a result of which a punishment is imposed on a person due to his violation of the rules and regulations of TFEX.
