

Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference. Thailand Futures Exchange Public Company Limited cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.

Contents

Regulations

Chapter 700 Persons Involved in the Trading System

	Page
701 Persons Involved in the Trading System	700-1
702 Qualifications of Authorized Trader	700-1
703 Application for Appointment of Authorized Trader	700-2
704 Registration of Authorized Trader	700-2
704.01 Consideration on the Registration of Authorized Trader.....	700-2
704.02 Keeping of Identification Number, User Name and Password of Authorized Trader.....	700-2
704.03 Fees Relating to Authorized Trader.....	700-2
705 Duties of Authorized Trader	700-2
706 Revocation of Registration of Authorized Trader	700-3
707 Disciplinary Actions Against Authorized Trader.....	700-3
708 Admission of a Market Maker	700-4
709 Qualifications of a Market Maker	700-4
710 Duties of a Market Maker	700-4
710.01 Duties of a Market Maker.....	700-4
710.02 Classes of Market Making.....	700-4
710.03 Minimum Quantity.....	700-5
711 Making a Market on a Continuous Basis	700-5
711.01 Duties of a Market Maker.....	700-5
711.02 Duties When the Bids and Offers are Matched.....	700-5
712 Making a Market in Response to Quote Requests	700-5
712.01 Duties of a Market Maker.....	700-5
712.02 Bids and Offers in Response to Quote Requests.....	700-5
712.03 Duties When the Bids and Offers are Matched.....	700-5
713 Amendment or Change to the Classes of Derivative Contracts under Market Making Arrangement	700-6
714 Performance of a Market Maker	700-6
714.01 Trading Through the Trading System.....	700-6
714.02 Performance of a Market Maker who is a Member.....	700-6
714.03 Performance of a Market Marker who is a Non-Member of TCH.....	700-6
715 Temporary Suspension of the Duties of a Market Maker	700-6
715.01 Order or Permission to Temporarily Suspend the Duties of a Market Maker.....	700-6
715.02 Duties of a Market Maker After Temporary Suspension.....	700-7

716	Cessation of Designation as a Market Maker	700-7
717	Revocation of Designation as a Market Maker	700-7
718	Request for Revocation of Designation as a Market Maker	700-7
719	Admission of a Delivery Equalizer	700-7
720	Qualifications of a Delivery Equalizer	700-7
721	Duties of a Delivery Equalizer	700-8
722	Performance of a Delivery Equalizer	700-8
723	Suspension of the Duties of, Cessation and Revocation..... of the Designation as a Delivery Equalizer	700-8
724	Disclosure of Disciplinary Actions Against Persons Involved in the Trading System	700-9

Regulations

Chapter 700 Persons Involved in the Trading System

***701 Persons Involved in the Trading System**

Persons whom TFEX may allow to record the offering or the trading into the trading system are:

- (1) the authorized traders;
- (2) the market makers;
- (3) the Delivery Equalizers;
- (4) any other persons as designated by TFEX.

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

***702 Qualifications of Authorized Trader**

A person whom the member wishes to appoint as an authorized trader must possess and maintain the following qualifications:

- (1) Being sui juris;
- (2) Not being under a suspension order from performance of duties, nor having been revoked of a license or registration to be an authorized trader during the five-year period prior to the appointment due to punishment by TFEX, SET, or other relevant authority;
- ** (3) be a full-time staff or employee of any of the following persons:
 - (3.1) a member who applies for authorized trader appointment;
 - (3.2) a company within the group of the member who applies for authorized trader appointment and having an agreement consenting for such employee to work for the member; or
 - (3.3) Selling Agent who enters into selling agent agreement with the member who applies for authorized trader appointment;
- (4) Having educational qualifications or experience as follows:
 - (a) having completed education at a bachelors' degree at minimum or equivalent level from an educational institution accredited by the authorities or having been an employee or officer performing work in securities or related business for at least 3 consecutive years, and
 - (b) having completed a training course or test of TFEX or other course approved by TFEX;
- (5) Not a person with Prohibited Characteristics of Personnel in the capital market business as prescribed in the Notification of the Capital Market Supervisory Board.

*(*Amended 18 Apr 2014, Effective 6 May 2014)*

***Amended January 31, 2023, Effective 8 May 2023)*

703 Application for Appointment of Authorized Trader

In order to apply for appointment of any person as an authorized trader, the member shall propose a person who is fully qualified according to the rule 702 and submit an application together with details according to the form prescribed by TFEX.

704 Registration of Authorized Trader

704.01 Consideration on the Registration of Authorized Trader

When TFEX has examined the evidence relating to the qualifications of a person whom the member wishes to appoint as an authorized trader and found that such person is fully qualified, TFEX shall accept the application for consideration and shall notify the result of consideration on the registration of such person as an authorized trader of such member and the designation of an identification number of authorized trader for such person to the member applying for appointment within 60 days from the date of receiving complete documents and evidence.

When any person has been registered as an authorized trader of any member and has received an identification number of an authorized trader according to the application for appointment of such member, such person shall carry out the trading through the trading system in the name of the member applying for the appointment.

704.02 Keeping of Identification Number, User Name and Password of Authorized Trader

The member and the authorized trader shall keep the identification number, user name and password of the authorized trader in accordance with the rules prescribed by TFEX.

704.03 Fees Relating to Authorized Trader

The fees relating to an authorized trader shall be as prescribed by TFEX.

705 Duties of Authorized Trader

An authorized trader shall have the duties as follows:

(1) To comply with the law on derivatives, the rules and regulations, circular letters and orders of TFEX, and to have the same duties as those which must be performed by the member in the relevant matters but only to such extent as practicable to the authorized trader;

(2) To cooperate with TFEX in preventing any violations of the law on derivatives and the rules and regulations, circular letters and orders of TFEX;

(3) Not to render cooperation or assistance to other persons in violation of or non-compliance with (1);

(4) Not to do any act which will or may discredit or is foreseeable that it will discredit TFEX;

(5) Not to transmit any bid or offer for derivatives contracts which has inappropriate characteristic as prescribed by TFEX, or to transmit any bid or offer for derivatives contracts where it is known or should be known or there is a reasonable ground to believe that such order may constitute an offence under the law on derivatives and the rules and regulations, circular letters and orders of TFEX;

Regulations of TFEX
Chapter 700 Persons Involved in the Trading System

(6) Not to use information of a client or information concerning the trading of derivatives contracts or any information which is obtained from the performance of duties in order to seek interests for oneself and/or other persons.

(7) Not to transmit any bid or offer for derivatives contracts for oneself and/or other persons by using a derivatives trading account of a client.

*(8) Not make an analysis of investment or give investment advice to investors without relevant licenses if required by the SEC .

*(*Added 18 Apr 2014, Effective 6 May 2014)*

***706 Revocation of Registration of Authorized Trader**

(1) The authorized trader may be suspended from performance of its duties if SET orders a suspension from performance of duties as an authorized trader, or the SEC orders a suspension from performance of duties as a sales representative. TFEX may order a suspension for the same period of time as that ordered by SET or SEC, as the case may be.

(2) The authorized trader may have their registration revoked due to the following events:

(a) Where it is subsequently found that the authorized trader cannot maintain any qualification of an authorized trader, or is lacking in any qualification of an authorized trader under the rule 702 or as TFEX considers appropriate.

When TFEX revokes the registration of an authorized trader due to the events specified in paragraph one, TFEX will inform the authorized trader and the responsible member in writing, and will notify all members of the same.

(b) When the member wishes to revoke the registration of such authorized trader.

The member shall submit an application for revocation of the registration of authorized trader to TFEX in the form prescribed by TFEX.

(c) the authorized trader ceases to be an employee or operating staff of the member, or an employee of a juristic person that has entered into a selling agent agreement with the member who applies for appointment as an authorized trader, when the selling agent agreement made between the juristic person of which the authorized trader is an employee, and the member who applies for appointment as an authorized trader, terminates.

Upon occurrence of any event under paragraph one, the member shall notify TFEX immediately, and submit an application for removal of the authorized trader with TFEX, in the form prescribed by TFEX.

*(*Amended 18 Apr 2014, Effective 6 May 2014)*

707 Disciplinary Actions Against Authorized Trader

In the case that an authorized trader of the member performs or takes part in any act which constitutes violation of or non-compliance with the regulations of TFEX, such person may be subject to any disciplinary action or a combination of disciplinary actions as follows:

- (1) Warning;
- (2) Probation;
- (3) Reprimand through public announcement;
- (4) Penalization;

- (5) Temporary prohibition from performance of duties;
- (6) Prohibition from performance of any work in the member's company during the prescribed period;
- (7) Revocation of registration.

***708 Admission of a Market Maker**

A person wishing to apply for a market maker shall submit a written notification of intention to TFEX within the time as stipulated by TFEX from time to time.

***709 Qualifications of a Market Maker**

The market maker must possess and maintain the following minimum qualifications:

- (1) be a member of TFEX; or be a [member's] corporate client who the member named to TFEX as a market maker; or be any other juristic person having a clearing guarantee agreement with TCH's member;
- (2) have the experience of being a market maker for derivatives trading; or have personnel who possess credible knowledge and competency to act as a market maker;
- (3) have sufficient system readiness; or can demonstrate that there is a procedure and readiness to to act as a market maker, and also have risk management policy to deal with potential risk that may arise from [the marker maker's duty];
- (4) have stable financial status and have no risk that may affect market maker's duty.

**TFEX may stipulate such additional qualifications as it deems appropriate for persons wishing to be any of the following market makers:

- (1) a market maker who is either a juristic person customer whose status as a market maker has been notified to TFEX by a member or a juristic person having an agreement with a TCH member to guarantee clearing and contract settlement; or
- *** (2) a market maker in futures of which underlying, goods or variable, must be approved by regulator.

*(*Amended 20 Jan 2009, Effective 2 Feb 2009)*

*(**Amended 8 Jan 2013, Effective 14 Jan 2013)*

*(***Amended 10 Oct 2022, Effective 31 Oct 2022)*

***710 Duties of a Market Maker**

710.01 Duties of a Market Maker

A market maker shall perform the following duties:

- (1) Making the bids and offers for the derivatives as assigned by TFEX;
- (2) Complying with the law on derivatives, as well as the regulations, circular letters and orders of TFEX.

710.02 Classes of Market Making

TFEX may assign a market maker to perform its duty in any one or both classes as follows:

- (1) Making a market on a continuous basis;
- (2) Making a market in response to quote requests.

710.03 Minimum Quantity

A market maker shall make the bids and offers for the derivatives each time at least a minimum quantity as prescribed by TFEX.

A market maker shall make the bids and offers for the derivatives to maintain the bid prices and the offer prices as appearing on the trading system within the spreads as prescribed by TFEX.

***711 Making a Market on a Continuous Basis**

711.01 Duties of a Market Maker

A market maker shall make the bids and offers according to the specifications, types and in the settlement or clearing months as assigned throughout the duration as prescribed by TFEX.

711.02 Duties When the Bids and Offers are Matched

In the case that the bid and offer that a market maker enters into the trading system are fully or partially matched, and the number of the derivatives for which the bids and offers are made by the market maker is thereby reduced below the minimum quantity under the rule 710.03, the market maker shall make the bids and offers into the trading system to maintain the minimum quantity and the maximum spreads according to the rule 710.03 and the rule 710.04.

***712 Making a Market in Response to Quote Requests**

712.01 Duties of a Market Maker

A market maker shall make the bids and offers according to the specifications, types and in the settlement and clearing months as assigned in response to the quote requests of TFEX or the members throughout the duration as prescribed by TFEX.

712.02 Bids and Offers in Response to Quote Requests

A market maker shall perform the following duties in response to the quote requests under the rule 712.01:

- (1) To make the bids and offers into the trading system within the period as prescribed by TFEX;
- (2) To make the bids and offers under (1) appear on the trading system according to the minimum period as prescribed by TFEX.

712.03 Duties When the Bids and Offers are Matched

In the case that the bid and offer that a market maker enters into the trading system are fully or partially matched, the market maker may not make any additional bids and offers into the trading system until there is another quote request from TFEX or a member, unless otherwise prescribed by TFEX and the market marker.

***713 Amendment or Change to the Classes of Derivatives under a Market Making Arrangement**

TFEX and a market maker may change or amend the specifications, types and the settlement and clearing months of the derivatives for which TFEX has assigned the market maker to make the bids and offers into the trading system.

***714 Performance of a Market Maker**

714.01 Trading Through the Trading System

A market maker shall execute the trading transactions through the trading system in accordance with the criteria prescribed by TFEX.

714.02 Performance of a Member Market Maker

In the event that a market maker is a member, it shall comply with the following:

- (1) To have in place an operating system for its trading and operation as a market maker, which shall be separated from an operating system for its trading and operation as a derivatives agent of its clients;
- (2) To apply for the appointment of any persons as its market making officers;
- (3) To prohibit its market making officers from accepting or transmitting the bids and offers for its clients' accounts, and to have in place an operating system to prevent those officers from accessing or utilizing its clients' data for any purpose during their performance of duties;
- (4) To segregate its trading account from other trading accounts; and
- (5) Other matters as prescribed by TFEX.

***714.03 Performance of Duties by a Non-member Market Maker**

In the event that a market maker is a non-member juristic entity, TFEX may prescribe conditions with respect to its performance of duties, to ensure orderliness, transparency, and fairness in the trading.

(Amended 20 January, 2009, Effective 2 Feb 2009)*

***715 Temporary Suspension of the Duties of a Market Marker**

715.01 Order or Permission to Temporarily Suspend the Duties of a Market Maker

TFEX may order or permit a market maker to temporarily suspend its duties upon the occurrence of any of the following circumstances:

- (1) A circumstance that may affect the trading on TFEX, thus making it impossible to execute the trading transactions in an orderly, transparent and fair manner; and
- (2) Other circumstances as prescribed by TFEX.

In the event that TFEX orders or permits a market maker to suspend its duties, TFEX shall make an announcement to the members. The market maker shall then be exempted from the requirement to perform its duties during the period of suspension as ordered or permitted by TFEX.

715.02 Duties of a Market Maker after the Temporary Suspension

A market maker shall resume its duties after the suspension according to the rule 715.01 when TFEX gives notification of the revocation or expiry of the permitted period of that suspension to it. TFEX shall then announce the resumption of duties by that market maker after its temporary suspension to the members.

***716 Cessation of Designation as a Market Maker**

The designation as a market maker shall be ceased according to any of the following causes:

- (1) When the period of designation as a market maker as agreed with TFEX expires;
- (2) When the designation as a market maker is revoked according to the rule 717; or
- (3) When the revocation of the designation as a market maker is requested according to the rule 718.

TFEX shall make an announcement in general to its members when any market maker ceases to perform the duties as a market maker.

***717 Revocation of Designation as a Market Maker**

TFEX may consider revoking the designation of a market maker if TFEX is of the view that:

- (1) a market maker fails to perform its duties as agreed with TFEX; or
- (2) a market maker fails to comply with the law on derivatives, and the regulations, circular letters and orders of TFEX.

***718 Request for Revocation of Designation as a Market Maker**

A market maker may request that its designation as a market maker as agreed with TFEX shall be revoked by giving a written notice thereof to TFEX at least 30 days in advance. TFEX may stipulate any conditions to be fulfilled by the market maker before the revocation becomes effective.

***719 Admission of a Delivery Equalizer**

A person wishing to apply for a Delivery Equalizer shall submit a written notification of intention to TFEX within the time as stipulated by TFEX from time to time.

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

***720 Qualifications of a Delivery Equalizer**

The Delivery Equalizer must possess and maintain the following minimum qualifications:

- (1) be a member of TFEX; or a member of TCH or be a corporate client who the member named to TFEX as a Delivery Equalizer.
- (2) have the experience in the operation of business in relation to underlying assets, or can demonstrate competency and readiness to act as a delivery equalizer;

Regulations of TFEX
Chapter 700 Persons Involved in the Trading System

(3) have personnel who possess credible knowledge and competency to act as a delivery equalizer;

(4) have stable financial status and have no risk that may affect delivery equalizer's duty.

TFEX may stipulate such additional qualifications as it deems appropriate for persons wishing to be Delivery Equalizers, by taking into account primarily the readiness to act as Delivery Equalizers.

*(*Amended 14 March 2018, 20 March 2018)*

***721 Duties of a Delivery Equalizer**

A Delivery Equalizer shall perform the following duties:

(1) Trading any futures contracts which enter the trading system for the purpose of equalizing the delivery of commodity in accordance with the criteria and methods prescribed by TFEX.

(2) Complying with the law on derivatives, as well as the regulations of TFEX and TCH, circular letters and orders of TFEX.

*(*Added 23 August 2017, 4 September 2017)*

***722 Performance of a Delivery Equalizer**

A delivery equalizer shall execute the trading transactions through the trading system in accordance with the criteria prescribed by TFEX. In this regard, rule 714 Performance of a Market Maker shall apply to the performance of a delivery equalizer under this rule, except rule 714.02 (1).

*(*Added 23 August 2017, 4 September 2017)*

***723 Suspension of the Duties of, Cessation and Revocation of the Designation as a Delivery Equalizer**

Rules 715 to 718 shall apply to the suspension of the duties of, cessation and revocation of the designation as a delivery equalizer *mutatis mutandis*. Moreover, the suspension of the duties of a delivery equalizer shall be ordered or permitted in an event of incidents that may affect the delivery or or in an event of any fluctuation or deviation from the normal market condition, or where necessary and appropriate.

*(*Added 23 August 2017, 4 September 2017)*

***724 Disclosure of Disciplinary Actions Against Persons Involved in the Trading System**

TFEX may disclose its disciplinary actions against persons involved in the trading system in the case that those persons are subject to disciplinary actions due to their failure to comply with the rules and regulations of TFEX which affect the investors or the trading of derivatives contracts as a whole as stipulated by TFEX.

In disclosing the disciplinary actions under the first paragraph, TFEX may consider making a disclosure to other members or to the persons related to TFEX or making a disclosure in general.

*(*Added 23 August 2017, 4 September 2017)*
