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***Regulations**

Chapter 200 Definitions

201 Definitions

“TCH” means Thailand Clearing House Company Limited.

“TFEX” means Thailand Futures Exchange Public Company Limited.

“SET” means the Stock Exchange of Thailand.

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

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

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

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

“Board” means the Board of Directors of TCH.

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

“Member” means a person who is permitted by TCH to use its clearing and settlement services for derivatives contract.

“General Clearing Member” means a member who uses the clearing services of TCH for itself, its clients, another member of TCH, or another member whom it performs the duty of clearing for.

“Executives” mean the executives according to the notification of the SEC.

“Executive director” means a person whom the company’s board of directors appoints an executive director or authorizes to make decision on the operations of the company on behalf of the board of directors.

“Department director” means a person who is responsible for functions at the level of division of a company.

“Supervisor” means a member’s officer whom is assigned by the member to supervise and be responsible for the operations of the member.

“Derivatives agent” means a person licensed to undertake derivatives business in the category of derivatives agent.

“Client” means a buyer or seller who trades the exchange traded derivatives on TFEX through a derivatives agent.

“Operating officer” means a derivatives back office operating officer of a member.

“Authorized trader” means a person in charge of transmitting the derivatives trading orders of clients into the trading system of TFEX.

“Compliance officer” means a person in charge of supervising the compliance with the rules, circular letters and orders of TCH.

“Internal auditor” means a person in charge of auditing the internal systems and operations related to derivatives trading of a member.

“Risk management officer” means a person in charge of fixing the limits and ceilings for the trading by clients, and managing the risks in the derivatives transactions of a member.

“Clearing” means price settlement, placement of margins, settlement of fees and other debts.

“Clearing System” means a computer system provided by TCH to provide the services between members and TCH.

“Derivatives” means any contract which has any one or any combination of the characteristics according to the Derivatives Contract Act B.E. 2546, as well as its amendments from time to time, and which is as prescribed by and listed on TFEX.

“Futures” means a contract under which a party is obliged to deliver a commodity to the other party, who is obliged to make payment for it at a given time in the future, in an amount and at the price prescribed therein; or a contract under which a party shall receive payment from, or is obliged to make payment to, the other party, in an amount which is equivalent to the difference between the price or value of the commodity or variable, as prescribed in the contract, and the price or value of the commodity or variable prevailing at a given time or period in the future, as prescribed in the contract.

“Options” means a contract under which a party is granted the right to require the other party to deliver or make payment for the commodity, or to make payment in an amount which is equivalent to the difference between the price or value of the commodity or variable, as prescribed in the contract, and the price or value of the commodity or variable prevailing at a given time or period in the future, as prescribed in the contract. Options are categorized into call options and put options.

“Call options” means a contract which stipulates the following rights and obligations:

(1.1) A long position holder has the right to buy the underlying, or to receive payment in an amount which is equivalent to the difference between the settlement price and the strike price, in accordance with the characteristics and conditions prescribed in the options.

(1.2) A short position holder is obliged to deliver the underlying, or to make payment in an amount which is equivalent to the difference between the settlement price and the strike price, in accordance with the characteristics and conditions prescribed in the options.

“Put options” means a contract which stipulates the following rights and obligations:

(2.1) A long position holder has the right to sell the underlying, or to receive payment in an amount which is equivalent to the difference between the strike price and the settlement price, in accordance with the characteristics and conditions prescribed in the options.

(2.2) A short position holder is obliged to take delivery of the underlying, or to make payment in an amount which is equivalent to the difference between the strike price and the settlement price, in accordance with the characteristics and conditions prescribed in the options.

“Cash settlement options” means a contract which stipulates the right to receive payment, equivalent to the difference between the strike price and the settlement price.

“Physical settlement options” means a contract which stipulates the right to buy or sell the underlying (physical delivery).

“Derivatives position” means an obligation in consequence of the buying or selling of exchange traded derivatives.

“Asset Account” means the account set up by TCH for the purpose of keeping the assets which were received by TCH, whether they belong to members or clients of members, as collateral and for security purpose of the trading, clearing and delivery of derivatives contract.

“Position Account” means the Asset Account set up by TCH for the purpose of recording derivatives contract position and commodity delivery data.

“Margin account” means an asset account prepared by TCH for the purpose of recording the rate or value of margin.

“House account” means an account for the derivatives trading by a member.

“Client account” means an account in the derivatives trading by a member’s client.

“Close out the derivatives position” means the closing out of a derivatives position according to the Derivatives Contract Act B.E. 2546 and its amendments from time to time.

“Transfer of derivatives position” means the transfer of a derivatives position of one member to another member for the purpose of the clearing on behalf.

“Related person” means a related person according to the rules of TFEX.

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

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

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

“Clearing report” means a clearing report prepared by TCH for the purpose of notifying a member to pay the price and provide an additional margin.

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

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

***“Deferred Charge” means the compensation for the postponement of delivery in an event of imbalance in the notification of intention to deliver the goods.

*(**Added September 26, 2016, Force October 3, 2016)*

“Strike 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 contract specification

***“Delivery Unit” means the delivery size of Commodity as prescribed in contract specification.

***“Contract Specification” means the form and substance of the derivatives contracts that prescribe details of derivatives the trading of which is allowed by TFEX.

*(**Added September 26, 2016, Force October 3, 2016)*

“Deposit of margin” means the deposit of any assets as margin in the derivatives trading and clearing in accordance with the type, rate or value prescribed by TCH.

“Margin” means the assets deposited by a member as margin in the derivatives trading according to the rate or value prescribed by TCH in order to secure the derivatives trading and clearing.

“Maintenance margin” means the minimum amount of assets which a member must deposit and maintain throughout the period of holding a derivatives position as security for the derivatives position in each month or for the opposite derivatives positions of the same underlying but different contract months.

“Spot Month Margin” means the amount of asset that the member shall place as margins for derivatives contracts which provide for delivery of commodity.

“Inter-month spread Maintenance margin” means the amount of assets which a member must deposit as security when it holds opposite derivatives positions in the same underlying but of different contract months under 2 or more derivatives contracts.

“Inter-commodity Spread Credit” means the amount of asset that the member shall place as margins for derivatives contracts with related underlying.

“Variation margin” means an amount of money which a member must deposit to support the change in price its derivatives position.

“Intra-day margin” means an amount of money which a member must deposit when TCH finds that there is a drastic fluctuation in price of the exchange traded derivatives.

“Delivery Deposit” means the asset that members place to confirm the delivery of commodity at a point of time in the future in the amount and at the price prescribed by TCH for the derivatives contract.

“Delivery” means actions taken to deliver and taking delivery of commodity according to the obligation arising from the matching by TCH as provided in the derivatives contract.

“Additional margin” means the amount of assets which must be additionally deposited by a member according to the type, rate or value prescribed by TCH.

“Clearing Fund” means the assets which a member must deposit for the security of the clearing system according to the exchange traded derivatives traded by the member or the derivatives position held by the member in accordance with the rules, rate or value prescribed by TCH.

*“Security Deposit” means the asset that members shall place as collateral for the security of the Clearing under the derivatives contract at the rate or amount as prescribed by TCH.

*(*Amended December 13, 2016, Force March 1, 2017)*

“Securities” means the securities under the law on securities and exchange

“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.

“Risk Management Sub-committee” means the Sub-committee which is appointed by the committee to perform the duty of considering and managing the risk which may arise in the Clearing under the derivatives contract and the delivery of commodity.

“Business Conduct 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 rules of TCH, and the disciplinary actions against those persons.

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

*(*Amended December 18, 2015, Force January 4, 2016)*