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## **Notification of Thailand Clearing House Co., Ltd.**

### **Re: Guidelines on Punishment for Member who Fails to Comply with the Regulations of TCH**

Whereas Regulation 308 of TCH (with respect to derivatives) provides that TCH may consider punishing the Members if the Members violate, or fail to comply with, their duties under the Regulations, circular letters or orders of TCH, and TCH has issued the Notification Re: Guidelines on Punishment for Member who Fails to Comply with the Criteria of TCH dated 13 December 2016.

TCH hereby repeals such Notification and prescribes the guidelines on punishment in accordance with the following criteria:

#### **1. TCH may fine a Member who fails to take steps for risk management in the Clearing System as follows:**

1.1 where the Member fails to submit a report as prescribed by TCH, or submit a report, which contains incomplete or inaccurate information, TCH may fine the Member Baht 5,000 per day, which shall be calculated in accordance with the period that such report is not submitted, or has been submitted but with incomplete information.

1.2 where the Member did not place Assets for the Clearing System Protection, or place such assets incompletely or inaccurately, TCH may fine the Member in accordance with the period that the Assets for the Clearing System Protection has been incompletely or inaccurately placed, as follows:

(1) not more than one (1) business day, a fine of 0.50% of the value of the assets that has not been fully placed shall be imposed;

(2) more than one (1) business day, but not more than two (2) business days, a daily fine of 0.75% of the value of the assets that has not been fully placed shall be imposed;

(3) more than two (2) business days, a daily fine of 1% of the value of the assets that has not been fully placed shall be imposed.

1.3 where the Member fails to submit the notice to inform TCH in the event the shareholders' equity of the Member is less than the amount prescribed by TCH within the time period determined for the submission of such notice, TCH may fine the Member Baht 5,000 per day throughout the period the notice is not submitted, or until the Member is able to maintain the shareholders' equity at the amount prescribed by TCH.

1.4 where the Member fails to submit the plan to rectify the shareholders' equity to TCH within the time period determined for the submission of such plan, TCH may fine the Member Baht 5,000 per day throughout the period the plan to rectify the shareholders' equity is not submitted, or until the Member is able to maintain the shareholders' equity at the amount prescribed by TCH.

**2. TCH may fine a Member who defaults or fails to comply with the Regulation regarding Clearing as follows:**

2.1 Where the Member's default is due to an operational error made by the Member (Human Error), but this does not cause damage to the Clearing System, and TCH has not initiated the default procedure, TCH may consider fining the Member as follows:

(1) for the first default in one calendar year, TCH may consider fining the Member Baht 5,000 a time;

(2) for the second default in the same calendar year, TCH may consider fining the Member Baht 10,000 a time;

(3) for the third default or more in the same calendar year, TCH may consider fining the Member Baht 50,000 a time.

2.2 Where the Member delays in making Clearing or defaults of Clearing, and TCH is required to initiate the default procedure, TCH may consider fining the Member for the amount of no more than two (2) times the defaulted amount provided that such amount is not less than Baht 5,000.

This Notification shall come into force from 15 October 2019 onwards.

Announced on 1 October 2019

*(signed) Pataravasee Suvarnsorn*

(Miss. Pataravasee Suvarnsorn)

Managing Director

Thailand Clearing House Co., Ltd.