

(PorPhorChor. 0002/2564)

Thailand Securities Institute Notification

Subject: Addition of the ESG Aspect in the Scope of Contents for the Refresher Course Approval for Investment Consultant (IC), Investment Analyst (IA), and Investment Planner (IP) Licence Renewal

Regarding the Office of the Securities and Exchange Commission ("the SEC") has encouraged personnel in the capital market business to realise the concept of the Environmental, Social and Governance ("ESG") factors in business and investment, the SEC has included the ESG as an additional required aspect in the refresher courses for the capital market personnel licence renewal as indicated in the SEC's Notification ThorLorThor. 27/2564, Subject: Regulations on Personnel in the Capital Market Business (No. 15), dated March 12th, 2564 BE.

Aligned to the SEC notification and to provide guidance to the training institutes for further content and training development of the refresher courses, the Professional Education Department, the Stock Exchange of Thailand ("SET"), agrees to improve the guideline and practice regarding the scope of contents for the refresher course approval as follows:

1. Revoke Thailand Securities Institute Notification Por Chor. 001/2557, subject: Scope of Contents for the Refresher Course Approval for Investment Analyst and Investment Consultant Licence Renewal.
2. Amend the scope of contents of the refresher courses for licence renewal by including the scope of contents regarding the ESG knowledge **(as provided in the notification attachment)**.

This notification is effective from April 16th, 2564 BE onwards.

The notification is dated April 9th, 2564 BE.

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Scope of Contents for the Refresher Course Approval
to be Qualified as Required Training Hours for Each Aspect

The courses that will be approved as qualified continuing professional education (CPE) hours for licence renewal must provide useful knowledge or practical skills for investment consultant and/or investment planner and/or investment analyst. The SET will approve the CPE hours and knowledge aspects considering the detailed contents of each course whether they are consistent with the following aspects.

1. Securities Aspect

1.1 Securities Aspect - Fundamental

(a) Fundamental knowledge about securities

- Knowledge about characteristics and securities investment (equities, debt instruments, and mutual funds).
- Knowledge about securities fundamental analysis, including economic analysis, industry/sector analysis and company analysis.
- Knowledge about the securities valuation using fundamental factors.
- Other fundamental knowledge about securities.

(b) Other related fundamental knowledge

- Knowledge about accounting standard.
- Knowledge about risk management.
- Knowledge about tax regarding securities business and tax planning.
- Knowledge that helps improve skills or quality of investment consulting relating to direct interaction skills with investors such as communication skills, negotiation, selling skills and personality development (The examples of courses, which are not related to direct interaction skills with investors and, in turn, not approved as qualified CPE hours, are charismatic development, leadership development, etc.)
- Other knowledge about securities business that is not in the scope of contents in the aspects of Securities - Technical; Futures Contract; Rules and Regulations, Ethics or Related Laws; and Asset Allocation.

1.2 Securities Aspect - Technical

- Knowledge about the principles relating to technical investment analysis.
- Knowledge about tools for technical investment analysis.
- Knowledge about the application of technical investment analysis for investment strategy and decision.
- Other knowledge about technical securities investment analysis.

2. Futures Contract Aspect

(a) Futures Contract Aspect - Fundamental

- **Fundamental knowledge about futures contract**

- Knowledge about characteristics and futures contract investment.
- Knowledge about fundamental futures contract analysis and valuation.
- Knowledge about futures contract trading strategy.
- Knowledge about investment portfolio risk prevention by using futures contract.
- Other fundamental knowledge about futures contract.

- **Other fundamental knowledge relating to futures contract**

- Knowledge about accounting standard relating to futures contract.
- Knowledge about tax relating to futures contract.
- Knowledge that helps improve skills or quality of investment consulting on futures

contract relating to interaction skills with investors such as communication skills, negotiation, selling skills and personality development (The examples of courses, which are not related to direct interaction skills with investors and, in turn, not approved as qualified CPE hours, are charismatic development, leadership development, etc.)

(b) Futures Contract Aspect - Technical

- Knowledge about the principles of futures contract technical investment analysis.
- Knowledge about tools for futures contract technical investment analysis.
- Knowledge about the application of technical analysis for futures contract investment strategy and decision.
- Other knowledge about futures contract technical investment analysis.

3. Rules and Regulations, Ethics, or Related Laws Aspect (“Regulations Aspect”)

(a) Knowledge about rules and regulations regarding securities or futures contract businesses.

(b) Knowledge about ethics, professional conduct for a securities company and investment consultant, and/or investment analyst, and/or investment planner, including the ethics of other professions relating to securities businesses, such as the ethics of financial planners and bond dealers, etc.

(c) Knowledge about corporate governance, internal audit and compliance.

(d) Knowledge about related laws, acts, royal enactments and ministerial regulations, such as the securities and exchange act and anti-money laundering act, etc.

4. Asset Allocation aspect

The approved courses must comprise both of the following contents:

(a) Knowledge about Client Analysis which includes

- Knowledge about client’s information gathering process.
- Knowledge about tools for client’s information quantitative and qualitative analyses.
- Knowledge about client’s risk ability and risk willingness assessment.
- Knowledge about personal finance and wealth management.
- Other knowledge about client analysis.

(b) Knowledge about Asset Allocation to be Suitable for Clients which includes

- Knowledge about risk and return of each asset class and the correlation of asset classes.
- Knowledge about process and strategy to construct and manage suitable investment portfolio, assess and follow up the portfolio performance for a client.
- Other knowledge relating to asset allocation to be suitable for a client.

The approved courses must include both parts of contents of 4(a) and 4(b) for a trainee to understand about asset allocation management and investment allocation or understand how to conduct transactions in capital market product appropriately. The courses may include examples or case studies.

5. Environmental, Social and Governance Aspect (“ESG aspect”)

(a) Fundamental Knowledge about ESG which includes

- Concept about sustainability such as UN Global Compact, UN Sustainable Development Goals (SDGs), etc.
- Development and key elements of sustainable development and sustainable investment in Thailand.
- Principles and guidelines about capital market governance such as CG Principles, CG Code, I Code.
- Introduction to sustainability and the significance of ESG to business.
- Business sustainability model such as CG Fundamentals, ESG Integration, Financial & Non-financial Information vs. Corporate Value, Social Impact, etc.
- ESG Investment development and trend.
- ESG sources of information such as One Report, SD Report, etc.
- Other fundamental knowledge relating to ESG Investment.

(b) Knowledge about ESG Investment Products which includes

- ESG Investment Products which include investment in local and foreign markets and cover various financial instruments such as equities (THSI, SETTHSI Index, etc.), debt securities (Green Bond, Social Bond, Sustainability Bond, Sustainability-linked Bond, etc.) and mutual fund (sustainable equities fund, etc.)
- Various sustainability indices both in Thailand and abroad.
- ESG Investment Tools such as ESG Scores and ESG Ratings which will be advantageous to investors.
- Risk and return associated with ESG Investment Products.
- Other knowledge relating to ESG Investment Products.

(c) Knowledge about ESG Products Investment Analysis, Strategy and Portfolio Construction which includes

- Fundamental analysis including ESG factors into the analysis.
- Company valuation including ESG factors into the analysis.
- Principles and strategic construction of ESG Investment Portfolio.
- ESG Investment Portfolio managerial strategy.

- Investment consulting strategy for clients who invest in ESG investment products.
- Other knowledge relating to ESG Products investment analysis, investment strategy and portfolio construction.