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Notification of the Securities and Exchange Commission
No. KorNor. 16/2549
Re: Rules, Conditions and Procedures for Purchasing or Holding of Shares
as Assets of Management Company

By virtue of Section 14 and Section 98 (7) (b) of the Securities and Exchange Act B.E. 2535 (1992) which contain certain provisions in relation to the restriction of rights and liberties of persons, in respect of which Section 29 in conjunction with Section 35, Section 36, Section 45, Section 48 and Section 50 of the Constitution of the Kingdom of Thailand so permit by virtue of law, the Securities and Exchange Commission hereby issues the following regulation:

Clause 1. The Notification of the Office of the Securities and Exchange Commission No. KorNor. 15/2544 Re: Rules, Conditions and Procedures for Purchasing or Holding of Shares as Assets of Management Company dated 6 June 2001 shall be repealed.

Clause 2. In this Notification:

“Company” means a limited company or a public limited company and including a juristic person established under specific law with an objective to conduct business;

“Management Company” means a securities company licensed to undertake securities business in the category of mutual fund management or a limited company or a public limited company under Clause 2 (6) of the Ministerial Regulation No.15 (B.E. 2543) issued under the Securities and Exchange Act B.E. 2535 (1992) licensed to undertake securities business in the category of private fund management;

“Office” means the Office of the Securities and Exchange Commission.

Clause 3. The Office shall grant a permission to the management company to purchase or hold shares of any company only when such purchasing or holding has the following characteristics:

- (1) being long-term investment for the period exceeding one year;
- (2) being the investment which is not funded from capital raised specifically to purchase or hold such shares; and
- (3) conforming with the rules concerning proprietary trading as specified by the Notification of the Office of the Securities and Exchange Commission concerning acts that may create conflict of interest on fund management and protective rules.

The management company which has been granted permission under paragraph one shall hold the shares for a period of more than one year from the date of

acquiring such shares, except where the board of directors of the management company deems it is necessary to sell the shares prior to one-year period. In this regard, the management company shall report to the Office, within five business days from the date the shares are sold, the sale of shares together with evidence demonstrating the board of directors' consideration on necessity in selling shares before completion of the specified period.

Clause 4. This Notification shall come into force as from 1 July 2006.

Notified this 2nd day of May 2006.

(Thanong Bidhaya)
Minister of Finance
Chairman of the Securities and Exchange Commission

Remark: The rationale for issuing this Notification is as follows: In order to allow securities companies licensed to undertake securities business in the category of mutual fund management and private fund management to manage their capital more efficiently, the Securities and Exchange Commission therefore deems appropriate to amend the rules and allow such securities companies to be able to purchase or hold shares providing that such purchasing or holding is derived from a proprietary trading which does not create conflict of interest with funds under their management.