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**Notification of the Office of the Securities and Exchange Commission
No. SorNor. 12/2550**

Re: Details of Property Fund Management Scheme

By virtue of Section 118(1) of the Securities and Exchange Act B.E. 2535 (1992), the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. The following notifications shall be repealed:

(1) The Notification of the Office of the Securities and Exchange Commission No. SorNor. 6/2540 Re: Details of Property Fund Management Scheme dated 26 February 1997;

(2) The Notification of the Office of the Securities and Exchange Commission No. SorNor. 15/2540 Re: Details of Property Fund Management Scheme (No. 2) dated 23 May 1997;

(3) The Notification of the Office of the Securities and Exchange Commission No. SorNor. 43/2540 Re: Details of Property Fund Management Scheme (No. 3) dated 11 December 1997.

Clause 2. In this Notification:

“Group” means group of persons pursuant to the Notification of the Office of the Securities and Exchange Commission concerning rules, conditions and procedures for establishment and management of property funds.

“Mutual fund” means a property fund established by a mutual fund management company with the key objective to invest the funds raised from the distribution of investment units in real estate (or property) or leasehold and to generate income from such investment;

“Specified fund” means any mutual fund which has specifically prescribed in its scheme the real estate to be acquired;

“Non-specified fund” means any mutual fund which has specified in its scheme only type and location of the real estate to be acquired;

“Valuation” means the determination of value of real estate or leasehold in which a mutual fund invests, on the basis of a full valuation, for the purpose of disclosure to the public. Legal title, restrictions on possessory right of a property, legal terms, conditions and restrictions, other restrictions on property usage, information on the existing use and other relevant details must be examined, including physical inspection of the property;

“Valuation review” means statement of opinion given on the value of real estate or leasehold in which a mutual fund invests, without conducting physical inspection of the property;

“Scheme” means a mutual fund management scheme;

“Scheme capital” means the maximum amount, as specified in the scheme, which a mutual fund management company may raise funds from offering investment units;

“Lease” means any lease whether directly or by assignment or sublease;

“Advisor” means any legal person which renders advice or recommendation to the mutual fund management company in relation to the investment in or disposal of property or leasehold or the utilization of real estate acquired;

“Connected person” means the connected person pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the actions which may cause conflict of interest on fund management and rules to prevent the conflict;

“Property valuer” means any company whose name is on the list of valuation company as approved by the Office pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the granting of approval of valuation companies;

“Underwriter” means any securities company which has a license to undertake securities business in the category of securities underwriting, and any securities company which has a license to undertake securities business in the category of underwriting of investment units;

“Special subscriber” means the special subscriber pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the rules, conditions and procedures for establishment and management of property funds;

“Fund supervisor” means a mutual fund supervisor;

“Property manager” means any juristic person appointed by a mutual fund management company to perform the duty of administrating or generating income from the real estate acquired by the mutual fund;

“Selling agent” means a juristic person appointed by a mutual fund management company to sell investment units of a mutual fund;

“Valuation report” means a report made by the property valuer specifying details of the valuation or valuation review which is signed by a principal valuer whose name is on the list as approved by the Office pursuant to the Notification of the Office of the Securities and Exchange Commission governing the granting of approval of valuation companies;

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

Clause 3. In submitting an application to establish a mutual fund, the mutual fund management company shall provide information on the following within the scheme:

(1) Name, address and telephone number of the mutual fund management company;

(2) Name, type, objectives, and maturity of the scheme;

(3) Scheme capital, par value, number, type and price of investment units to be offered, including minimum subscription amount;

(4) Investment policies and investment restrictions of the mutual fund;

(5) Name, address and contact number of the following persons:

(a) Fund supervisor, safe-keeping place of assets and the conditions on replacement of a fund supervisor

(b) Auditor

(c) Registrar

(d) Property valuer

(e) Selling agent (if any)

(f) Underwriter (if any)

(g) Advisor (if any)

(h) Property manager (if any)

(6) Procedures for the sale of investment units, collection of subscription payment of investment units and keeping of proceeds, allotment of investment units and refunding of subscription payment together with interest to persons not being allotted with investment units or to subscribers of a scheme that has to be ceased;

(7) Restrictions on allotment of investment units to any person or any group in excess of one third of total outstanding investment units;

(8) List of names or qualifications of special subscriber, owner, lessor, assignor of lease and grantor of right over the property to be acquired by the mutual fund and their group, including the amount and proportion of allotment of investment units to be made to such person, if any;

(9) Issuance and delivery of proof of title, the conditions and procedures on unit transfer, including restrictions on transfer;

(10) Rights and benefits of unitholders and restrictions on such rights in case that there is a holding of investment units in excess of one third of the total outstanding investment units;

(11) Details concerning the purchase, lease, leasehold assignment or assignment of right over the real estate:

(a) With respect to specified funds, provide details or facts on the following:

1. Name, location, description, existing use and lease term (if any);

2. Price of the real estate at which it will be purchased or rented, property values as stated in the valuation reports prepared by two property valuers, and statements providing rationale for purchasing or renting the real estate if it will be purchased or rented at the price higher than twenty percent of the lowest value of the two valuation reports;

3. List of name of owner, lessor, assignor or grantor of right over the property to be invested by the mutual fund. For the case that the lessor, assignor or grantor of right over the property is not the owner, description of the right that such person has over the property to be acquired;

4. Facts concerning the purchase or leasing or leasehold assignment, or assignment of right over real property which can be deemed as a transaction with connected person, as well as nature of relationship with such persons (if any);

5. Insurance against damage that may arise from termination of contract by the owner who holds the deed or a person of possessory right under a utilisation certificate, where such person is not a counterparty to the mutual fund, if any;

6. Details on how the property will generate income which includes market overview of the segment related to the property from which the mutual fund plans to generate income, revenue structure to be obtained from the property and the property management policy.

7. Summary of the draft contract on purchasing, leasing, leasehold assignment or assignment of right over the property to be invested by the mutual fund;

8. Summary of the draft contract between the mutual fund and the lessee in case where the mutual fund let the property to a single lessee to operate the property (if any);

(b) With respect to non-specified funds, provide the type and location of the property to be invested by the mutual fund together with the overview on the management of the property to be invested.

(12) Other assets to be invested by the mutual fund;

(13) Insurance of the mutual fund;

(14) Steps and procedures on acceptance of payment in kind;

(15) Valuation and valuation review;

(16) Calculation method, calculation period and the announcement of NAV, value of investment units and price of investment units;

(17) Accounting period of the mutual fund and the last date of the first accounting period;

(18) Procedures for increasing and decreasing of registered capital of the mutual fund;

(19) Dividend payment policy, including when and how dividend will be paid to unitholders;

(20) Convention of unitholders' meeting;

(21) Preparation of report on financial position and performance of the mutual fund;

(22) Procedures for scheme amendment;

(23) Appointment of an investment committee (if any);

(24) Rights, duties and responsibilities of:

(a) Mutual fund management company

(b) Fund supervisor

(c) Property valuer

(d) Investment committee (if any)

(e) Advisor (if any)

(f) Property manager (if any) and where the owner of the real estate acquired or leased by the mutual fund or the assignor of the right over the real estate is to be appointed as property manager, make known such fact.

(25) Fees and procedure for collecting fees or any other remuneration chargeable to subscribers, unitholders or the mutual fund by the mutual fund management company;

(26) Fees and how to pay fees or any other remuneration to be paid by the mutual fund to the fund supervisor, auditor, registrar, property valuer, selling agent, underwriter, investment committee, advisor and property manager (if any);

(27) Dissolution of the scheme;

(28) Liquidation procedures of the mutual fund upon termination of the scheme and procedures for repayment to unitholders;

(29) Other details which are necessary and beneficial to unitholders.

Clause 4. This Notification shall come into force as from 1 October 2007 and shall become terminated when the Office makes available the Mutual Fund Approval System (MFAS) for the submission of application to establish property funds.

Notified this 28th day of June 2007.

(Mr. Thirachai Phuvanatanarubala)
Secretary-General
The Office of the Securities and Exchange Commission

Note:

In order to ensure that the details of property fund management schemes contain more information which is useful to investors when making an investment decision, and that the particulars required to be included in property fund management schemes are appropriate and compliant with the revised rules on the establishment and management of property funds, the Office deems it is expedient to revise the notification concerning details of property fund management scheme.