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**Notification of the Office of the Securities and Exchange Commission  
No. SorNor. 36/2550  
Re: Exemption on Amendment of Mutual Fund Management Scheme and  
Management Fees Collection**

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By virtue of paragraph one of Clause 12 and Clause 18 (2) of the Notification of the Securities and Exchange Commission No. KorNor. 30/2547 Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004 and Clause 18 (6) of the Notification of the Securities and Exchange Commission No. KorNor. 30/2547 Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004 as amended by the Notification of the Securities and Exchange Commission No. KorNor. 1/2550 Re: Rules, Conditions and Procedures for Establishment and Management of Funds (No. 4) dated 24 April 2007, the Office of the Securities and Exchange Commission hereby issues the following regulation:

**Clause 1.** In this Notification:

“Fund of funds” means a fund of funds as prescribed by Clause 4 (2) (a) of the Notification of the Office of the Securities and Exchange Commission No. SorNor 23/2547 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds dated 11 June 2004 and the amendments, which has been registered as a mutual fund prior to 16 August 2006;

“Scheme” means a mutual fund management scheme;

“Management company” means any securities company licensed to undertake securities business in the category of mutual fund management.

**Clause 2.** The provision of Clause 25 of the Notification of the Office of the Securities and Exchange Commission No. SorNor. 29/2549 Re: Acts that May Create Conflict of Interest on Fund Management and Protective Rules dated 19 July 2006, regarding soft commission only, shall not be applicable to fund of funds that meets the following conditions :

(1) the fund of funds invests in investment units of foreign master funds;

(2) the scheme or prospectus of the fund of funds has indicated that the management company may receive soft commission from investing in foreign master funds; and

(3) the management company incorporates the soft commission received from investing in foreign master funds (such as loyalty fees or rebates) into the assets of the fund of funds.

Upon meeting all conditions under paragraph one, the management company shall charge management fees according to the following rules:

(1) in the case where it has specified in the scheme or prospectus of the fund of funds that the management company shall not collect any management fees, the company may charge management fees at the rate not higher than the rate of soft commission the management company receives from foreign master funds;

(2) in the case where it has specified in the scheme or prospectus of the fund of funds that the management company shall collect management fees, the company may charge management fees at the rate not higher than the sum of the specified rate and the rate of soft commission received from foreign master funds;

The information regarding the soft commission received from foreign master funds specified in the scheme or prospectus under paragraph one (2) shall be regarded as information concerning management fee collection under Clause 76 of the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 1/2549 Re: Rules, Conditions and Procedures for Management of Funds dated 7 February 2006.

**Clause 3.** The management company shall disclose the information regarding collection of management fees under paragraph two of Clause 2 and the calculation methods of such fees following the act under paragraph one (3) of Clause 2 according to the following methods:

(1) notify, in writing, the unit holders of the fund of funds at the first opportunity and;

(2) declare in the semi-annual report and the annual report of the fund of funds in the part relating to fees and expenses collected from the fund.

**Clause 4.** This Notification shall come into force as from 16 December 2007.

Notified this 13<sup>th</sup> day of December 2007.

(Thirachai Phuvanatanarubala)  
Secretary-General

Office of the Securities and Exchange Commission

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**Remark:** The rationale for issuing this Notification is due to the fact that some management companies receive soft commission (royalty fees or rebates) from foreign master funds in lieu of charging management fees from the fund of funds. Nevertheless, the notification governing acts that may create conflict of interest prohibits the management companies from receiving soft commission whilst there are still costs in managing the fund of funds. It is therefore necessary to allow the management company to charge management fees from the fund of funds and the information regarding soft commission disclosed in the scheme or prospectus shall be regarded as the information concerning management fee collection.