

(UNOFFICIAL TRANSLATION)

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**Notification of the Office of the Securities and Exchange Commission  
No. SorNor. 27/2550  
Re: Rules, Conditions and Procedures for Appointment and  
Conduct of Fund Manager**

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By virtue of Clause 2 (1), Clause 10 and Clause 19 of the Notification of the Securities and Exchange Commission No. Kor Nor. 30/2547 Re: Rules, Conditions and Procedures for Establishment and Management of Funds, dated 10 June 2004 and Clause 2 (2) and Clause 18 (6) of the Notification of the Securities and Exchange Commission No. Kor Nor. 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. Kor Nor. 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 regulations:

**Clause 1.** The Notification of the Office of the Securities and Exchange Commission No. Sor Nor. 34/2549, Re: Additional Rules for Approval of Fund Manager dated 30 August 2006 shall be repealed.

**Clause 2.** In this Notification:

“Executive Director” means any person who is appointed by the board of directors as an executive director or authorised with power to make decisions on the company’s operation on behalf of the board of directors;

“Register of Persons Qualified to be Fund Manager” means the register of persons who are approved by the Office of the Securities and Exchange Commission as qualified to be appointed as fund manager;

“Person with Power of Management” means managing director, deputy-manager, assistant manager, department director, branch manager and any person with other equivalent positions under different names;

“Managing Director” means any person authorised by the board of directors to take the highest responsibility in managing the company, regardless of the job title;

“Fund Manager” means mutual fund manager or private fund manager;

“Department Director” means any person responsible for the work of a department in the company;

“Executive” means director, manager or any person with management power;

“Training Institute” means Thailand Securities Institute and other training institutes accepted by the Office;

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

## **Chapter 1** **Scope of the Provisions**

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**Clause 3.** This Notification shall not apply to the appointment of a fund manager who makes decisions to invest or dispose of real estate or leasehold right of the following mutual funds:

- (1) property fund;
- (2) property fund for solving financial institution problems;
- (3) mutual fund for solving financial institution problems;
- (4) property and loan fund.

## **Chapter 2** **Appointment of Fund Manager**

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**Clause 4.** In appointing a fund manager, the management company shall comply with the following rules:

(1) appoint persons whose name is on the register of persons qualified to be fund manager. In this regard, the management company shall appoint not more than one person from such register pursuant to the specific rules under Clause 7 (2) and Clause 13 (3);

(2) the appointee shall be a permanent employee of the management company and able to work full-time for the management company except that such person holds the position of director of the management company;

(3) the appointee shall not hold any other position in the management company except where such position has either of the following characteristics:

(a) not causing any conflicts of interest with management of funds, or

(b) being the position of director or derivatives investment manager or the position under Clause 7 (2) (a);

(4) the appointee shall not be an employee or executive of another company and shall not be a derivatives investment manager for any other persons in a manner which is similar to or which is in competition with the operation of the management company except where such position does not cause any conflicts of interest with management of funds.

**Clause 5.** The management company shall submit to the Office the following documents relating to its fund managers in accordance with forms and procedures provided in the electronic system in the web site of the Office:

(1) report on appointment of fund managers which shall be submitted prior to the appointment for not less than fourteen days;

(2) report on the termination of appointment of fund managers which shall be submitted within fourteen days as from the date of termination of appointment.

The management company shall disclose the name of fund managers of each mutual fund in a report or document sent to unit holders at least once a year and in the web site of the management company. In case there is any change of information, the management company shall update the list in its web site within fourteen days as from the date of change.

### **Chapter 3**

#### **Person Listed in the Register of Person Qualified to be Fund Manager**

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**Clause 6.** Any person being at least twenty years old and seeking an approval from the Office to be listed in the register of person qualified to be fund manager shall submit an application as per forms and procedures provided in the electronic system in the web site of the Office. The Office shall grant an approval upon the fulfilment of the following conditions:

- (1) the applicant have qualifications as prescribed under Clause 7;
- (2) the applicant does not have any prohibited characteristics under Clause 8, and
- (3) the applicant has paid for the application fee under the Notification of the Office of the Securities and Exchange Commission concerning determination of fees for filing, registration and other applications.

The Office shall notify the result of the application within thirty days as from the date of submission of complete and accurate application, other documents and evidence. In considering the application, the Office may summon the applicant to give statements or submit additional documents and evidence within the period specified by the Office.

The Office shall deem that the applicant no longer wishes to seek an approval to become a fund manager in case where:

- (1) the applicant does not pay for the application fee under (3) of paragraph one;
- (2) the applicant does not appear to give statements or submit additional documents within the period specified by the Office under paragraph two.

In granting an approval under paragraph one, the Office may specify a period in which the applicant so approved to be listed in the register of person qualified to be fund manager shall attend the first refresher course relating to securities and exchange laws, relevant rules and regulations and ethics and professional standards administered by an association or a training institute, following the approval. If the approved person fails to attend the training course within the specified period, the approval shall be deemed terminated and the Office shall remove the name of such person from the register of person qualified to be fund manager.

**Clause 7.** In order for a person to be approved to be listed in the register of person qualified to be fund manager, the person shall have the qualifications as prescribed under the general rules or the specific rules as follows:

### (1) General Rules

(a) Having passed a course on securities and exchange laws, relevant rules and regulations and ethics and professional standards administered by the association or a training institute within the past two years prior to the date of submission of the application. If the person has passed the course for more than two years as of the date of submission of the application, the applicant shall have attended a training course relating to the same areas administered by the association or a training institute in any of the following cases:

1. Having attended a refresher course relating to securities and exchange laws, relevant rules and regulations and ethics and professional standards within the past two years prior to the date of submission of the application. In this regard, such attendance shall continue from the previous one and shall be required at least once every two calendar years as from the calendar year of passing the course, or

2. Having attended a full course relating to securities and exchange laws, relevant rules and regulations and ethics and professional standards within two years prior to the date of submission of the application.

(b) Possessing qualifications and work experiences as follows:

1. Having passed the level 1 examination of Chartered Financial Analyst (CFA) or Certified Investment and Securities Analyst (CISA) or any other equivalent examinations approved by the Office and having work experience in securities investment, risk management relating to securities investment or securities analysis for not less than three years within five years prior to the date of submission of the application.

2. Having obtained a certificate (level 3) in Chartered Financial Analyst (CFA) or Certified Investment and Securities Analyst (CISA) or any other equivalent certificates as approved by the Office, or

3. Being permitted by a foreign capital market regulator, which is accepted by the Office, to perform the duties similar to fund manager.

### (2) Specific Rules

(a) Being a manager of the management company or holding any position from second to manager down to department director whose role is responsible for the investment management unit of the management company.

(b) Having passed the course as stipulated in (1) (a) or having attended a full course relating to securities and exchange laws, relevant rules and regulations and ethics and professional standards administered by the association or a training institute within two years prior to the date of submission of the application.

**Clause 8.** The applicant under Clause 6 shall not have prohibited characteristics as prescribed in the Notification of the Securities and Exchange Commission concerning prohibited characteristics of personnel in securities business.

**Clause 9.** In maintaining the status of being listed in the register of person qualified to be fund manager, a person shall:

(1) Attend a refresher course relating to securities and exchange laws, relevant rules and regulations and ethics and professional standards administered by the association or a training institute at least once every two calendar years as from the calendar year in which the Office has granted approval.

(2) Submit to the Office an application for maintenance of status along with evidence or reference of course under (1) attended as per forms and procedures provided in the electronic system in the web site of the Office.

(3) Pay for the maintenance fee as prescribed by the Notification of the Office of the Securities and Exchange Commission concerning determination of fees for filing, registration and other applications.

In case where any person who has been granted with an approval fails to proceed in accordance with (1) (2) and (3) within a period of every two calendar years as from the calendar year in which the Office has granted approval, the approval shall be deemed terminated and the Office shall remove the name of such person from the register of person qualified to be fund manager.

**Clause 10.** In case where any person listed in the register of person qualified to be fund manager has been appointed by the management company to perform the duties of fund manager, such person shall:

(1) comply with laws and notifications relating to fund management, *mutatis mutandis*, only in the part of investment management;

(2) perform duties by adhering to ethics and professional standards as stipulated by the association and as approved by the Office, *mutatis mutandis*, only in the part of investment management.

**Clause 11.** In the event that any person listed in the register of person qualified to be fund manager has any prohibited characteristics as prescribed by the Notification of the Securities and Exchange Commission concerning prohibited characteristics of personnel in securities business or violates or fails to comply with Clause 10, the Office shall take actions against such person following the rules and procedures prescribed by the Notification of the Securities and Exchange Commission concerning the prohibited characteristics of personnel in securities business.

#### **Chapter 4** **Transitional Provisions**

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**Clause 12.** A person approved to be a fund manager prior to the date this Notification comes into force shall continue to perform duties as fund manager provided that the person complies with the following conditions:

(1) performing duties in accordance with the rules under Clause 10;

(2) not having any prohibited characteristics as prescribed in the Notification of the Securities and Exchange Commission concerning prohibited characteristics of personnel in securities business;

(3) attending the course under Clause 9 (1), *mutatis mutandis*, and submitting an application for approval to be listed in the register of person qualified to be fund manager as per forms and procedures stipulated in Clause 6 along with evidence or documents as reference for the attendance of such course. The application for approval to be listed in the register of person qualified to be fund manager shall be submitted at least thirty days prior to the last date of the calendar year the refresher course under Clause 9 (1) is due;

(4) paying for application fees as prescribed by the Notification of the Office of the Securities and Exchange Commission concerning determination of fees for filing, registration and other applications.

If a person approved to be fund manager prior to the date this Notification comes into force fails to comply with the conditions stipulated in paragraph one, the approval shall be deemed terminated except the case of non-compliance with the conditions under (1) and (2), the Office shall proceed in accordance with rules and procedures prescribed in the Notification of the Securities and Exchange Commission concerning prohibited characteristics of personnel in securities business.

**Clause 13.** A person approved to be listed in the register of person qualified to be fund manager under Clause 12 (3) shall proceed to have any of the following qualifications within 31 December 2010:

(1) having certificate (level 3) in Chartered Financial Analyst (CFA) or Certified Investment and Securities Analyst (CISA);

(2) having work experience in securities investment, risk management relating to securities investment or securities analysis for at least three years within five years prior to the date of submission of documents or evidence as proof of having such experience;

(3) being a manager of the management company or holding any position from second to manager down to department director whose role is responsible for the investment management unit of the management company.

If such person fails to proceed and submit documents and evidence under paragraph one within 31 December 2010, the approval shall be deemed terminated and the Office shall remove the name of such person from the register of person qualified to be fund manager.

**Clause 14.** In the case where the electronic system in the web site of the Office has not yet been readily available, Clause 5, Clause 6, Clause 9 (2), Clause 12 (3) and Clause 12 (4) shall be proceeded by submitting the hard copy of documents to the Office.

**Clause 15.** This Notification shall come into force as from 1 January 2008.

Notified on this 17<sup>th</sup> Day of October 2007

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

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**Remark:** The investment management of mutual funds and private funds shall be carried out by fund managers with qualifications and appropriate characteristics i.e. having knowledge, ability, honesty and unblemished past records. Such persons shall perform the investment for mutual funds and private funds with fiduciary duties. In order to ensure the fulfillment of the aforesaid requirements, it is therefore necessary to issue this Notification.