

Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference. The SEC, Thailand can neither undertake any responsibility for its accuracy, nor be held liable for any loss or damages arising from or related to its use.

**The Notification of the Office of the Securities and Exchange Commission
No. SorKhor/Nor. 32/2551
Re: Rules, Conditions and Procedures for Management of Funds
(No. 10)**

By virtue of Clause 18(1) 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 regulations:

Clause 1. The following provision shall be added as Clause 28 (3) (c) 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:

“(c) a mutual fund invests in or holds investment units of foreign mutual fund and such foreign mutual fund ceases to accept purchase or redemption orders or refuses to sell or accept redemption of investment units upon receipt of purchase or redemption orders.”

Clause 2. The following provision shall be added as Clause 76/1 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 76/1.** In cases where asset value of a fund is less than fifty million baht, the mutual fund management company shall charge management fee only in form of percentage to the asset value or the net asset value of such fund.

In cases where the fund’s registered capital was not less than fifty million baht, but later its value decreases to less than fifty million baht, the mutual fund management company shall charge management fee referred in the first paragraph under the following rules:

(1) In cases where the mutual fund management company currently charges management fee certain percentage of asset value or net asset value of the mutual fund, the fee to be charged according to the first paragraph shall not be higher than the rate which is charged to the fund at the time its value exceeding fifty million baht, calculated from the par value of investment unit.

(2) In cases other than (1) the mutual fund management company shall charge the fee under the first paragraph at a reasonable and fair rate upon approval from the Office.

The value of the mutual fund under the first and the second paragraph shall be calculated from the par value of investment unit.”

Clause 3. Clause 82 and Clause 83 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 as amended by the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 2/2550 Re: Rules, Conditions and Procedures for Management of Funds (No. 4) dated 23 February 2007 shall be repealed and replaced with the followings:

“Clause 82. The mutual fund management company shall, upon the occurrence of the following events, dissolve open-end funds under the rules specified in Clause 83:

(1) Decrease in the number of unitholders, on any business day, to the following amount;

(a) in case of retail fund, less than thirty-five;

(b) in case of institutional fund, less than ten, except for mutual funds whose investment units are sold exclusively to the Government Pension Fund or the Social Security Fund;

(2) Redemption of more than two-third of the total outstanding units, on any business days, by a person holding more than one-third of the total outstanding units who is an exempt person under Clause 14 (2)(b)(c), and (d) of the notification of the Office of the Securities and Exchange Commission governing the Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds.

The provision under the first paragraph (1)(a) shall not apply to an open-end mutual fund with single offering and registered with the Office before 16 June 2004.

Clause 83. Upon occurrence of an event under Clause 82, the mutual fund management company shall act as follows:

(1) cease to accept purchase or redemption orders of investment units as from the business day the event under Clause 82 has occurred;

(2) notify, within three business days as from the business day the event under Clause 82 has occurred, the unitholders whose names are on the register of unitholders through registered mail and the Office in writing;

(3) dispose of the remaining securities or assets of such open-end fund within five business days as from the business day the event under Clause 82 has

occurred so as to collect money as much as possible for the payment of redemption of investment units to the unitholders;

(4) pay for the redemption of investment units, in proportion to the proceeds collected under (3), to the unitholders within ten business days as from the business day the event under Clause 82 has occurred. Such open-end mutual fund shall be deemed dissolved upon payment for redemption of investment units.

Upon completion of the acts under (1) to (4) of the first paragraph, should there be any securities or assets remaining after the disposal under (3) of the first paragraph, the mutual fund management company shall act in compliance with the Notification of the Securities and Exchange Commission governing Rules, Conditions and Procedures for the Liquidation of the Mutual Fund.”

Clause 4. The second paragraph of Clause 97 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 as amended by the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 7/2549 Re: Rules, Conditions and Procedures for Management of Funds (No. 2) dated 14 March 2006 shall be repealed.

Clause 5. Clause 99 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 as amended by the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 25/2549 Re: Rules, Conditions and Procedures for Management of Funds (No. 3) dated 31 May 2006 shall be repealed and replaced with the following:

“**Clause 99.** The provisions of Clause 12, Clause 13, Clause 14, the second paragraph of Clause 74, and Clause 84 shall not apply to country fund.

The provision under Clause 81(2) and Clause 82 (1)(b) shall not apply to country fund registered with the Office before 16 June 2004 and such fund is exclusively held by foreign fund which are mutual fund, government pension fund, social security fund or provident fund.”

Clause 6. Clause 103 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 and Clause 104 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 as amended by the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 2/2550 Re: Rules, Conditions and Procedures for Management of Funds (No. 4) dated 31 May 2006 shall be repealed and replaced with the following:

“**Clause 103.** The mutual fund management company shall act in compliance with Clause 104 when the number of unitholders of long-term equity fund is

reduced to be less than thirty-five on any business day, and the provisions under Clause 82 and Clause 83 shall not be applied.

Clause 104. Should there be an event under Clause 103, the mutual fund management company shall act as follows:

(1) cease to accept purchase or redemption orders as from the business day the event under Clause 103 has occurred;

(2) notify the unitholders whose names are on the register of unitholders that the company is going to transfer the investment under Clause 101 and to act in compliance with Clause 104 through registered mail and shall notify the Office in writing within three business days as from the business day the event under Clause 103 has occurred;

(3) dispose of the remaining securities or assets of such mutual fund within five business days as from the business day the event under Clause 103 has occurred so as to collect money as much as possible and pay the redemption to the unitholders who do not express their intention to transfer their investment to another long-term equity fund;

(4) pay redemption in the proportion of the sum collected under (3) to the unitholders who do not express their intention to transfer their investment to another long-term equity fund within ten business days as from the business day the event under Clause 103 has occurred. Such mutual fund shall be deemed dissolved upon payment for redemption of investment unit.

Upon completion of the acts under the first paragraph, should there be any securities or assets remained after (3), the mutual fund management company shall act in compliance with the Notification of the Securities and Exchange Commission governing Rules, Conditions and Procedures for the Liquidation of the Mutual Fund.”

Clause 7. The first paragraph of Clause 109 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 shall be repealed and replaced with the following:

“**Clause 109.** The provisions of Clause 82 (1) and Clause 83 shall not apply to the ETF.”

Clause 8. This Notification shall come into force as from 1 December 2008.

Notified this 27th day of November 2008.

- Signature -

(Mr. Thirachai Phuvanatanarubala)

Secretary-General

The Office of the Securities and Exchange Commission

Remark: The rationale for issuance of this Notification: (1) to define additional causes for the refusal of sale or redemption, or the cessation to accept any purchase or redemption orders of the mutual fund which invest in foreign funds, (2) to allow the management company to make an appropriate judgement taking into account related factors whether it is suitable to continue the management of the fund with small asset size and (3) to determine rules on management fee charged to the mutual fund with small asset size to ensure fairness for unitholders.