

(UNOFFICIAL TRANSLATION)

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**Notification of the Office of the Securities and Exchange Commission
Governing Rules, Conditions and Procedures for Appointment and
Conduct of Fund Manager B.E. 2552 (2009)**

By virtue of Clause 3 (1) and (2), Clause 11, Clause 19(6) and Clause 20 of the Capital Market Supervisory Board No. TorNor. 27/2552 Re: Rules, Conditions, and Procedures for Establishment and Management of Funds dated 20 July 2009, the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. This Notification shall come into force as from 1 January 2010.

Clause 2. In this Notification:

(1) The term “Executive” shall have the same meaning as defined in the Notification of the Capital Market Supervisory Board governing qualifications and prohibited characteristics of directors and executives of securities company.

(2) “Fund Manager” means mutual fund manager or private fund manager;

(3) “Register of Persons Qualified to be Fund Manager” means the list of persons approved by the Office of the Securities and Exchange Commission as qualified to be appointed as fund manager;

(4) “Manager” means a person assigned by the board of directors to take the highest responsibility in managing the company, regardless of the job title;

(5) “Training Institute” means training institutes accepted by the Office;

Chapter 1

Scope of the Applicability

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

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

(1) a person to be appointed shall be a person whose name is on the register of persons qualified to be fund manager. In this regard, the management company shall appoint only one person from such register to be Fund Manager according to rules under Clause 8, or Clause 17 the first paragraph (3);

(2) in case the management company appoints its employee to be Fund Manager, such person shall hold the position with either of the following characteristics:

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

(b) being the position of director, derivatives investment manager, manager of the management company, or any person holding equivalent position called otherwise who take the highest responsibility in the line of work relating to capital markets according to Clause 8;

(3) a person to be appointed shall not be a director, executive, or employee 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 the management company can show that its organizational structure does not cause any conflicts of interest or has established effective policy and measures for prevention of conflicts of interest.

Clause 5. The management company shall submit to the Office the following information relating to its fund managers in the forms and procedures provided in the Office's electronic work system:

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

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

The management company shall disclose the list of fund manager of each mutual fund in a report or document sent to unitholders at least once a year and shall publish the same information on its website. In case of any change on such information, the management company shall also update the list on its website within fourteen days from the date of change.

Chapter 3

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

Clause 6. Any person being at least twenty years old and intends to obtain an approval from the Office to be listed in the register of person qualified to be fund manager shall submit an application for approval according to the forms and procedures provided in the Office's electronic work system. The Office will grant an approval only when comply with the following conditions:

(1) the applicant have qualifications as prescribed under Clause 7 and Clause 8;

(2) the applicant does not have any prohibited characteristics as prescribed under Clause 9, 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 disclose the result of the application in the Office's electronic work system within thirty days as from the date the Office receives complete and accurate application together with supplemental documents. In case the Office refuses to grant approval for any person, the applicant will be informed in writing and reasons shall also be provided.

The Office may notify the applicant to clarify or submit additional documents evidence as appropriate within the specified period. If the applicant fails to comply or proceed as required, the Office shall deem that

such applicant does not intend to apply for an approval to be listed in the register of person qualified to be fund manager.

In granting an approval according to the first paragraph, the Office may specify a period for the applicant to attend the first training course after having been granted an approval. The required course shall be a refresher course relating to law on securities and exchange, applicable rules and regulations as well as ethics and professional standards arranged by the association or the training institute. If such approved person fails to attend the training course within the specified period, the approval shall be deemed terminated and the Office shall remove such person's name from the register of person qualified to be fund manager.

Clause 7. Any person to be approved to be listed in the register of person qualified to be fund manager shall have the following qualifications, except the case as prescribed in Clause 8:

(1) having passed a course relating to securities and exchange laws, applicable rules and regulations and ethics and professional standards arranged by the association or the training institute within the past two years prior to the application date. If the person has passed the course for more than two years as of the application date, the applicant shall have attended one of the following training courses arranged by the association or the training institute:

(a) having attended a refresher course relating to securities and exchange laws, applicable rules and regulations and ethics and professional standards within the past two years prior to the application date. 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

(b) having attended a full course relating to securities and exchange laws, applicable rules and regulations and ethics and professional standards within two years prior to the application date.

(2) having one of the following qualifications and work experiences:

(a) 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 two years within five years prior to the application date.

(b) having obtained a certificate (Level 3) in Chartered Financial Analyst (CFA) or Certified Investment and Securities Analyst (CISA) or any other equivalent courses as approved by the Office, or

(c) being permitted by a foreign capital market regulator, which is accepted by the Office, to perform the duties similar to fund manager.

Clause 8. Any person to be approved to be listed in the register of person qualified to be fund manager using qualification of being a Manager of the management company, or any person holding equivalent position called otherwise who take the highest responsibility in the line of work relating to capital markets shall meet the following rules:

(1) comply with rules set forth in Clause 7(1), or

(2) if not passing the examination on course specified in Clause 7(1), having attended a full course relating to securities and exchange laws, applicable rules and regulations and ethics and professional standards within two years prior to the application date.

Clause 9. Any person to be approved to be listed in the register of person qualified to be fund manager according to Clause 7 and Clause 8 shall not have prohibited characteristics as prescribed in the Notification of the Capital Market Supervisory Board governing prohibited characteristics of personnel in securities business.

Clause 10. The approval to be listed in the register of person qualified to be fund manager is given for two-year period, the first approval takes effect as from the approval date and the two-year period shall be counted from the 1st January of the following year.

Clause 11. In renewing for approval to be listed in the register of person qualified to be fund manager, such listed person shall act in accordance with the following rules:

(1) attend a refresher course relating to securities and exchange laws, applicable rules and regulations and ethics and professional standards arranged by the association or a training institute at least once every two calendar years as from the calendar year obtained an approval from the Office;

(2) submit to the Office a renewal application at least thirty days prior to the expiry date of the approval in the form and procedure provided in the

Office's electronic work system along with evidence or reference of course attendance as referred in the first paragraph (1).

(3) pay the renewal 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.

The Office shall disclose the name of person obtained an approval for renewal in the Office's electronic work system within thirty days as from the date the Office receive complete application and supplemental documents. In case the Office refuses to grant approval for renewal to any person, such person will be informed in writing and reasons shall also be provided.

The Office may notify the person whose name is on the register of person qualified to be fund manager applying for renewal to clarify or submit additional documents evidence as appropriated within specified period. If such person fails to comply or proceed as required, the Office shall deem that such person does not intend to renew an approval to be listed in the register of person qualified to be fund manager.

In cases where the person obtained approval for renewal to be listed in the register of person qualified to be fund manager requests for the letter showing the result of the renewal application referred in the second paragraph, such person shall submit the request form as prescribed in the Office's electronic work system as well as pay the related fee as per the notification of the Office of the Securities and Exchange Commission concerning determination of fees for filing, registration and other applications.

Clause 12. The renewal for approval to be listed in the register of person qualified to be fund manager is given for a two-year period as from the date obtaining an approval for renewal.

Clause 13. In case where the 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 give force to the management company, *mutatis mutandis*, only the part of investment management;

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

Clause 14. In cases where the person listed in the register of person qualified to be fund manager has any prohibited characteristics as

prescribed by the Notification of the Capital Market Supervisory Board governing prohibited characteristics of personnel in securities business or violates or fails to comply with Clause 13, the Office shall take actions against such person following the rules and procedures prescribed by the Notification of the Capital Market Supervisory Board governing the prohibited characteristics of personnel in securities business.

Clause 15. The approval to be listed in the register of person qualified to be fund manager shall be deemed terminated and the Office shall remove the name of such person from the register of person qualified to be fund manager if such approved person has the following characteristics:

(1) cease to be the manager of the management company or any equivalent position called otherwise who take the highest responsibility in the line of work relating to capital markets if such person obtain an approval based on qualifications under Clause 8;

(2) cease to be a person approved to perform the duties similar to fund manager of foreign capital market regulator accepted by the Office.

Chapter 4 **Transitional Provisions**

Clause 16. A person approved to be a fund manager prior to the date of 1 January 2008 shall continue to perform duties of fund manager provided that such person comply with the following conditions:

(1) perform the duties in accordance with the rules under Clause 13;

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

(3) attend the course as referred in Clause 7(1), *mutatis mutandis*, and submit an application for approval to be listed in the register of person qualified to be fund manager in the forms and procedures specified in Clause 6 together with documents evidence or a reference of course attendance. 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 end of the second calendar year the attendance of course under Clause 7 (1) is due;

(4) pay the application fees as determined 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 of 1 January 2008 fails to comply with the conditions specified in the first paragraph 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 Capital Market Supervisory Board governing prohibited characteristics of personnel in securities business.

Clause 17. A person approved to be listed in the register of person qualified to be fund manager under Clause 16 (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 two years within five years prior to the date of submission of documents 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 who take responsibility in the line of work relating to investment management of the management company.

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

Clause 18. A person having been granted an approval to be listed on the register of persons qualified to be fund manager based on the qualification of being Director or Executive, but not the position of Manager, of the management company prior to the effective date of this Notification shall continue to be listed in the register of person qualified to be fund manager and perform the duties of fund manager until 31 December 2011.

Clause 19. For any cases other than specified in Clause 16 and Clause 18, the person having been granted approval to be listed in the register of person qualified to be fund manager prior to the effective date of this Notification shall be deemed to be the approved person under this Notification, and for the purpose of renewing an approval, it shall be deemed that the date on which an approval to be listed in the register of person qualified to be fund manager has previously been granted by the Office shall be the approval date granted by the Office under this Notification.

Clause 20. All orders and circular letters issued under or providing guidelines for compliance with the 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 dated 17 October 2007, that is enforceable by the transitional provisions of the Notification of the Capital Market Supervisory Board No. TorNor. 27/2552 Re: Rules, Conditions, and Procedures For Establishment and Management of Funds dated 20 July 2009, which were effective prior to the effective date of this Notification shall remain in full force and effect to the extent that they are neither inconsistent with nor contrary to the provisions of this Notification until the orders and circular letters issued under or providing guidelines for compliance with this Notification come into force.

Notified this 14th Day of October 2009.

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

Note: The rationale for issuing this Notification is to revise the rules on qualifications of applicant for approval of fund manager whose approval is based on their holding of executive positions in a management company which apply only to the Manager or equivalent positions, it is therefore necessary to issue this Notification.