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**Notification of the Office of the Securities and Exchange Commission
No. SorNor. 5/2553
Re: Establishment of Mutual Funds and Execution of Agreements for
Management of Private Funds
(No. 2)**

By virtue of Clause 7 with an approval from the Capital Market Supervisory Board, Clause 19(1) and (6), and Clause 20 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, and Clause 5 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 as amended by the Notification of the Capital Market Supervisory Board No. TorNor. 91/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Funds (No.2) dated 1 October 2009, the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. The definition of “market maker” in the second paragraph of (n) in Clause 5(2) of the Notification of the Office of the Securities and Exchange Commission No. SorNor. 22/2552 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds dated 28 July 2009 shall be repealed and replaced with the following definition;

““market maker” means an authorized participant appointed by the mutual fund management company to perform duties in managing the trading price of investment units of ETFs in the organized market to reflect and to be in the proximity of the value of investment units calculated from the net asset value of such ETFs.”

Clause 2. The provision under Clause 58 of the Notification of the Office of the Securities and Exchange Commission No. SorNor. 22/2552 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds dated 28 July 2009 shall be repealed and replaced with the following provision:

“Clause 58. The ETFs to be established according to Section 2 of Chapter 1 of Part 1 shall have following characteristics:

- (1) being a retail fund;
- (2) having clearly specified in the mutual fund scheme that the fund aims to replicate the return of one of the following underlying factors:

- (a) securities indices acceptable to the Office;
- (b) price of a basket of securities or other financial instruments as approved by the Office;
- (c) price of investment units of foreign ETFs as referred in Clause 58/1(2)”

Clause 3. The following provision shall be added as Clause 58/1 of the Notification of the Office of the Securities and Exchange Commission No. SorNor. 22/2552 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds dated 28 July 2009:

“Clause 58/1. In cases where the ETF to be established under Clause 58 is a fund of funds [feeder fund] which aims to track the performance of investment units of foreign ETF, such ETF to be established shall also:

- (1) have passive management strategies;
- (2) the underlying foreign ETF shall have the following characteristics:
 - (a) having policy to track the performance of a gold price, indices comprised of, or associated with, crude oil, commodity indices, or securities indices which are acceptable to the foreign stock exchanges of the World Federation of Exchanges (WFE) member countries, and all securities which comprise such indices must be listed on foreign stock exchanges of WFE member countries;
 - (b) having passive management strategies; and
 - (c) the investment units of such foreign ETFs being traded on the foreign stock exchanges of the WFE member countries and complying with the rules on investment and holding of investment units of foreign mutual funds as fund assets under the Notification of the Office of the Securities and Exchange Commission governing investment and holding of assets for funds *mutatis mutandis*.

In cases where the underlying foreign ETF aims to track the performance of gold price, the Office shall consider approval for establishment of such ETF after the Stock Exchange of Thailand (SET) has issued the rules on registration of members who are allowed to execute trading orders of gold-linked securities only.”

Clause 4. The provision under (1) of Clause 60 of the Notification of the Office of the Securities and Exchange Commission No. SorNor. 22/2552 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds dated 28 July 2009 shall be repealed and replaced with the following provision:

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“(1) the first paragraph (1) and (3) of Clause 22 and the first paragraph (1) of Clause 27.”

Clause 5. This Notification shall come into force as from 1 April 2010.

Notified this 16th day of March 2010.

- Signature –

(Thirachai Phuvanatanarubala)

Secretary-General

Office of the Securities and Exchange Commission

Remark: The rationale for issuing this Notification are to 1) impose additional underlying factors of ETFs which include securities price or any other financial instruments, and 2) prescribe the characteristics of the foreign ETF eligible to be an underlying of Thai ETF, which will enhance product variety in the Thai capital market and give investors a wider range of investment choices. Hence, it deems appropriate to issue this Notification.