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**Notification of the Office of the Securities and Exchange Commission  
No. SorKhor/Nor.6/2553  
Re: Rules, Conditions and Procedures for Management of Funds  
(No. 2)**

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By virtue of the first paragraph (2) of Section 141 of the Securities and Exchange Act B.E. 2535 (1992), and Clause 17 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, the SEC Office with an approval from the Capital Market Supervisory Board hereby issues the following regulations:

**Clause 1.** The definition of “market maker” in Clause 116 of the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 23/2552 Re: Rules, Conditions and Procedures for Management of Funds dated 28 July 2009 shall be repealed and replaced with the following definition: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 mutual fund;”

**Clause 2.** The provision under Clause 120 of the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 23/2552 Re: Rules, Conditions and Procedures for Management of Funds dated 28 July 2009 shall be repealed and replaced with the following provision:

“Clause 120. The following provisions shall not apply to ETFs:

(1) Clause 12, Clause 13 and Clause 15 shall not apply before and on the first trading day in the organized market. Except for the ETF established to promote the development of local-currency bond market in the region under the Project of Asian Bond Fund 2 Establishment in accordance with the resolution of the Executives’ Meeting of East Asia and Pacific Central Banks (EMEAP), the aforesaid provisions shall not apply at any period of time;

(2) Clause 12 and Clause 13 shall not apply to the holding of investment units by the ETF’s participating dealers and market makers appointed by the management company for the period from the date of establishment of the ETF until the due date of one year from the first trading day of such ETF in the organized market.”

**Clause 3.** The following provision shall be added as Clause 121/1 of the Notification of the Office of the Securities and Exchange Commission No. SorKhor/Nor. 23/2552 Re: Rules, Conditions and Procedures for Management of Funds dated 28 July 2009:

“Clause 121/1. Unless having obtained a waiver from the SEC Office, during the trading period of ETFs’ investment units in the Stock Exchange, the management company shall disclose the following information by any means for investors to use as information for making investment decision in ETFs’ investment units:

(1) the movement of the net asset value of the ETF [indicative NAV] which complies with the following rules:

(a) the disclosed net asset value [indicative NAV] shall not require any certification from the fund supervisor nor decimal presentation according to the rules prescribed under Clause 20;

(b) the frequency of the disclosure of the net asset value [indicative NAV] shall be in accordance with the disclosure of value or price of the underlying of the ETFs;

(2) the tracking errors of the net asset value of the ETFs compared to the value of the ultimate underlying shall be disclosed prior to the opening of the first trading session of the Stock Exchange”

**Clause 4.** This Notification shall come into force as from 1 April 2010.

Notified this 16<sup>th</sup> day of March 2010.

- Signature -

(Thirachai Phuvanatanarubala)  
Secretary-General

Office of the Securities and Exchange Commission

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**Remark:** The rationale for issuing this Notification are to (1) revise the definition of “market maker” to be in line with the Notification of the Office of the Securities and Exchange Commission governing Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds, and (2) require the management company to disclose the indicative NAV and tracking errors of the NAV of ETFs to investor as information for making investment decision in ETFs. Hence it deems appropriate to issue this Notification.