

UNOFFICIAL TRANSLATION

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 Securities and Exchange Commission
No. KorNor. 24/2553
Re: Units of Foreign ETF deemed as Securities not Subject to
Provisions on Public Offering of Securities**

By virtue of Section 14 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 and Section 63(5) of the Securities and Exchange Act B.E. 2535 which contains certain provisions relating to the restriction of rights and liberties of persons which Section 29, in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44 and Section 64 of the Constitution of the Kingdom of Thailand so permit by virtue of law, the SEC promulgates regulations as follows:

Clause 1 In this Notification:

- (1) “foreign ETF” means collective investment scheme in category of exchange-traded fund established under law of foreign jurisdiction;
- (2) “units of foreign ETF” means shares of investment company or unit trust issued under foreign ETF;
- (3) “home exchange” means exchange in foreign jurisdiction where units of the foreign ETF are listed and in cases where the units of foreign ETFs are listed on several exchanges, the term shall mean the exchange specified by the foreign ETF as the home exchange;

Clause 2 Units of foreign ETF with the following characteristics shall be deemed as securities not subject to the provisions of Chapter 3 Public Offering of Securities:

- (1) listed on home exchange which is a member of World Federation of Exchanges (WFE);
- (2) having characteristics specified under Clause 3.

Clause 3 Units of foreign ETF deemed as securities under this Notification shall have the following characteristics:

- (1) foreign ETF and ETF operator are subject to supervision of foreign regulator which is a member of International Organization of Securities Commissions (IOSCO);
- (2) having objective to create return for unit holders with direct variation to the following variables:
 - (a) gold price;
 - (b) index comprising or relating to crude oil either wholly or partially;

(c) commodity index;
 (d) index comprising basket of securities recognized by foreign exchange which is a member of World Federation of Exchanges (WFE), providing that such index shall comprising only securities listed on foreign exchange which is member of World Federation of Exchanges (WFE) or debt instrument having organized secondary market;

(3) having policy to invest in the similar assets as those permissible to invest in or to have in possession by mutual fund established under the Securities and Exchange Act B.E. 2535 and to passively manage investment;

(4) ETF operator is not subject to limitation or suspension of business or revocation of license or registration as securities business operator by foreign regulator, providing that ETF operator shall also appoint a contact person in Thailand for the purpose of coordinating and facilitating the following matters:

(a) disseminating and sending information of foreign ETF to relevant persons, for example governmental organization or authority, the Stock Exchange of Thailand or unit holders of foreign ETF;

(b) receiving notice, order, warrant or any document on behalf of ETF operator or foreign ETF.

Clause 4 Any person intending to make an offer for sale of units of foreign ETF in Thailand in a manner that is not subject to Chapter 3 Public Offering of Securities may file an application with the SEC Office requesting an inspection as to whether units of foreign ETF under such application are deemed as securities under this Notification.

Upon completing inspection on units of foreign ETF under the first paragraph, the SEC Office shall, for investor's inspection, make public a list of units of foreign ETF deemed as securities under this Notification.

Clause 5 This Notification shall come into force from 16 January 2011.

Notified this 24th day of December 2010.

-Signature-
 (Vijit Suphinit)
 Chairman

Securities and Exchange Commission

Remark: the reason for promulgation of this Notification is to determine characteristics of units of foreign ETF deemed as securities not subject to Chapter 3 Public Offering of Securities. It is therefore necessary to adopt this Notification.