

**TRANSLATED VERSION**

As of June 2, 2014

*Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference.*

**Notification of the Capital Market Supervisory Board**

**No. TorThor. 7/2557**

**Re: Rules, Conditions and Procedures for Selling,  
Repurchasing and Redeeming Units of  
Foreign Collective Investment Scheme**

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By virtue of section 16/6 and Section 113 of the *Securities and Exchange Act B.E. 2535 (1992)* as amended by the *Securities and Exchange Act (No. 4) B.E. 2551 (2008)*, the Capital Market Supervisory Board hereby issues the following regulations:

**Clause 1** The *Notification of the Capital Market Supervisory Board No. TorThor. 41/2555 Re: Rules, Conditions and Procedures for Selling, Repurchasing and Redeeming Units of Foreign Collective Investment Scheme in case of Institutional or High Net Worth Investor dated 12 August 2012* shall be repealed.

**Clause 2** In this Notification:

The terms “*institutional investor*” and “*high net worth investor*” shall have the same meaning as the terms specified in the *Notification of the Securities and Exchange Commission concerning Determination regarding Definition of Institutional Investor and High Net Worth Investor*.

“*foreign collective investment scheme*” means collective investment scheme established under foreign law.

“*unit*” means securities in the category of shares of investment company or trust certificates of unit trust. In this regard, either investment company or unit trust shall have objective to invest in securities or financial instruments.

“*CIS operator*” means any person responsible for management of *foreign collective investment scheme*.

“*home regulator*” means a capital market supervisory agency of foreign country where a *foreign collective investment scheme* has been [i] approved to establish or [ii] registered or [iii] managed by *CIS operator* being under the supervision of such agency.

**Clause 3** This Notification shall be applicable to a securities company, having obtained securities brokerage license [under the *Securities and Exchange Act B.E. 2535 (1992)*], which provides services [as an agent] for selling, repurchasing and redeeming *units of foreign collective investment scheme*.

**Clause 4** The SEC Office may announce a detailed guideline for the benefit of compliance with the requirements under this Notification. In case of having complied with such guideline, it shall be deemed that a securities company has already complied with the requirements under this Notification.

**Clause 5** A securities company shall provide service of selling, repurchasing and redeeming *units of foreign collective investment scheme* to a client on condition that the *units* are in the announced list on the SEC Office's website which were verified by the SEC Office under the *Notification of the Office of the Securities and Exchange Commission concerning Verification of Foreign Collective Investment Scheme and Announcement of Qualifying Scheme*.

**Clause 6** In providing service of selling, repurchasing and redeeming *units of foreign investment scheme*, a securities company shall comply with the following requirements:

(1) receiving sale, repurchase or redemption order during hours and days as specified in offering circular disseminated in *home regulator*'s jurisdiction, unless such hours and days are not business hours and days of the securities company, nevertheless the securities company shall inform investors in advance about the hours and days on which such order will not be placed;

(2) complying with requirements as specified in the Notification of the Capital Market Supervisory Board relating to rules for giving investment advice and providing service relating to trading investment units, *mutatis mutandis*, unless there is any provision in this Notification especially.

**Clause 7** Prior to accepting to be an agent for selling, repurchasing and redeeming *units of foreign collective investment scheme*, a securities company shall arrange to have an agreement in writing with the *CIS operator* at least in the following matters:

(1) in case of selling *units of foreign collective investment scheme* to *institutional* and *high net worth investor*, the *CIS operator* shall deliver information similar to the one delivered to investors or submitted to *home regulator* as required by law or regulations of the *home regulator*'s jurisdiction. In this regard, the *CIS operator* shall certify in writing that such information is similar to that delivered to investor or submitted to *home regulator*, as the case may be;

(2) the *CIS operator* has duty to deliver the information affecting materially *the foreign collective investment scheme* to investors as soon as possible;

(3) the **CIS operator** has to deliver the information under sub clause (1) and (2) to the securities company within the same period as having duty to deliver to investors or submit to **home regulator**, as the case may be.

**Clause 8** Prior to selling **units** of **foreign collective investment scheme**, a securities company shall at least undertake the following steps:

(1) sending or distributing the following documents, containing the same material information as the draft submitted to the SEC Office according to the *Notification of the Office of the Securities and Exchange Commission concerning Verification of Foreign Collective Investment Scheme and Announcement of Qualifying Scheme*, to investor:

- (a) fact sheet and annual report (if any);
- (b) comparison of regulations on management of **foreign collective investment scheme** under law or regulations of **home regulator**'s jurisdiction and the regulations on management of mutual funds as stipulated by virtue of Section 117 [of the *Securities and Exchange Act B.E. 2535 (1992)*], in case of selling **units** of **foreign collective investment scheme** to **institutional** or **high net worth investor**.

(2) preparing supplementary information for offering for sale regarding **units** of **foreign collective investment scheme** which was prepared and distributed in the **home regulator**'s jurisdiction. In this regard, such information shall be kept at the office or on the website of the securities company and deliver to investor upon request.

**Clause 9** In case a **CIS operator** fails to comply with an agreement as prescribed in Clause 7, a securities company shall not provide any service for **units** of **foreign collective investment scheme** managed by such **CIS operator**.

**Clause 10** A securities company shall submit information and the certifying document received from a **CIS operator** under the agreement as prescribed in Clause 7 to the SEC Office within the following period:

- (1) 5 business days as from the date of receiving such information or document in case of information as prescribed in Clause 7(1);
- (2) as soon as possible in case of information as prescribed in Clause 7(2).

**Clause 11** A securities company shall supervise its personnel to comply with this Notification, and operational guidance prepared by the securities company.

**Clause 12** In case the SEC Office finds that any securities company violates or fails to comply with this Notification or guidance prepared by a securities company in order to comply with this Notification or has inappropriate conduct in performing duty of giving investment advice and providing service relating to *units of foreign collective investment scheme* under this Notification, the SEC Office may order the securities company to rectify, act or refrain from acting for the purpose of complying with this Notification.

**Clause 13** This Notification shall come into force as from 1 July 2014.

Notified this 2<sup>nd</sup> day of June 2014.

- Signature -

(Vorapol Socratyanurak)

Secretary-General

Office of the Securities and Exchange Commission

Chairman

Capital Market Supervisory Board

Note: please note that the contents added in brackets [...] have only been provided in the English version for clearer understanding.