

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

Notification of Guidelines
No. Nor Por. 4/2561
Re: Countries Recognized by the SEC Office concerning
Supervisory Measures on Investment Management

Whereas the *Notification of the Capital Market Supervisory Board No. Tor Thor. 60/2561 Re: Rules, Conditions and Procedures for Outsourcing Function related to Business Operation to Third Party* dated 1 October 2018 specifies that [*in case of outsourcing to a foreign service provider*] intermediaries shall outsource the function which is investment management of mutual fund or provident fund or derivatives investment management to a foreign service provider which is supervised by a regulator located in a country whose supervisory measures on investment management are recognized by the SEC Office;

For the purpose of intermediaries' compliance with the aforesaid provision, the SEC Office, by virtue of Clause 4(1) in conjunction with Clause 18(2) of the *Notification of the Capital Market Supervisory Board No. Tor Thor. 60/2561 Re: Rules, Conditions and Procedures for Outsourcing Function related to Business Operation to Third Party* dated 1 October 2018, hereby issues guidelines for considering to recognize the supervisory measures on investment management of countries which comply with international standards or those equivalent to the standards implemented in Thailand, and announces the list of countries which comply with the guidelines, with details as follows:

Clause 1 In the case where an intermediary having outsourced the function which is investment management of mutual fund or provident fund or derivatives investment management to a foreign service provider who is supervised by a regulator who is located in a foreign country and has any of the following qualifications, the SEC Office shall consider that the intermediary has complied with the provisions in the *Notification of the Capital Market Supervisory Board No. Tor Thor. 60/2561 Re: Rules, Conditions and Procedures for Outsourcing Function related to Business Operation to Third Party* dated 1 October 2018 in the relevant matters:

(1) the regulator of the foreign service provider is located in a country that has participated in the Financial Sector Assessment Program (FSAP) and received the assessment results not lower than Broadly Implemented or equivalent based on the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO) regarding supervisory standards on collective investment schemes with characteristics similar to mutual funds (Principles 24-27); however, in case of outsourcing the function which is investment management or derivatives investment management of ***mutual fund for institutional investors or ultra-ultra-high net worth investors*** (Ultra Accredited Investor Mutual Fund) which implements an investment strategy similar to that of a hedge fund, to a foreign service provider who is legally permitted to operate investment management business for hedge funds (i.e., hedge fund manager/advisor) under the law of a foreign country wherein such service provider operates business, the intermediary may use the assessment results of the supervisory standards on hedge funds (Principle 28) instead.

For the purpose of this Clause:

The term, “*mutual fund for institutional investors or ultra-high net worth investors*” shall have the same definition as specified for such term in the *Notification of the Capital Market Supervisory Board concerning Rules, Conditions and Procedures for the Establishment and Management of Mutual Funds for Institutional Investors or Ultra High Net Worth Investors*.

(2) the foreign service provider has been considered by the SEC Office to have important rules related to supervision of investment management equivalent to the rules governing securities companies licensed to undertake securities business in the category of mutual fund investment management or securities companies licensed to undertake securities business in the category of private fund investment management, as the case may be.

Clause 2 The countries on the list attached herewith shall be deemed the countries whose supervisory measures on investment management have been recognized by the SEC Office under Clause 1.

Notified this 12th day of November 2018.

(Mr. Rapee Sucharitakul)
Secretary-General
Office of the Securities and Exchange Commission