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The Office of the Securities and Exchange Commission

Notification of the Office of the Securities and Exchange Commission

No. SorNor. 12/2545

Re: Determination of Rules and Procedures for Actions by Management
Companies against Incorrect Value of Investment Units of Closed-End Funds

By virtue of Clause 26/1 of the Notification of the Securities and Exchange Commission No. KorNor. 46/2541, Re: Rules, Conditions, and Procedures for Establishment and Management of Mutual Funds, dated 16 December 1998, as amended by the Notification of the Securities and Exchange Commission No. KorNor. 23/2542, Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds (No. 3), dated 1 November 1999, the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. In this Notification:

“Management company” means a securities company licensed to undertake securities business in the category of mutual fund management.

“Closed-end fund” means a mutual fund which does not accept the redemption of investment units, established and managed by a management company.

“Fund supervisor” means the fund supervisor of a closed-end fund.

“Office” means the Office of the Securities and Exchange Commission.

Clause 2. In case the value of investment units of a closed-end fund is incorrect and such value has been announced, provided that the difference between the incorrect unit value and the correct unit value is less than one Satang or at least one Satang or greater, but less than 0.5 percent of the correct unit value, the management company shall prepare and submit a report on the error to the fund supervisor within seven business days from the date the unit value is found incorrect. The management company shall further arrange to maintain a copy of such report at its office for inspection by the Office. Such report shall contain at least the following particulars:

- (1) Incorrect unit value;
- (2) Correct unit value;
- (3) Causes of the incorrect unit value; and
- (4) Preventive measures against the incorrect unit value, except where the incorrect unit value is caused by external factors which are uncontrollable, e.g., the price of securities based on the last market price by the Stock Exchange of Thailand or the over-the-counter center is incorrect.

If the cause of error resulting in the incorrect unit value under paragraph one hereof consequently affects the following calculation of the unit value, e.g., resulting in error in the determination of interest rate, etc., the management company shall also correct the unit value on the date the unit value is found incorrect by the management company.

Clause 3. In case the value of investment units of a closed-end fund is incorrect and such value has been announced, provided that the difference between the incorrect unit value and the correct unit value is at least one Satang or greater, and represents at least 0.5 percent of the correct unit value, the management company shall retrospectively calculate the unit value from the date the unit value is found incorrect until the date on which the unit value is correct, and shall take the following actions only on such particular dates on which the difference between the incorrect unit value and the correct unit value is at least one Satang or greater, and represents at least 0.5 percent of the correct unit value:

(1) Prepare a retrospective value correction report by the business day following the date on which the unit value is found incorrect by the management company, and submit such report to the fund supervisor by the business day following the date on which the calculation of the unit value is completed, so that the fund supervisor will certify the information contained in such report by the business day following the date on which the management company has submitted such report to the fund supervisor. Such report shall contain at least the following particulars:

- (a) Incorrect unit value;
- (b) Correct unit value;
- (c) Causes of incorrect unit value; and
- (d) Preventive measures against the incorrect unit value, except where the incorrect unit value is caused by external factors which are uncontrollable, e.g., the price of securities based on the last market price by the Stock Exchange of Thailand or the over-the-counter center is incorrect.

The management company shall arrange to maintain a copy of such report under (1) hereof at its office for inspection by the Office.

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(2) Rectify the incorrect unit value into a correct unit value by the day the fund supervisor has certified the information in the retrospective value correction report.

(3) Announce name(s) of mutual fund(s) which makes a value correction under (2) and the value correction date thereof under (2) in at least one daily newspaper within three business days from the date on which the fund supervisor has certified the information in the retrospective value correction report under (1), unless such closed-end fund is registered with the Stock Exchange of Thailand and has announced the correction of the unit value in accordance with the rules or regulations of the Stock Exchange of Thailand.

Clause 4. The management company shall be responsible for various expenses incurred from the incorrect unit value, e.g., expenses in placing an announcement of value correction under Clause 3(3) in the newspaper, unless the incorrect unit value is caused by external factors which are uncontrollable.

Clause 5. This Notification shall come into force from 1 March 2002.

Notified on this 14th day of February 2002.

- Signature -

(Mr. Prasarn Triratvorakul)

Secretary-General

The Office of the Securities and Exchange Commission