

Unofficial Translation

14 June 2021

Attn: President of the Association of Thai Securities Companies
President of the Association of Investment Management Companies
Managers

All securities companies

All securities companies licensed to undertake securities business in the category of mutual fund management

All securities companies licensed to undertake securities business in the category of securities brokerage, securities dealing or undertaking of investment units

All mutual fund supervisors

No. Nor Jor. (Wor) 6/2564 Re: Delivery of copies of notifications and clarificatory notes to the cross-border offering of funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand

With reference to the Memorandum of Understanding concerning Mutual Recognition of Covered Funds and Covered Management Companies and related Cooperation (HK-TH MRF MoU), which was signed by the Securities and Futures Commission of Hong Kong (SFC) and the Office of the Securities and Exchange Commission, Thailand (SEC) on 20 January 2021, the cross-border offerings of funds between Hong Kong and Thailand shall become effective upon the SEC's completion of the amendments to the relevant regulations.

In this regard, the SEC has issued two Notifications of the Capital Market Supervisory Board and one Notification of the Office of the Securities and Exchange Commission (Enclosures 1-3), which take effect from 16 June 2021. To ensure that business operators understand and comply with the regulations prescribed in the said Notifications properly, the SEC would like to provide clarificatory notes to the Notifications and relevant guidelines, with details as follows:

1. Objective of the Notifications

To specify regulations supporting cross-border offerings of covered funds under HK-TH-MRF in Thailand (Inbound) and offering of Thai covered funds in Hong Kong (Outbound).

2. Summary of material points in the Notifications (Enclosure 4)

The Notifications specify that the regulations governing the ASEAN Collective Investment Schemes (ASEAN CIS) and the Asia Region Funds Passport (ARFP) (List of the Notifications in Enclosure 5) shall also apply to HK-TH-MRF on the condition that they are not contradictory or inconsistent with the cooperative framework under HK-TH MRF. The details are as follows:

2.1 Inbound regulations

- Hong Kong Covered Management Companies shall comply with the provisions concerning offerings of covered funds in the same manner as offerings under ASEAN CIS and ARFP, *mutatis mutandis*.

- In the case where a covered management company in Hong Kong no longer wishes to offer a Hong Kong covered fund in Thailand, the company shall notify such matter at least three months in advance unless the cessation of the offering is due to a merger or termination of the fund in Hong Kong, in which case a notice shall be issued at least one month in advance.

2.2 Outbound regulations

- Thai covered management companies shall comply with the provisions on establishment and management of Thai mutual funds as usual on the condition that they are not contradictory or inconsistent with the cooperative framework under HK-TH MRF.

- Regarding application for establishment of mutual funds, covered management companies shall submit an application in the normal course similar to an application for establishment of ASEAN CIS and ARFP, for which an auto approval is not allowed.

For your information and compliance accordingly. For further information or inquiries, please contact the Investment Management Policy Department via Ms. Slil Laokiat, Officer, at Tel: 0-2263-6511 or email: slil@sec.or.th, or Ms. Sireethorn Civilize, Assistant Director, at Tel: 0-2263-6246 or email: sireetho@sec.or.th.

Yours Sincerely,

-signature-

(Mrs. Sureerut Suradecha)

Director of the Investment Management Department
For Secretary-General

- Enclosures:
1. Photo scan of the Notification of the Capital Market Supervisory Board No. Tor Nor. 41/2564 Re: Rules on Cross-Border Offerings of Covered Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand dated 21 May 2021.
 2. Photo scan of the Notification of the Capital Market Supervisory Board No. Tor Nor. 42/2564 Re: Additional rules for Establishment and Management of Mutual Funds under the Mutual Recognition of Covered Funds between Hong Kong Special Administrative Region of the People's Republic of China dated 21 May 2021.
 3. Photo scan of the Notification of the Office of the Securities and Exchange Commission No. Sor Nor. 31/2564 Re: Additional Rules on Cross-Border Offerings of Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand dated 21 May 2021.

4. Summary of rules on Mutual Recognition of Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand (HK-TH MRF).
5. Notifications related to ASEAN Collective Investment Schemes (ASEAN CIS) and Asia Region Funds Passport (ARFP).

Investment Management Policy Department
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