

## TRANSLATED VERSION

As of June 16, 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 Securities and Exchange Commission

**No. KorRor. 8/2557**

**Re: Rules relating to Private Equity Trust and Trusteeship**

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By virtue of Section 8, the second paragraph of Section 11, Section 12(3), the first paragraph of Section 13, Section 37(4), Section 38, Section 57(7) and Section 58 of the *Trust for Transactions in Capital Market Act B.E. 2550 (2007)*, the Securities and Exchange Commission hereby issues the following regulations:

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

**Clause 2** This Notification is applicable to the issues relating to private equity trust as follows:

(1) establishment of *trust* in accordance with the regulations as prescribed in Chapter 1;

(2) duty of trustee in accordance with the regulations as prescribed in Chapter 2;

**Clause 3** In this Notification:

“*trust*” means a private equity trust.

“*private equity*” means a private equity which has the characteristics as prescribed in the *Notification of the Securities and Exchange Commission No. KorRor. 7/2557 Re: Determination of Types of Transaction in the Capital Market Eligible for Trust Establishment (No. 2) dated 16 June 2014*.

“*associated person*” means persons with one or more of the following relationships:

(1) spouse and the child who has not yet become *sui juris*;

(2) relationship between a juristic person and a shareholder or partner of such juristic person which holds directly or indirectly more than 50% of issued shares of, or more than 50% of partnership interest in, such juristic person;

(3) private funds of such persons in sub clause (1) or (2) above, excluding any provident fund.

**“high net worth investor”** means a high net worth investor under the *Notification of the Securities and Exchange Commission concerning Determination regarding Definition of Institutional Investor and High Net Worth Investor*.

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

## **Chapter 1**

### **Establishing Private Equity Trust**

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**Clause 5** The following persons are able to be a settlor of *trust* :

- (1) a person becoming trustee;
- (2) a [juristic] person becoming trust manager.

**Clause 6** In case the settlor of a *trust* is the same person as the trustee, such person shall submit the counterpart of the written declaration to establish a *trust* to the SEC Office prior to offering for sale of trust certificates or before the right of the beneficiary according to the trust instrument will be effective.

**Clause 7** A private equity trust shall be prohibited to establish if:

- (1) it will have **high net worth investors** more than 10 persons;
- (2) the initial trust asset will not be seed money.

**Clause 8** In case a settlor or a trustee is also the beneficiary of the *trust*, each of them shall have interest not exceeding 50% of the total benefits generated from the management of the *trust* thereof.

The calculation of the interest under the first paragraph shall include the interest of the *associated person* of such settlor or trustee as well.

## Chapter 2

### Trusteeship

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**Clause 9** A trustee of a *trust* shall perform duties in accordance with the regulations as prescribed in this Chapter and the minimum requirements under the *Notification of the Securities and Exchange Commission concerning Operating System, Communication with Investors and General Undertaking Trust Business*.

In case the minimum requirements under the first paragraph contain any materiality which is contradictory to or inconsistent with the regulations under this Notification, the trustee shall comply with the regulations under this Notification.

**Clause 10** For the purpose of the checks and balances of the management of the *trust*, the trustee shall assign any other person to be the trust manager responsible for managing the business operation of the *trust*. In this regard, the trustee shall perform duties independently with regard to monitoring, supervising and examining the trust manager to ensure that the trust manager shall manage the *trust* in accordance with the trust instrument and the *Trust for Transactions in Capital Market Act B.E. 2550 (2007)* as well as the Notifications, rules and orders issued by virtue of such law.

**Clause 11** In case a trust manager is absent or unable to perform duties, the trustee shall manage the *trust* as deemed necessary to prevent, suppress or constrain severe damage to the benefits of the *trust* or the beneficiaries as a whole, and shall proceed in accordance with the power and duties as specified in the trust instrument and the *Trust for Transactions in Capital Market Act B.E. 2550 (2007)* during arranging to have a new trust manager.

A trustee who manages the *trust* under the first paragraph may assign any other person to manage the *trust* instead during such period but within the scope, rules and conditions as specified in the trust instrument.

**Clause 12** In performing the duties, a trustee shall also proceed as follows:

(1) supervising or arranging the trust instrument to contain the materiality in accordance with the *Trust for Transactions in Capital Market Act B.E. 2550 (2007)* as well as the Notifications, rules and orders issued by virtue of such law;

(2) supervising or arranging the management of *trust* to contain the characteristics of *private equity* until the maturity date of the *trust* thereof;

(3) supervising or arranging to limit the number of *high net worth investors* at any time not more than 10 in case of *trust* having *high net worth investors* as beneficiary, except in case the excess is derived from inheritance.

**Clause 13** A trustee shall submit the investment report of the *trust* to the SEC Office within 15 days as from the end of the financial period of the *trust* by using Form PE Trust-1 provided on the website of the SEC Office.

Notified this 16<sup>th</sup> day of June 2014.

(Achporn Charuchinda)  
Chairman  
Securities and Exchange Commission