

## **SEC Thailand's public hearing on proposed amendments to the regulations of limitations on unitholding in mutual funds**

The SEC is seeking public comment on proposed amendments to the regulations of limitations on unitholding in mutual funds. At present, the number of investment units held by any person or any associated persons shall not be in aggregation at a time greater than one third of the total sold units of a mutual fund. The objectives of such limitations on unitholding are: (i) investment units are widely allocated to the general public; (ii) mutual funds are not exploited for seeking any other benefits than those which ought to be obtained from investments; (iii) mutual funds are not dominated by large unitholders; and (iv) liquidity impact from large unitholders' redemption is prevented.

However, asset management companies expressed concerns that these rules are obstacles to extend fund size. Costs and complicated process also incur as a result of these limitations. In addition, the information received may not be complete and accurate. The Revenue Department has recently revised tax regulations for fund investing in bond to reduce inequality including concerns about misuse of mutual funds for tax avoidance.

Therefore, the SEC is proposing to dissolve associated persons and exempt limitations on unitholding in mutual funds if asset management companies comply with all obligations, such as widely allocating investment units to the general public, managing liquidity effectively, having measures to obtain unitholding information of the clients or beneficial owners, sufficient disclosure and ongoing monitoring, etc.

For further details of the public hearing, please visit [www.sec.or.th](http://www.sec.or.th) or contact the Investment Management Policy Department at 0-2033-9535, or email: [impd@sec.or.th](mailto:impd@sec.or.th)

Kindly submit comments to [impd@sec.or.th](mailto:impd@sec.or.th) or the Investment Management Policy Department, the Securities and Exchange Commission, Thailand 333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak Bangkok 10900, Thailand.

The public hearing ends on 10 January 2020.