

SEC public hearing on draft regulations for improving and modernizing the disclosures of property fund, real estate investment trust and infrastructure fund

The Securities and Exchange Commission, Thailand (SEC) is seeking public comment on the draft regulations for improving and modernizing the disclosures of Property Fund (“PF”), Real Estate Investment Trust (“REIT”) and Infrastructure Fund (“IFF”) that have invested in leasehold rights of assets for facilitating the investment decision making process of investors. These draft regulations include the streamlining of disclosure forms for PF, REIT and IFF which will improve disclosure effectiveness and simplify compliance efforts while continuing to provide all essential information to investors as well as move towards the machine-readable format.

The asset values that are classified as leasehold and revenue transfer agreement categories will have limited lifespan; their values will also be approaching to zero once the contracts have expired. In order to provide sufficient information to support investment decision making processes of investors for such asset classes, the REIT and fund managers that are wishing to disclose the estimated return must always disclose the Internal Rate of Return (“IRR”) as part of the new disclosure requirements. For the PF that is prohibited from investing in new assets and having the underlying assets as pure leasehold, the fund managers should also disclose IRR in the annual registration statements and fund annual reports.

In addition, the REIT and fund managers must disclose the recently conducted asset appraisal reports and appraisal review reports within 30 days from the completion date of the assessment or review. Apart from the disclosure of asset appraisal reports and appraisal review reports, the summary of cash flow that are derived from the appraisal reports must also be attached in the streamlining of disclosure forms. These draft regulations are intended to provide the analysts and investors with the essential, simplified and reliable information for analyzing and making their investment decisions.

For more details of this public hearing, please visit www.sec.or.th/hearing or contact Corporate Finance Department 3 at Tel: 0-2263-6109 / 0-2033-9570 or E-mail sorawisn@sec.or.th / kanapart@sec.or.th.