

SEC Thailand’s Public Hearing on Proposed Regulations for the Mutual Recognition of Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand

The SEC Thailand is seeking public comments on the proposed regulations for the Mutual Recognition of Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand (“HK-TH MRF”) to facilitate the cross-border offerings of funds between Hong Kong SAR and Thailand with a view to enriching the types of financial products offered and deepening the mutual access between the two financial markets.

The SEC Thailand proposes to apply the same regulatory requirements on the cross-border offerings of funds under the HK-TH MRF as those applied to the ASEAN Collective Investment Schemes (ASEAN CIS) and the Asia Region Funds Passport (ARFP), where the regulations have already been put in place. The proposed regulatory requirements include:

Inbound Regulation

- Hong Kong CIS operator must be under the supervision of the Securities and Futures Commission of Hong Kong (“SFC”) who is a signatory of the Memorandum of Understanding (“MoU”) concerning the HK-TH MRF;
- The offerings of Hong Kong fund to the public in Thailand must be done through local intermediaries who are licensed by the SEC Thailand. In addition, Hong Kong CIS operator is required to appoint a local representative who is regulated by the SEC Thailand;
- The offer of Hong Kong fund in Thailand must be accompanied by an offering document which complies with the regulations specified by the SEC Thailand; and
- Hong Kong fund under the HK-TH MRF must adhere to investment restrictions prescribed in the MoU concerning the HK-TH MRF.

Outbound Regulation

- Thai CIS operator must first apply for the fund to be approved by the SEC Thailand for offer to the public in Thailand; and
- The fund must be assessed as suitable to be a fund under the HK-TH MRF by the SEC Thailand before it can be offered cross-border in Hong Kong SAR.

The HK-TH MRF marks an important milestone in the bilateral cooperation between Hong Kong SAR and Thailand, following the Memorandum of Understanding on Strengthening Economic Relations between Hong Kong SAR and Thailand signed by the Honourable Mrs. Carrie Lam, Chief Executive of Hong Kong SAR, and H.E. Dr. Somkid Jatusripitak, Deputy Prime Minister of Thailand, on the 29th November 2019.

For further details on this public hearing, please visit www.sec.or.th/hearing or contact Investment Management Policy Department at 0-2263-6246 and 0-2263-6511 or impd@sec.or.th.

Please submit written comment by August 10, 2020.

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