

## **SEC Thailand's Public Hearing on Drafted Regulations for Advertising and Sales Promotion of Mutual Funds**

The SEC Thailand is seeking public comments on the draft regulations for advertising and sales promotion of mutual funds. The revised regulations are part of the SEC's Regulatory Guillotine, which aims to revise the existing rules to be more efficient, in line with the current business landscape, and more flexible for business operators while maintaining the highest quality of investor protection.

Technological advancement and environmental changes have shifted the business landscape, including mutual fund industry, at an accelerating pace. The SEC Thailand recognized the significant impact brought by the changes, which presents both new opportunities for doing business and the need for further flexibilities on the existing regulations in relation to advertising and sales promotion of mutual funds in order to accommodate business operators to adapt to such changes.

In addition, the SEC's regulations regarding advertising and sales promotion of mutual funds consist of both principles-based and rules-based regulations, where the latter provides specific details in which business operators must comply with when advertising and making sales promotion of mutual funds. Meanwhile, the Association of Investment Management Companies ("AIMC") also issued the Notice on sales promotion of mutual funds, in which business operators must conform with. As a result, there are duplicating rules that govern the advertising and sales promotion of mutual funds, which create burdens on business operators.

In this regard, the SEC is proposing to reform the rules on advertising and sales promotion of mutual funds. Examples include:

### **Advertising**

- Waiving the communication of mutual funds' specific warnings for the advertising broadcasts via television, radio or other channels which have limitation on commercial time allowed. The proposed amendment would make the regulations more efficient and accommodative to communication channels; and

### **Sales promotion**

- Removing the rules in detail on sales promotion of mutual funds; nevertheless, business operators still have to comply with the existing principle-based regulations as well as the Notice issued by AIMC. The proposed amendment would provide the same level of investor protection while eliminating the duplicacy of regulations, offering greater flexibility in sales promotion of mutual funds, and accommodating new business opportunities.

For further details of this public hearing, please visit [https://www.sec.or.th/EN/Pages/PB\\_LISTVIEW.aspx](https://www.sec.or.th/EN/Pages/PB_LISTVIEW.aspx). Also, stakeholders and interested parties are welcome to submit comments and recommendations via the website or email: [slil@sec.or.th](mailto:slil@sec.or.th) and [sireetho@sec.or.th](mailto:sireetho@sec.or.th)

The public hearing process will end on 27 April 2022.