

Client Alert

July 2019

ACMF Pass and Cross-Border Publication of Research Reports

On 16 July 2019, a new notification announced by the Office of the Securities and Exchange Commission of Thailand (“**SEC**”) providing an exemption on securities business licenses for ASEAN investment insights publications took effect. The SEC launched this as part of the collaboration contributed under the ASEAN Capital Market Professional Mobility Framework (“**Professional Mobility Framework**”). This Client Alert provides an overview of the Professional Mobility Framework and how the SEC fosters it.

What is the Professional Mobility Framework?

The ASEAN Capital Markets Forum (“**ACMF**”), with the SEC as the current chair, introduced the Professional Mobility Framework to boost greater connectivity and mobility of ASEAN capital market professionals and provide ASEAN investors access to professional services and investment knowledge concerning ASEAN Capital Market Products¹ by authorized professionals across the region.

What are the initiatives now available in Thailand?

1. **ACMF Pass**

Licensed, registered or authorized professionals from the Signatory ASEAN Jurisdictions (as of now, i.e. Malaysia, the Philippines and Singapore) can now provide **general investment advisory services** to Thailand-based investors by acting as an investment consultant or investment analyst—by obtaining an authorization from the SEC to be qualified as a Recognized Representative (RR) in Thailand, the so-called “ACMF Pass”. The scope of services, that can and cannot be provided by an RR, are set out in the figure below—and subject to conditions prescribed by respective authorities in the RR’s home jurisdiction.

To be an RR in Thailand, offshore professionals must apply, be sponsored by a host licensed firm in Thailand, for being recognized as either an **ASEAN Investment Consultant**² or **ASEAN Investment Analyst**.³ There is no application fee and no additional license or training

www.bakermckenzie.com

Bangkok

5th, 10th and 21st-25th Floors
990 Abdulrahim Place
Rama IV Road, Silom, Bangrak
Bangkok 10500
Thailand

¹ Without complex characteristics, (i) shares listed on an ASEAN securities exchange, (ii) investment units without high-risk or complex characteristics issued and offered for sale in an ASEAN country, and (iii) debt instruments without high-risk or complex characteristics issued or offered for sale in an ASEAN country, are collectively called, “**ASEAN Capital Market Products**”.

² A person giving general consultation to investors related to any ASEAN Capital Market Products, performing the duty as an investment consultant in one of the Signatory ASEAN Jurisdictions.

³ A person eligible to analyze investment and give investment consultation, performing the duty as investment analyst in one of the Signatory ASEAN Jurisdictions.

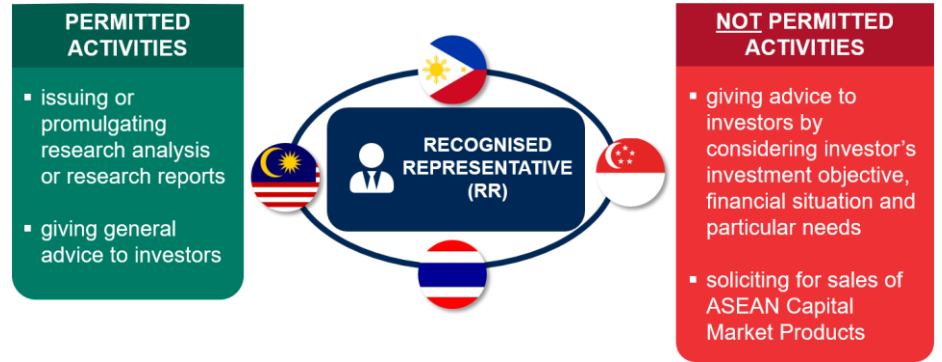


For further information, please contact:

Benja Supannakul
+66 2666 2824 Ext. 3074
benja.supannakul
@bakermckenzie.com

Thanaporn Rattanakul
+66 2666 2824 Ext. 3069
thanaporn.rattanakul
@bakermckenzie.com

is required. The ACMF Pass has been available since 1 January this year.



Source: ACMF

2. New IA license exemption for publishing of cross-border research reports

Advisory by way of broadcasting an offshore investment insights report related to ASEAN Capital Market Products can be provided in Thailand without the need to obtain an investment advisory license—provided that the criteria set out by the SEC below must be met.⁴ The SEC has adopted this investment analysis sharing initiative starting from 16 July this year.

CONDITIONS

- a Report must be produced in Signatory ASEAN Jurisdictions;
- b Report must be produced legally by an authorized editor under respective law in home Signatory ASEAN Jurisdictions
- c Consent of the editor of the report must be granted
- d Report must be published in exact manner and content as published in home Signatory ASEAN Jurisdictions where it is produced and specifying fulfillment to conditions b above

Conditions prescribed under IA Exemption Rule

We will keep you posted as further developments occur.

⁴ SEC Notification No. Kor Thor. 16/2562 Re: Prescribing Natures of Giving Advice to Public Not Being Regarded as Engagement in the Securities Business of Investment Advisory Service (No. 4) amending the SEC Notification No. KorThor. 1/2560 regarding the same (the "IA Exemption Rule")