

Update: Reporting Requirements on Changes of Trust Unit Holdings Re: Directors, Executives of REIT Management Companies / Auditors of Real Estate Investment Trusts in Thailand

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Introduction

As the Directors and Executives of REIT Management Companies and Auditors of Real Estate Investment Trusts (REITs) are likely to have access to inside information about these entities, the Securities and Exchange Commission of Thailand (the “SEC”) has established regulations applicable to these investment vehicles similar to those governing other listed companies in-country. One recent and important SEC Notification in this area is Notification No. Sor Jor. 54/2561 re: Preparation of Report on Holding and Changes of Holding of Trust Units of Directors and Executives of REIT Management Companies, and Auditors of Trusts (the “Notification”). This Notification was issued on 4 October 2018 and became effective on 1 January 2019.

Report Requirements

This Notification (No. Sor Jor 54/2561) applies to the following:

- (1) Real Estate Investment Trusts (“REITs”); and
- (2) Infrastructure Trusts.

(collectively referred to as a “Trust”)

Directors and Executives of REIT Management Companies (the “**Executives**”) and Auditors of REITs (the “**Auditors**”) are required to prepare and submit reports to the SEC on changes to their trust unit holdings. These reports must also be submitted by persons having any of the following relationships with the Executives or Auditors;

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- 1) spouse or cohabiting couple;
- 2) minor child; and
- 3) juristic person wherein oneself and the persons in, 1) and 2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

Unless the Executives and Auditors are qualified for exemptions to report under clause 4 of Notification No. Sor Jor. 54/2561 above, for example, 1) when as trust unit holders they receive additional units proportionately to the amount of trust units already held by each trust unit holder, or 2) when acquiring trust units by inheritance – they must file a report with the SEC.

This report, from Executives and Auditors, shall be submitted by completing Form 59 REIT/IFT (for the period covering 1 January 2019 to 30 April 2019) and via the SEC electronic filing system (starting from 1 May 2019) within the following timeframe:

1. within seven working days from the closing date of the offer for sale of trust units in the case of an initial public offering; or
2. within three working days from the date of purchase, sale, transfer or acceptance of transfer of trust units.

Executives and Auditors who fail to comply with the requirement under this Notification will be subject to a fine not exceeding five hundred thousand baht, and a further fine not exceeding ten thousand baht for every day during which the contravention continues.

This publication is intended to highlight an overview of key issues for ease of understanding, and not for the provision of legal advice. If you have any questions about this publication, please contact your regular contact persons at Mori Hamada & Matsumoto or Chandler MHM Limited, or any of the Key Contacts listed to the right above.