

Hearing Conclusion

Proposed Amendments to Regulations to Support Vayupak Fund



The Stock Exchange of Thailand ("SET") would like to thank everyone who participated in providing feedback on the market consultation of the Proposed Amendments to Regulations to Support Vayupak Fund during September 5 – 13, 2024. In this regard, SET would like to summarize all comments received from the total of 52 respondents, consisting of the Association of Thai Securities Companies ("ASCO"), 17 securities companies, 30 individual investors, 2 institutional investors, and 2 issuers.

Discussion 1: Disclosure of Net Asset Value per unit ("NAV")

Proposed amendments

Mutual funds are required to report the Net Asset Value per Unit ("NAV"), which includes net asset value, unit value, number of units, selling price of units, and redemption price of units, through SET's system as per Association of Investment Management Companies (AIMC)'s regulations, approved by the SEC, which is every business day.

Summary of Responses

All respondents agree, with some additional suggestions as follows:

- Indicative NAV per unit (or iNAV) should be disclosed during trading hours as well.
- A list of top 20 securities in which the mutual fund has invested should be disclosed every 15-30 days.

Discussion 2: Disclosure of Entitlement Date

Proposed amendments

The disclosure period of the entitlement date of mutual funds will be adjusted to not less than 5 business days prior to the entitlement date. This is to align with the current environment where investors can access information conveniently and is consistent with other securities of a similar nature.

Summary of Responses

96% (50 out of 52) of respondents agree without additional comments. Those who disagree, which are individual investors, believe that investors should have sufficient time to study the information, such as 10-15 days.

Discussion 3: Revision of Short Sell Price Rule for Market Makers of VAYU1

Proposed amendments

Market makers of VAYU1 will be able to short sell VAYU1 units without price restrictions in order to support their market making activities, thereby promoting liquidity for the benefit of investors.

Summary of Responses

63% (33 out of 52) of respondents agree, including ASCO. One respondent suggests that there should be controls and monitoring mechanisms to prevent misconduct.

Those who disagree, mostly individual investors and some securities companies, have provided the following opinions:

- It may cause price volatility or speculation in VAYU1 units.
- It may serve as a channel for placing orders that could affect the overall market conditions, as VAYU1 is a large fund.
- Market makers should not be allowed to short sell VAYU1, and there should be rules to prevent market makers from having an advantage over individual investors.

Discussion 4: Adjustment of Tick Size for Trading VAYU1 Units

Summary of key points for consultation

The Tick Size of VAYU1 units will be adjusted to a tiered structure, same as stocks.

Summary of Responses

88% (46 out of 52) of respondents agree, including ASCO, without additional comments. Meanwhile, those who disagree including individual investors who believe that the current 0.01 baht tick size is appropriate; and one institutional investor who reasons that this could make VAYU1 unit price deviate from the NAV and may affect the mark-to-market mechanism for institutional investors.
