

SEC Thailand's public hearing on proposed principles and draft regulation on requiring asset management companies to acquire data of provident fund members

The Securities and Exchange Commission, Thailand (SEC) is seeking public comments on proposed principles and a draft regulation on requirement of provident fund (PVD) members' data including designated beneficiaries from asset management companies (AMCs) undertaking PVD management business. The compulsory acquisition of such data would give adequate evidence for AMCs to identify, contact and make payment out of the fund to members or designated beneficiaries more efficiently.

According to the first paragraph of Section 23 of Provident Fund Act, when an employee's membership terminates on a cause other than the dissolution of the fund, the fund manager shall make payment out of the fund to the employee in accordance with the rules and procedures provided in the fund's articles and as prescribed by Section 23/1, and such payment shall be made in one lump sum within thirty days from the date of termination of membership. However, in practice, the payment could not directly be made to PVD member due to a lack of relevant member data; such as name and surname, identification number, bank account number and contact information. Instead, the AMCs practically make the payment out of the fund by issuing cheques to PVD members after being notified by their employers about the termination of membership. Deficiency of the termination of membership for any reasons or PVD members' failure to receive cheques have brought about soaring unclaimed money, which the AMCs are unable to contact or identify PVD members.

Therefore, in order to accommodate AMCs in making payment out of the fund to PVD members in accordance with the aforementioned law and in managing unclaimed money more efficiently, the SEC, with the approval of the Capital Market Supervisory Board at the Meeting No. 10/2565 dated 22 September 2022, is proposing a regulation that would require AMCs undertaking PVD management business to acquire necessary data of PVD members. Such data would enable AMCs to contact and identify PVD members before making direct payments to eligible persons. The

proposed regulation would solve the problem when the termination of membership is not notified by the employers or fund committees, which would ultimately be beneficial to PVD members when they receive their retirement savings in a timely manner. In addition, the proposed regulation would enable AMCs to better manage the unclaimed money.

The consultation paper is available at

https://www.sec.or.th/TH/Pages/PB_Detail.aspx?SECID=849. Stakeholders and interested parties

are welcome to submit comments and suggestions through the website or email:

sirinad@sec.or.th or anoma@sec.or.th. The public hearing ends on 25 December 2022.