

The SEC is seeking public comments on an amendment to its regulations on revision on subordinated perpetual bond.

As a result of low rate of interest for an extended period, investors are seeking for more complex debt securities with higher return that leads to subordinated perpetual bonds become more popular. This has raised concern regarding the regulations and the SEC was asked to tighten the supervision as investors may not fully understand the risks and complexity of these debt securities, the SEC intends to amend regulations and processes associated with subordinated perpetual bonds. These proposed changes are:

1. Only investment-grade perpetual bonds¹ allowed to offer for sale to HNW and PO.

2. Enhance ecosystem for sale process of subordinated perpetual bond

2.1 Additional a knowledge test to assess the investment suitability of clients before investing for the first time.

2.2 Amended risk acknowledgment form to give a clearer warning.

For further details of the public hearing, please visit www.sec.or.th/hearing or by emailing debt@sec.or.th.

The public comment period ends 21 September 2020.

¹ Any types of perpetual bond