

**SEC public hearing on proposed amendments to the Securities and Exchange Act regarding
the provisions of debentures**

Thai debenture market has been growing continuously in terms of sizes, trading activities, and variety of instruments; whereas, some provisions in the Securities and Exchange Act B.E. 2535 (as amended) (the "SEC Act") regarding debenture may be inconsistent with the current situations. Firstly, section 39 states that the par value of a debenture of a company shall not be less than one hundred baht which shall be paid in money and the purchaser cannot set-off against the company as to payment of the debenture. Determining the minimum of par value can impact on fundraising and broadening the investor bases. Moreover, the prohibition of a set-off inevitably obstructs the rollover and debenture refinance of issuers leading to unnecessary procedures and additional costs.

In addition, section 49 of the SEC Act states that if the debenture issuer intends to arrange for a debenture holder representative when issuing any type of debentures other than secured debentures, the debenture issuer shall declare its intention while making an application for the issuance of debentures. Furthermore, there is currently no provision to support a role of a government bond holder representative for securities issued by the state agencies which are not guaranteed by the government. Such representative would be an enhancement of mechanisms related to investor protection for the government bond.

In essence, the SEC is proposing to amend the SEC Act with an aim to modernize the provisions of debentures as follows:

- (i) cancellation of the minimum par value of debentures and relaxation the provision of set-off in case of rollover and refinance;
- (ii) revision of arrangement of an unsecured debenture holder representative; and
- (iii) establishment the provision to support a government bond holder representative.

For further details of this public hearing, please visit www.sec.or.th/hearing. Stakeholders and interested parties are welcome to submit comments through the website, or facsimile: 0-2033-9980, 0-2033-9945, or 0-2033-9783, or email: kruaonn@sec.or.th, pattarav@sec.or.th, or chavisa@sec.or.th. The public hearing process will end on 30 December 2020.
