

(Unofficial Translation)\*

**Securities and Exchange Act  
(No. 5)  
B.E. 2559**

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**HIS MAJESTY KING MAHA VAJIRALONGKORN  
BODINDRADEBAYAVARANGKUN, REX.,**

Given on the 10<sup>th</sup> day of December B.E. 2559;

Being the 1<sup>st</sup> Year of the Present Reign.

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun is graciously pleased to proclaim that:

Whereas it is expedient to amend the law on securities and exchange;

Be it, therefore, enacted by His Majesty the King, by and with the advice and consent of the National Legislative Assembly, as follows:

*SECTION 1. This Act shall be called the “Securities and Exchange Act (No. 5) B.E. 2559”.*

*SECTION 2. This Act shall come into force on the following date of its publication in the Government Gazette.*

*SECTION 3. The following provision shall be added as the third paragraph of Section 11 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551:*

“During the period when no appointment of the Chairman or a commissioner of the SEC has been made, the remaining commissioners shall retain their offices on the condition that there are at least six persons holding such position.”

*SECTION 4 The following provision shall be added as the third paragraph of Section 16/4 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551:*

“During the period when no appointment of a commissioner has been made, the remaining commissioners of the Capital Market Supervisory Board shall retain their offices on the condition that there are at least five persons holding such position.”

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*\*Readers should be aware that only the original Thai text has legal force. The English translation is strictly for reference and shall not in any event be construed or interpreted as having effect in substitution for or supplementary to the Thai version. The SEC Office cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.*

*SECTION 5 The following provisions shall be added as Section 33/1 and Section 33/2 of the Securities and Exchange Act B.E. 2535:*

**“SECTION 33/1** In case of an offering for sale of newly issued securities for a trust under the law on trust for transactions in the capital market in the categories of trust and securities as specified in the notification of the SEC, the SEC may specify that the following persons shall be the applicant for the offering for sale of securities under Section 33:

- (1) The would-be settlor or the settlor only in case of an initial public offering of newly issued securities;
- (2) The trust manager.

After an application for an offering for sale of newly issued securities has been filed, but not yet approved, the persons under (1) and (2) shall have the same duty and responsibility for disclosing information as the securities issuing company, and after the approval has been granted, the person under (2) shall have the duty and responsibility for disclosing information and comply with the provisions under Chapter 2: Issuance of Securities and Chapter 3: Public Offering of Securities, as similarly specified as duty and responsibility of the securities issuing company.

In cases where the SEC deems appropriate for the characteristics of the securities, the securities issuing company, the investors, and the offering for sale of securities, the SEC may grant a waiver to the persons under (1) and (2) or may allow such persons to act differently from the provisions under Division 4: Register and Transferability of Chapter 2: Issuance of Securities or Section 88, in whole or in part.

**SECTION 33/2** In case of an offering for sale of newly issued securities in the category specified in the notification of the SEC whereby the return of such securities depends on the financial condition and the business operation of an entity who is not a securities issuing company and such entity gives consent thereto, the SEC may specify that such entity shall have the joint duty and responsibility with the securities issuing company in disclosing useful information for decision making of investors, which may as well include the disclosure of information prior to and after the offering for sale of newly issued securities has been approved.”

*SECTION 6 The following provision shall be added as Section 35/1 of the Securities and Exchange Act B.E. 2535:*

**“SECTION 35/1** Subject to Section 33, the SEC may grant a waiver of compliance to a company established by and subject to a foreign law whereby measures for investor protection are prescribed in a similar manner to the measures prescribed in the notification of the SEC, or may allow such company to act differently from the provisions under Division 2: Debentures, Division 3: Issuance of Secured Debentures, Division 4: Register and Transferability, or Division 5: Disclosure of Information and Auditor of this Chapter or under Chapter 3: Public Offering of Securities, in whole or in part, as deemed appropriate for the characteristics of the securities, the securities issuing company, the investors and the offering for sale of securities.”

*SECTION 7 The provisions under Section 37 and Section 38 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provisions:*

**“SECTION 37** The provision under Section 1229 of the Civil and Commercial Code which prohibits issuance of debentures by a limited company shall not apply to a limited company which has been granted an approval to issue debentures under this Act.

**SECTION 38** The provision under Section 654 of the Civil and Commercial Code which prohibits fixing the interest over a specified rate shall not apply to the securities in the category of debenture and bill which are offered for sale under this Act.”

*SECTION 8 The following provision shall be added as Section 55/1 of Division 4: Register and Transferability of Chapter 2: Issuance of Securities under the Securities and Exchange Commission Act B.E. 2535:*

**“SECTION 55/1** The provisions of this Division and related penalty provisions shall apply to the register and transferability of any other securities as specified in the notification of the SEC under Section 33, *mutatis mutandis*.

In cases where the SEC deems appropriate for the characteristics of the securities, the SEC shall have the power to issue rules, conditions and procedures for register and transferability of securities under the first paragraph in a different manner from the provisions under this Division.”

*SECTION 9 The following provision shall be added as the third paragraph of Section 56 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551:*

“The Capital Market Supervisory Board may issue a notification to grant a waiver or an exemption of duty to prepare or submit the information under the first paragraph by taking into consideration the necessity of information for the decision making of investors.”

*SECTION 10 The provisions under Section 59 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provisions:*

**“SECTION 59** A director, manager, person who holds management position as specified in the notification of the SEC Office and an auditor of the securities issuing company under Section 32 or Section 33 shall have the duty to prepare and disclose reports to the SEC Office on each person holding securities and derivatives and the changes to such holding as well as the holding and changes to the holding of their spouse, cohabiting couple and minor children in accordance with the rules and procedures as specified in the notification of the SEC Office.

The securities and derivatives under the first paragraph are:

- (1) securities of the securities issuing companies under Section 32 or Section 33, as specified in the notification of the SEC Office;
- (2) any securities which are issued by a third party who grants the securities holders the right to purchase, sell, acquire, or dispose of the securities under (1) or to receive returns that are dependent upon the price or returns of the securities under (1);
- (3) derivatives under the law on derivatives which requires delivery or derives its value from the price or returns of the securities under (1) or (2).

The reporting under the first paragraph shall include the holding of securities and derivatives, and the change to such holding, by a juristic person whose shares exceeding thirty percent of the total voting rights are held by the persons under the first paragraph, including the spouse or cohabiting couple, and minor children of such persons.

The provisions under the first paragraph shall apply to the interim executive, the plan preparer, the plan administrator and the interim plan administrator under the law on bankruptcy, of the securities issuing companies under Section 32 or Section 33, *mutatis mutandis*, and in cases where such persons are a juristic person, the duty under the first paragraph shall also apply to the director, manager and executive of such juristic person, as specified in the notification of the SEC Office.”

*SECTION 11 The provision under (3) of Section 126 of the Securities and Exchange Act B.E. 2535 shall be repealed.*

*SECTION 12 The following provision shall be added as Section 126/1 of the Securities and Exchange Act B.E. 2535:*

“**SECTION 126/1** For the management of a mutual fund, a securities company may invest in or holding the investment units of any other mutual fund which is managed by the same securities company only when it is clearly specified in the approved mutual fund project and the prospectus, and upon compliance with the rules, conditions and procedures as specified in the notification of the SEC Office.”

*SECTION 13 The following provision shall be added as the fourth paragraph of Section 225 of the Securities and Exchange Act B.E. 2535:*

“In case of no closing date of the register, the provision of the third paragraph shall apply to the cases where the board of directors of the securities issuing company specifies the date when the shareholders have the right to attend the shareholders’ meeting under Section 89/26 or the date when the shareholders have the right to receive dividends, the right to purchase or receive securities or newly issued shares, or the right to any other benefits under the law on public limited companies.”

*SECTION 14 The provisions under Division 1: Prevention of Unfair Securities Trading Practices, Section 238, Section 239, Section 240, Section 241, Section 242, Section 243, and Section 244 of Chapter 8: Unfair Securities Trading Practices and the Acquisition of Securities for Business Takeovers of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provisions:*

**“Division 1  
Prevention of Unfair Securities Trading Practices**

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**SECTION 238** The provisions under this Division shall apply to listed securities and securities traded in the over-the-counter center.

**SECTION 239** In this Division:

“executive” means executive under Section 89/1;

“control” means control under Section 89/1;

“derivatives” means derivatives under the law on derivatives;

“inside information” means information that has not been generally disclosed to the public and is material to the change of price or the value of securities;

“effect on the securities price” means the effect that causes securities price to rise, fall, be maintained, or stabilized.

**SECTION 240** No person shall inform, disseminate, or certify any statement or information that is false or materially misleading about financial condition, business operation, the price of securities or any other information related to a securities issuing company in such a manner that is likely to have an effect on the price of securities or the decision making on securities investment.

**SECTION 241** No person shall analyse or forecast the financial condition, the business operation, the price of securities or any other information related to a securities issuing company by using information known to be false or incomplete which may mislead materially the making of such analysis or forecast, or omit to consider the accuracy of such information, or by distorting the information used in the making of the analysis or the forecast, and disclosing or giving an opinion on the analysis or the forecast to the public in such a manner that is likely to have an effect on the price of securities or decision making on securities investment.

**SECTION 242** No person who knows or possesses inside information related to a securities issuing company shall:

(1) purchase or sell securities or enter into a derivatives contract related to securities, either for oneself or other persons, except in the following cases:

(a) action in compliance with the law, the court’s order, or the order of an agency with the legal power;

(b) action in accordance with the obligations to a derivatives contract that has been made before one becomes aware of or possesses inside information related to the securities issuing company;

(c) action not agreed upon or decided by oneself but assigned to an approved or registered person under the law on management of capital or investment to make a securities trading decision or enter into a derivatives contract related to such securities; or

(d) action not having a characteristic of taking an advantage of other persons or any characteristic as specified in the notification of the SEC.

(2) disclose inside information to other persons, either directly or indirectly and by any means, while one knows or ought reasonably to know that the receiver of such information may exploit such information for trading securities or entering into a derivatives contract related to such securities, either for the benefit of oneself or other persons, except when such action does not have the characteristics of taking an advantage of other persons or has the characteristics as specified in the notification of the SEC.

**SECTION 243** It shall be presumed that the following persons have known or possessed the inside information under Section 242:

(1) director, executive or controlling person of a securities issuing company;

(2) employee or worker of a securities issuing company who holds a position, or is in the line of work, responsible for or capable of accessing inside information;

(3) any person who is able to know inside information by performing duties as auditor, financial advisor, legal advisor, asset appraiser or any other person whose duties are related to inside information, including employees, workers or colleagues of the aforesaid persons who hold a position or is in the line of work involved in the performance of duties related to such inside information;

(4) director, sub-committee member, representative of a juristic person, agent, worker, employee, advisor or operator in a governmental agency, the SEC Office, the Stock Exchange, the over-the-counter center or the Derivatives Exchange, who is in the position or the condition that can access inside information through performance of duties;

(5) juristic person whose business is under control of the persons under (1) (2) (3) or (4).

**SECTION 244** It shall be presumed that the following persons, who have traded securities or entered into a derivatives contract in a different manner from their normal practice, have known or possessed the inside information under Section 242:

(1) holder of securities exceeding five percent of the securities issuing company's total securities sold, including the securities held by spouse or cohabiting couple and minor children of the securities holder;

(2) director, executive, controlling person, employee, or worker of business in the group of the securities issuing company, who holds a position or the line of work responsible for or capable of accessing inside information;

(3) ascendant, descendant, child adopter or adopted child of the persons under Section 243;

- (4) sibling of the same blood parents or sibling of the same blood father or mother of the persons under Section 243;
- (5) spouse or cohabiting couple of the persons under 243 or the persons under (3) or (4).

Business in the group of a securities issuing company under (2) means parent company, subsidiary or affiliate of the securities issuing company in accordance with the rules as specified in the notification of the SEC.

**SECTION 244/1** No securities company that operates the business of securities brokerage including its officers or employees who know or possess information related to trading orders of securities or derivatives of any client of such securities company shall take any of the following actions, either for the benefit of oneself or other persons, in any manner that is likely to cause a disadvantage to the client:

- (1) placing, modifying, or cancelling a trading order of securities or derivatives related to such securities by taking advantage of doing so before completing the order of such client;
- (2) disclosing information related to the order of such client to another person even though it is known or ought reasonably to be known that such person would use such information for placing, modifying or cancelling trading orders of securities or derivatives related to such securities before the execution of the client's order is completed.

**SECTION 244/2** The provisions under Section 244/1 shall apply to securities companies that operate the securities business of fund management as well as officers or employees of such securities companies who have known or possessed inside information related to trading orders of securities and derivatives of funds or any other entity that has the same characteristics as funds whose assets or investment are managed by such securities companies, *mutatis mutandis*.

**SECTION 244/3** No person shall take any of the following actions:

- (1) placing a trading order or trading securities in such a way that misleads other persons regarding the price or volume of the securities trading;
- (2) placing a securities trading order or trading securities on a continued basis with an intent to cause the price or the volume of such securities trading to be inconsistent with the normal market condition.

**SECTION 244/4** The provisions under Section 244/3 shall not apply to the following cases:

- (1) trading of securities for price stabilization under the underwriting agreement with the securities issuing company and in compliance with the regulations issued by the Capital Market Supervisory Board under this Act;
- (2) repurchasing of shares or selling of the repurchased shares in the share repurchase project in accordance with the regulations issued by the board of directors of the Securities Exchange under this Act;
- (3) purchasing or selling of securities in accordance with the rules, conditions and procedures as specified in the notification of the SEC.

**SECTION 244/5** Any of the following acts shall be presumed to be an act that has caused other persons to have a misunderstanding of the price or volume of the securities trading under Section 244/3 (1), or an act that has caused the price or volume of such securities trading to be inconsistent with the normal market condition under Section 244/3 (2), as the case may be:

- (1) purchasing or selling securities in such a way that does not involve a change of beneficial ownership of such securities;
- (2) placing a securities purchasing order while being aware that oneself or an associate has made an order to sell the same securities or will do so at a similar amount and a similar price within a similar period of time;
- (3) placing a securities selling order while being aware that oneself or an associate has made an order to buy the same securities or will do so at a similar amount and a similar price within a similar period of time;
- (4) placing, modifying, or cancelling a securities trading order during the pre-opening or pre-closing period of the Stock Exchange or the over-the-counter center, as the case may be, with an intent to cause the opening or closing price of such securities to be higher or lower than it should have been;
- (5) placing, modifying, or cancelling a securities trading order in such a way that obstructs securities trading of other persons, which causes other persons to place a trading order at a higher or lower price than it should have been.

**SECTION 244/6** It shall be presumed that a person who has committed any of the following acts is the principal for committing the offenses under Section 244/3:

- (1) opening a joint bank account for making a payment or receiving a payment related to or because of a securities trading;
- (2) allowing any person to seek benefits by using one's own bank account for making payments or receiving payments related to or because of securities trading;
- (3) allowing any person to use one's own securities trading account;
- (4) making a payment or receiving a payment for a securities trading for any person;
- (5) placing money or other assets as collateral for securities trading of any person;
- (6) allowing any person to receive benefits or oversee payments related to or because of one's own securities trading; or
- (7) transferring or receiving a transfer of securities between each other.

**SECTION 244/7** No person shall place, modify or cancel a securities trading order through the securities trading system of the Stock Exchange or the over-the-counter center even though it is known or ought reasonably to be known that such act is likely to cause the price or volume of the securities trading to be inconsistent with the normal market condition and cause the securities trading system to delay or discontinue.”

*SECTION 15 The provision under the second paragraph of Section 264/1 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*



“For the purpose of this Section, the provision under Section 264 and the relevant penal provisions shall apply.”

*SECTION 16 The following provision shall be added as Section 264/2 of the Securities and Exchange Act B.E. 2535:*

“**SECTION 264/2** Any evidence that has been received through the cooperation between international agencies and the SEC Office may be used in any legal proceeding.”

*SECTION 17 The following provision shall be added as Section 266/1 of the Securities and Exchange Act B.E. 2535:*

“**SECTION 266/1** An inquiry official may use the information, facts, documents and any evidence that the SEC Office has submitted with the filing of complaint against the offender as part of the criminal investigation.”

*SECTION 18 The name of Chapter 12: Penal Provisions of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

## “Chapter 12 Criminal Penalties

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*SECTION 19 The following provisions shall be added as Section 268/1 and Section 268/2 of the Securities and Exchange Act B.E. 2535:*

“**SECTION 268/1** Any person under Section 33/1 who fails to comply with the regulations issued under the second paragraph of Section 33/1 regarding duties and responsibilities to disclosure of information or post-approval duties in the same way as securities issuing companies shall be liable to the penalties specified for such offence, and in case of a compounding offence, such person shall be subject to compounding for the offence as well.

**SECTION 268/2** Any person under Section 33/2 who contravenes or fails to comply with the regulations specified by the SEC under Section 33/2, which require performance of duties and responsibilities to disclosure of information in collaboration with the securities issuing company shall be liable to the penalties as specified for such offence, and in case of a compounding offence, such person shall be subject to compounding for the offence as well.”

*SECTION 20 The provision under Section 269 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

“**SECTION 269** Any person who contravenes or fails to comply with the third paragraph of Section 33/1, Section 35 or Section 35/1 shall be liable to a fine not exceeding

five hundred thousand baht and a further fine not exceeding ten thousand baht for everyday during which the contravention continues.”

*SECTION 21 The provision under Section 273 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

“**SECTION 273** Any company which contravenes or fails to comply with Section 50, Section 53, Section 191, Section 192 or Section 193, or contravenes or fails to comply with the rules, conditions or procedures under Section 50, the second paragraph of Section 55/1 or Section 191 shall be liable to a fine not exceeding one hundred thousand baht and a further fine not exceeding three thousand baht for everyday during which the contravention continues.”

*SECTION 22 The provision under Section 275 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

“**SECTION 275** Any person who has the duty to prepare and disclose the reports under Section 59 contravenes or fails to comply with Section 59 or the rules or procedures as prescribed thereunder shall be liable to a fine not exceeding five hundred thousand baht and a further fine not exceeding ten thousand baht for everyday during which the contravention continues.”

*SECTION 23 The provision under the second paragraph of Section 281/1 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

“In cases where any securities company or any company commits an offence under this Section and such offence is a result of an order or an action of any person or a failure to order or act according to the duties of director, manager or any person responsible for the operation of the securities company or the company, such person shall be liable to imprisonment for a term not exceeding two years or a fine not exceeding five hundred thousand baht, or both.”

*SECTION 24 The provision under Section 281/4 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

“**SECTION 281/4** Any board of directors of any company which fails to comply with the first or the second paragraph of Section 89/15 shall be liable to a fine not exceeding one hundred thousand baht and a further fine not exceeding three thousand baht for everyday during which the contravention continues.

Any chairman of any company who fails to comply with the third paragraph of Section 89/15 shall be liable to a fine not exceeding one hundred thousand baht and a further fine not exceeding three thousand baht for everyday during which the contravention continues.”

*SECTION 25 The provisions under Section 281/10 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provisions:*

**“SECTION 281/10** Any person who has the duty to submit or disclose the following documents or information and makes a false statement or conceals material facts that should have been stated shall be liable to imprisonment for a term not exceeding two years or a fine not exceeding five hundred thousand baht, or both:

(1) any document or information submitted to the SEC Office or the Stock Exchange, as the case may be, under Section 56, Section 57, Section 58 or Section 199;

(2) any document or information submitted or disclosed to the shareholders or the public in accordance with the provisions under Chapter 3/1: Governance of Publicly Traded Company;

(3) any document or information submitted or disclosed to the SEC Office or the shareholders, as the case may be, in accordance with Section 246, Section 247, Section 248 or Section 250.”

*SECTION 26 The provision under Section 282 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 2) B.E. 2542, shall be repealed and replaced with the following provision:*

**“SECTION 282** Any securities company which contravenes or fails to comply with Section 92, Section 94, Section 96, Section 97, Section 98, Section 100, Section 101, Section 102, Section 103, Section 104, Section 105, Section 106, Section 108, Section 109, Section 110, Section 112, Section 113, Section 114, Section 115, Section 116, Section 117, Section 122, Section 123, Section 124, Section 125, Section 126, Section 126/1, Section 129, Section 130, the first paragraph of Section 134, Section 135, Section 136, Section 139 (1) (2) (3) or (4), the first paragraph, the second paragraph or the third paragraph of Section 140, Section 151 or the first paragraph of Section 195, or contravenes or fails to comply with the rules, conditions or procedures or orders issued in accordance with the fourth paragraph of Section 90, Section 91, Section 92, Section 98 (7) or (10), the second paragraph of Section 100, Section 117, Section 126/1, Section 135, Section 139 (4), the second paragraph of Section 140, Section 141, Section 142, Section 143, Section 144 or Section 150 shall be liable to a fine not exceeding three hundred thousand baht and a further fine not exceeding ten thousand baht for everyday during which the contravention continues.”

*SECTION 27 The provision under Section 283 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

**“SECTION 283** In cases where any securities company commits an offence under Section 92, Section 96, Section 102, Section 105, Section 106, Section 108, Section 109, Section 110, Section 113, Section 114, Section 115, Section 116, Section 117, Section 123, Section 129, Section 130, Section 135, the first paragraph, the second paragraph or the third paragraph of Section 140, Section 151 or the first paragraph of Section 195, or contravenes or fails to comply with the rules, conditions, procedures or orders issued in accordance with

Section 92, Section 117, Section 135 or Section 150, if such offence of the securities company is a result of an order or an action of any person or a failure to order or act according to the duties of director, manager or any person responsible for the operation of such securities company, such person shall be liable to imprisonment for a term not exceeding six months or a fine not exceeding two hundred thousand baht, or both.

In cases where any securities company commits an offence under Section 97, Section 98, Section 112, Section 122, Section 124, Section 125, Section 126, Section 126/1, the first paragraph of Section 134, Section 136 or Section 139 (1) (2) (3) or (4), or contravenes or fails to comply with the rules, conditions, procedures or orders issued in accordance with the fourth paragraph of Section 90, Section 91, Section 98 (7) or (10), Section 126/1, Section 139 (4), Section 141, Section 142, Section 143 or Section 144, if such offence of the securities company is a result of an order or an action of any person or a failure to order or act according to the duties of director, manager or any person responsible for the operation of such securities company, such person shall be liable to imprisonment for a term not exceeding one year or a fine not exceeding three hundred thousand baht, or both.”

*SECTION 28 The provision under the third paragraph of Section 285 bis of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

“In cases where any securities company commits an offence under the second paragraph of Section 133, if such offence of the securities company is a result of an order or an action of any person or a failure to order or act according to the duties of director, manager or any person responsible for the operation of such securities company, such person shall be liable to imprisonment for a term not exceeding one year or a fine not exceeding three hundred thousand baht, or both.”

*SECTION 29 The provision under the second paragraph of Section 286 bis of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

“In cases where any securities company commits an offence under Section 138 or Section 139 (5), if such offence of the securities company is a result of an order or an action of any person or a failure to order or act according to the duties of director, manager or any person responsible for the operation of such securities company, such person shall be liable to imprisonment for a term not exceeding two years or a fine not exceeding five hundred thousand baht, or both.”

*SECTION 30 The provision under Section 296 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

“**SECTION 296** Any person who contravenes Section 240, Section 241, Section 242, Section 244/1, Section 244/2 or Section 244/3 (1) shall be liable to imprisonment for a term not exceeding two years or a fine from five hundred thousand baht to two million baht, or both.

In cases where the person who contravenes Section 240 or Section 241 is a director, manager or any person responsible for the operation of a securities issuing company, such person shall be liable to imprisonment for a term not exceeding five years or a fine from one million baht to five million baht, or both.”

*SECTION 31 The following provisions shall be added as Section 296/1 and Section 296/2 of the Securities and Exchange Act B.E. 2535:*

“**SECTION 296/1** Any person who contravenes Section 244/3 (2) or Section 244/7 shall be liable to imprisonment for a term not exceeding five years or a fine from one million baht to five million baht, or both.

**SECTION 296/2** In cases where an offence under Section 296 or Section 296/1 in the part concerning determination of fine penalties, if the offender has received or should have received a benefit from such offence, a fine not exceeding twice of the benefit shall be imposed and in any case such fine shall not be less than the minimum amount as specified under Section 296 or Section 296/1, as the case may be.”

*SECTION 32 The provision under Section 297 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

“**SECTION 297** Any person who allows another person to use a securities trading account or a bank account for payment of securities trading to conceal the identity of the account user in such a way that may use such account to commit an unfair act regarding securities trading under Division 1: Prevention of Unfair Securities Trading Practices under Chapter 8: Unfair Securities Trading Practices and the Acquisition or Securities for Business Takeovers shall be liable to imprisonment for a term not exceeding one year or a fine not exceeding one hundred thousand baht, or both.

Any person who uses a securities trading account or a bank account of another person to commit an unfair act under the first paragraph shall be liable to the same penalties as well.”

*SECTION 33 The following provision shall be added as Section 297/1 of the Securities and Exchange Act B.E. 2535:*

“**SECTION 297/1** In cases where a court views that a defendant has committed an offence under Section 278, the first paragraph of Section 281/2, Section 281/10, Section 296, Section 296/1 or Section 297, the court shall order the offender to act or omit to act accordingly, as deemed appropriate:

- (1) to pay a compensation at an equal amount to the benefit received or should have been received from such offence, which shall be remitted as public revenue;
- (2) to be suspended from trading in securities on the Stock Exchange or the over-the-counter center, or derivatives contracts on the Derivatives Exchange within a specified period

which shall not exceed five years as from the date when the court's decision or order has been made;

(3) to be barred from serving as a director or executive of a securities issuing company or a securities company within a specified period which shall not exceed ten years as from the date when the court's decision or order has been made;

(4) to reimburse the investigative expenses incurred by the SEC Office.

If the offender fails to make the payment under (1) or the expenses under (4), the court shall have the authority to issue a writ of execution, in which case the Civil Procedure Code shall apply, *mutatis mutandis*, and it shall be deemed that the SEC Office is the judgement creditor."

*Section 34 The following provision shall be added as Section 299/1, Section 299/2 and Section 299/3 of the Securities and Exchange Act B.E. 2535:*

**"SECTION 299/1** Any person who contravenes or fails to comply with a letter of consent which specifies civil sanctions in accordance with Section 317/4 (3) or (4) shall be liable to imprisonment for a term not exceeding six months or a fine not exceeding three hundred thousand baht, or both.

**SECTION 299/2** Any person who contravenes or fails to comply with the court's judgment or order which specifies a sanction in accordance with Section 297/1 (2) or (3) or Section 317/4 (3) or (4) shall be liable to imprisonment for a term not exceeding six months or a fine not exceeding three hundred thousand baht, or both.

**SECTION 299/3** Any securities company or derivatives business operator which provides services to the offender under Section 299/1 or Section 299/2 even though it is known or should have been known that a sanction has been specified under the letter of consent or the court's judgment or order shall be liable to a fine not exceeding three hundred thousand baht."

*SECTION 35 The provision under Section 300 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

**"SECTION 300** Unless the liability of director, manager or any person responsible for the operation of a juristic person has been specified in this Act, if the offender under this Act is a juristic person and the offence thereof is the result of an order or an action of any person, or failure to order or act in accordance with the duties of director, manager or any person responsible for the operation of such juristic person, such offender shall be liable to the penalties specified for such offences as well."

*SECTION 36 The provision under Section 301 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed.*

*SECTION 37 The provision under Section 302 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

**“SECTION 302** Any person who makes a statement or testifies with a false or concealing material facts which should have been notified to the competent official or the SEC Office shall be liable to imprisonment for a term not exceeding one year and a fine penalty not exceeding one hundred thousand baht.”

*SECTION 38 The following provision shall be added as Section 302/1 of the Securities and Exchange Act B.E. 2535:*

**“SECTION 302/1** Any person who submits a copy or presents a bank account, a document or evidence which contains a false statement or a statement which is misleading about a material particular or conceals material facts that should have been presented to the competent official or the SEC Office shall be liable to imprisonment for a term not exceeding one year and a fine not exceeding one hundred thousand baht.”

*SECTION 39 The provision under Section 303 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

**“SECTION 303** Any person who contravenes the third paragraph of Section 145 or contravenes or fails to comply with the order or fails to facilitate the competent official in performing duties under Section 264 shall be liable to imprisonment for a term not exceeding one year and a fine not exceeding one hundred thousand baht.”

*SECTION 40 The provision under Section 314 and Section 315 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:*

**“SECTION 314** Any person who causes another person to commit an offence as specified under Section 287, Section 296, Section 296/1, Section 306, Section 307, Section 308, Section 309, Section 310, Section 311 or Section 312, either by using, ordering, threatening, hiring or any other means shall be liable to the penalties as specified for such offences.

**SECTION 315** Any person who acts in such a way that renders assistance or facilitation for another person in committing an offence as specified under Section 287, Section 296, Section 296/1, Section 306, Section 307, Section 308, Section 309, Section 310, Section 311 or Section 312, whether before or during the commission of such offences shall be liable to the penalties as specified for such offences unless such person is unaware of the rendering of assistance or facilitation.”

*SECTION 41 The provision under Section 315/1 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed.*

*SECTION 42 The following provision shall be added as Section 316/1 of the Securities and Exchange Act B.E. 2535:*

**“SECTION 316/1** The offences under this Chapter which are subject to fine penalties exclusively shall have a one-year prescription, starting from the date when the SEC Office has considered that an offence has been committed and the offender has been identified within a period not exceeding five years as from the date when such offence was committed.”

*SECTION 43 The provision under the first paragraph of Section 317 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551, shall be repealed and replaced with the following provision:*

**“SECTION 317** The offences under Section 268, Section 269, Section 270, Section 271, Section 272, Section 273, Section 274, Section 275, Section 276, Section 277, Section 279, Section 280, Section 281, Section 281/1, Section 281/3, Section 281/4, Section 281/5, Section 281/6, the first paragraph of Section 281/7, Section 281/8, Section 281/9, Section 282, Section 283, Section 284, Section 285, Section 285 *bis*, Section 285 *ter*, Section 286, Section 286 *bis*, Section 287, Section 290, Section 291, Section 292, Section 293, Section 294, Section 295, Section 298, Section 299 and Section 299/3 shall be subject to the criminal fining by the Criminal Fining Committee appointed by the Minister.”

*SECTION 44 The following provisions shall be added as Chapter 12/1: Civil Sanctions as specified under Section 317/1, Section 317/2, Section 317/3, Section 317/4, Section 317/5, Section 317/6, Section 317/7, Section 317/8, Section 317/9, Section 317/10, Section 317/11, Section 317/12, Section 317/13 and Section 317/14 of the Securities and Exchange Act B.E. 2535:*

### **“Chapter 12/1 Civil Sanctions**

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**SECTION 317/1** The following offences shall be deemed the offences whereby civil sanctions may be imposed on the offenders:

- (1) committing unfair securities trading practice, which is an offence under Section 296 or Section 296/1;
- (2) presenting a false statement or concealing material facts that should have been stated, which is an offence under Section 278 or Section 281/10;
- (3) failing to perform duties as director or executive under Section 89/7, which is an offence under the first paragraph of Section 281/2;
- (4) allowing any person to use one’s own securities trading account or bank account for payment of securities trading, or using the securities trading account or the bank account of any person, which is an offence under Section 297.

The enforcement of civil sanctions on the offenders under the first paragraph shall consider the severity of the offence, the impact on the capital market, the evidence that may be used for establishing the guilt, and the worthiness of imposing such sanctions.



**SECTION 317/2** In case of filing a complaint or a denunciation with an inquiry official in a case related to the offences under Section 317/1, the inquiry official shall submit the case to the SEC Office within thirty days as from the filing date of the complaint or the denunciation for consideration of further action in accordance with the provisions under this Chapter, and in cases where the Civil Sanction Committee considers it is appropriate to impose a civil sanction, the SEC Office shall inform such matter to the inquiry official as well.

**SECTION 317/3** The Civil Sanction Committee shall be established, comprising the Attorney-General as Chairman, and the Permanent Secretary of the Ministry of Finance, the Director-General of the Department of Special Investigation, the Governor of the Bank of Thailand, and the Secretary-General as members.

The Secretary-General shall appoint an officer of the SEC Office as Secretary.

The members under the first paragraph may assign a subordinate to attend a meeting on their behalf.

The provisions under Section 12 and Section 13 shall apply to the meetings of the Civil Sanction Committee, *mutatis mutandis*.

The Civil Sanction Committee shall receive remuneration as specified by the SEC and such remuneration shall be deemed as expenses for the operation of the SEC Office.

**SECTION 317/4** Civil sanctions shall be:

- (1) a civil penalty under Section 317/5;
- (2) a compensation at an equal amount to the benefit received or should have been received from committing an offence as specified under Section 317/1;
- (3) a suspension of trading in securities on the Stock Exchange or the over-the-counter center, or derivatives contracts on the Derivatives Exchange for a specified period not exceeding five years;
- (4) a bar from serving as a director or executive in a securities issuing company or a securities company within a specified period not exceeding ten years;
- (5) a reimbursement of investigative expenses incurred by the SEC Office.

**SECTION 317/5** The civil penalties shall be specified as follows:

(1) In case of Section 317/1 (1) or (2), a civil penalty shall be imposed at an amount not exceeding two times the benefit that such person received or should have received from committing such offence, but not less than five hundred thousand baht, and in cases where the benefit is incalculable, the civil penalty shall be imposed from five hundred thousand baht to two million baht;

(2) In case of Section 317/1 (3) or (4), a civil penalty shall be imposed from fifty thousand baht to one million baht.

**SECTION 317/6** In case of an offence that may be liable to the civil sanctions under Section 317/1, if the SEC Office considers it is appropriate to impose a civil sanction on the offender, the SEC Office shall submit the case to the Civil Sanction Committee for consideration whether to impose a civil sanction on the offender and how so. If the Civil Sanction Committee concludes that a civil sanction should not apply, a criminal proceeding shall then commence against the offender.

**SECTION 317/7** In cases where the Civil Sanction Committee deems it is appropriate to impose a civil sanction on the offender and has specified the approach for enforcing the civil sanction as deemed appropriate, and the offender agrees to comply with the specified civil sanction, the SEC Office shall prepare a letter of consent and after the offender has made a payment in full, the right to institute a criminal prosecution shall extinguish.

In cases where the offender fails to make the payment according to the letter of consent, or fails to make the payment in full, the SEC Office shall file a petition with the court for enforcement according to the letter of consent within three years as from the date of default on payment.

**SECTION 317/8** In cases where the offender refuses to extinguish the case under Section 317/7, the SEC Office shall bring an action against the offender in the court for consideration of a civil sanction against the offender, and in cases where the court orders the offender to make a payment under Section 317/4 (2) or (5), the interest thereof shall be accumulated as from the date of entry of the plaint until the payment is made in full.

After the court has passed a judgment or ordered a civil sanction, and the offender has made the payment in full, the right to institute criminal prosecution shall extinguish.

**SECTION 317/9** After the court has given a judgment or order under the second paragraph of Section 317/7 or Section 317/8, the party has the right to appeal against such judgment or order, and the judgment or order of the Appeal Court shall be final.

**SECTION 317/10** After the Civil Sanction Committee has considered a civil sanction or the court has given a judgment or order to impose a civil sanction under Section 317/4 (3) or (4), the SEC Office shall notify the securities companies, the securities issuing companies, the derivatives business operators, the Stock Exchange, the over-the-counter center, the Derivatives Exchange or the Department of Business Development, as involved and as the case may be, to act or omit to act in accordance with the letter of consent or the judgment or the order of the court.

**SECTION 317/11** In cases where many persons jointly commit the offence as specified under Section 317/1, such individuals or juristic persons shall be liable in equal shares, except when circumstances allow consideration otherwise.

In cases where the offender as specified under Section 317/1 is a juristic person, if the commission of offence of juristic persons or each juristic person is caused by an order or an action of any person or a failure to order or act in accordance with the duties of directors, managers, or any person responsible for the operation of such juristic person, such person shall be liable to the civil sanctions under this Chapter and have joint and several liabilities with such juristic person.

**SECTION 317/12** The money paid by the offender under Section 317/4, from which the expenses under Section 317/4 (5) have been deducted and reimbursed to the SEC Office, shall be submitted as public revenue.

**SECTION 317/13** The prescription for instituting a criminal prosecution shall apply to the legal proceeding for imposing a civil sanction on an offence that may be liable to the civil sanction under Section 317/1.

**SECTION 317/14** The court's proceeding under this Chapter shall be submitted to the Civil Court, and the Civil Procedure Code shall apply to the procedure, the judgment and the execution, *mutatis mutandis*."

*SECTION 45 The following provision shall be added as Section 334/1 of the Securities and Exchange Act B.E. 2535:*

**"SECTION 334/1** Any securities issuing company whose securities are traded on the Stock Exchange on the effective date of the Securities and Exchange Act B.E. 2535 shall be deemed a securities issuing company under Section 33, and shall have the same duties and responsibilities as the securities issuing company."

*SECTION 46 The words in the provisions of the Securities and Exchange Act B.E. 2535 shall be amended and deleted accordingly:*

*(1) In Section 35, the words, "Section 33 and Section 34" shall be amended as "and Section 33";*

*(2) In Section 56, Section 57, Section 58, Section 62, the first paragraph of Section 66, Section 68, Section 76 (1) and Section 287, the words, "Section 33 or Section 34" shall be amended as "or Section 33";*

*(3) In Section 41, Section 50, Section 51, Section 52, Section 53, Section 55 and the second paragraph of Section 66, the words "or Section 34" shall be deleted.*

*SECTION 47 The provision under Chapter 12/1: Civil Sanctions of the Securities and Exchange Act B.E. 2535, as amended by this Act shall apply to the offences under the Securities and Exchange Act B.E. 2535 which has committed before this Act becomes effective and a criminal complaint has not been filed with the inquiry official, and the penalties to be imposed on the offender shall not exceed the penalties under the Securities and Exchange Act B.E. 2535 in effect during the commission of such offence.*

*SECTION 48 All rules, regulations, notifications, or orders of the SEC, the Capital Market Supervisory Board or the SEC Office which have been issued in accordance with the Securities and Exchange Act B.E. 2535 and have been in effect before this Act becomes effective, shall remain in full force as long as it does not contravene or contradict the Securities and Exchange Act B.E. 2535, as amended by this Act until rules, regulations, notifications or orders, which have been issued under the Securities and Exchange Act B.E. 2535 as amended by this Act become effective.*

*SECTION 49 The Minister of Finance shall be in charge of the enforcement of this Act.*

Countersigned by:

General Prayut Chan-o-cha  
Prime Minister

(Ref.: Government Gazette, Volume 133, Part 104 Kor, dated 11th December B.E. 2559)