

(Unofficial Translation) *

**Securities and Exchange Act
(No. 6)
B.E. 2562**

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

Given on the 15th day of April B.E. 2562;
Being the 4th 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;

This Act contains certain provisions related to the restriction of rights and liberties of a person, which Section 26 in conjunction with Section 32, Section 37 and Section 40 of the Constitution of the Kingdom of Thailand so permit by virtue of law;

The justification and necessity for the restriction of rights and liberties of a person under this Act is to ensure that the supervision of the capital market and the execution of transactions related to the capital market are efficient, transparent and protect investors' interest, and to accommodate changes in the capital market and the development of innovations and financial technologies, as well as to promote the competitiveness and growth of the Thai capital market. In this regard, the enactment of this Act complies with the conditions specified under Section 26 of the Constitution of the Kingdom of Thailand;

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. 6) B.E. 2562".

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

SECTION 3 The following provision shall be added as Section 4/1 of the Securities and Exchange Act B.E. 2535:

**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 4/1** The SEC shall have the power to determine the undertaking of business in any manner is not a securities business under this Act.”

SECTION 4 The following provision in the first paragraph of Section 16/1 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551 shall be repealed and replaced with the following provision:

“**SECTION 16/1** The Capital Market Supervisory Board shall be established, comprising the Secretary-General as Chairman, a Deputy Secretary-General assigned by the Secretary-General, the Director-General of the Fiscal Policy Office and not exceeding four experts appointed as board member by the Minister through selection process in accordance with Section 31/7; in this regard, at least two of such experts shall have experience in managing a company whose securities are listed on the Securities Exchange or a securities company.”

SECTION 5 The provision in the second paragraph of Section 16/3 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:

“Upon expiration of the term of office of board members, the SEC shall propose a list of experts to the Selection Committee within sixty days in order to proceed in accordance with Section 31/7; in this regard, the retiring board members shall remain in office until the successor assumes duties.”

SECTION 6 The following provisions shall be added as (1/1) and (1/2) of Section 21 of the Securities and Exchange Act B.E. 2535:

“(1/1) not reaching the age of sixty years on the appointment date;
(1/2) having knowledge, capabilities and expertise on capital market, economics or finance and banking.”

SECTION 7 The provision under (3) of Section 22 of the Securities and Exchange Act B.E. 2535 shall be repealed.

SECTION 8 The second paragraph of Section 22/1 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 9 The following provision shall be added as Section 22/2 of the Securities and Exchange Act B.E. 2535:

“**SECTION 22/2** The Secretary-General shall receive salary and other remunerations as specified by the SEC under the approval of the Minister. In specifying the salary and other remunerations for the Secretary-General, the prohibition in accordance with Section 22/1 shall be taken into consideration.”

SECTION 10 The provision in Section 31/2 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 31/2** The SEC Office upon approval of the SEC shall prepare and submit its operating plan to the Minister for acknowledgment every year and disclose the operating plan in a manner available for public access.

In the case where it is appropriate or necessary, the SEC Office upon approval of the SEC may revise or modify the operating plan; in such regard, the provision in the first paragraph shall be applicable, *mutatis mutandis*.

The operating plan of the SEC Office under the first paragraph shall be prepared in the form of a three-year plan to promote the supervision and development of the capital market in accordance with the objectives of protecting investors, promoting fairness, efficiency, transparency of the capital market, and reducing financial systemic risk, and also in convergence with the National Strategy and the National Economic and Social Development Plan.”

SECTION 11 The provision in Section 31/3 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 31/3** In the case where it is necessary to appoint commissioners in the SEC or board members in the Capital Market Supervisory Board, the Minister shall appoint the Selection Committee comprising seven members to select experts to be committee members of the SEC or board members in the Capital Market Supervisory Board.

The Selection Committee in the first paragraph shall be appointed from the persons having held the positions of Permanent Secretary of the Ministry of Finance, Permanent Secretary of the Ministry of Commerce, Permanent Secretary of the Ministry of Industry, Secretary-General of the Council of State, Secretary-General of the Office of the National Economic and Social Development Council, Governor of the Bank of Thailand, Secretary-General of the Office of Insurance Commission, Secretary-General of the SEC Office or commissioners in the SEC; in this regard, there shall not be more than one person from each position.

The person having been in the position of Secretary-General of the National Economic and Social Development Council in the second paragraph shall include the person having been in the position of Secretary-General of the National Economic and Social Development Board under the law on the national economic and social development.

The Selection Committee members shall not be a civil servant holding a permanent position or regular salary, political official, member of the House of Representatives or member of the Senate and shall not be a person having material interest or stakes in performing duties in accordance with the first paragraph.

The Selection Committee in the first paragraph shall elect a committee member to be its Chairman.

The Selection Committee shall receive a remuneration from the SEC Office as specified by the Minister. The remuneration shall be deemed an expense for the operation of the SEC Office.

SECTION 12 The provisions in Section 31/7 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 31/7** In nominating commissioners in the SEC and board members in the Capital Market Supervisory Board, the following persons shall jointly propose to the Selection Committee a list of experts comprising twice the number of commissioners or board members to be appointed:

(1) in nominating commissioners in the SEC, the Chairman and the ex officio commissioners of the SEC shall jointly propose a list of experts;

(2) in nominating board members in the Capital Market Supervisory Board, the SEC shall propose a list of experts.

In the case where the Selection Committee does not approve the nominated experts in the first Paragraph, the Selection Committee shall have the power to require that a new list of experts be proposed.

After the Selection Committee considers the experts qualified to be appointed as commissioners in the SEC or board members in the Capital Market Supervisory Board, as the case may be, the names of the selected persons shall be proposed to the Minister for issuance of the order of appointment.”

SECTION 13 The following provision shall be added as Section 91/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 91/1** To ensure that the supervision of the undertaking of securities businesses is appropriate for the nature of business undertaking and proportionate to the necessity of investor protection, the SEC may prescribe that the license holder who undertakes business in a specified manner be exempted from undertaking or undertake in a different manner from the provisions under Division 2: Supervision and Control of this Chapter, in whole or in part.

The SEC shall also have the power to issue regulations or conditions for the license holder in the first paragraph to comply with.”

SECTION 14 The provision in Section 96 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 96** The SEC may require a securities company to have a paid-up registered capital in an amount specified for operation of securities business in any particular category or manner.”

SECTION 15 The following provision shall be added as Section 124/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 124/1** For the management of a mutual fund, a securities company shall proceed with honesty and care to preserve the interests of all unitholders, using knowledge and competence as a professional.

The securities company shall have a policy on prevention of conflicts of interest in managing a mutual fund and shall monitor and oversee acts that may cause a conflict of interest to the unitholders and any acts that may have an unfair characteristic toward the unitholders or may cause the unitholders to lose interest that should be received. In this regard, the securities company shall comply with the rules, conditions and procedures as specified in the notification of the Capital Market Supervisory Board.”

SECTION 16 The provisions in Section 129 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:

“**SECTION 129** For the management of a mutual fund, a securities company shall proceed in accordance with the mutual fund project which has been approved by the SEC

Office.

Revision or modification of the mutual fund project or revision to the management procedure shall be made through the resolution of the unitholders which shall be sought either from the unitholders' meeting or through the letter seeking the unitholders' resolution.

The securities company shall notify the revision and modification of the mutual fund project or the management procedure to the SEC Office and all unitholders and shall publish such revision and modification in a manner accessible by investors within fifteen days from the date of the resolution.”

SECTION 17 The following provisions shall be added as Section 129/1, Section 129/2, Section 129/3 and Section 129/4 of the Securities and Exchange Act B.E. 2535:

“**SECTION 129/1** For a revision or modification of a mutual fund project or revision to the management procedure in the following cases, the securities company may seek an approval of the SEC Office in lieu of seeking the resolution of the unitholders in accordance with the second paragraph of Section 129:

- (1) change of the criteria for sale and redemption of investment units;
- (2) increase in the types of investment units without diminishing the existing rights of the unitholders;
- (3) proceeding in compliance with the provisions of this Act;
- (4) revision or modification of a mutual fund project or revision to a management procedure in the manner specified by the notification of the SEC Office.

SECTION 129/2 With regard to unitholders' meeting under Section 129, the quorum of the unitholders' meeting shall constitute at least twenty-five unitholders or half of the total number of the unitholders, and the total investment units of the attending unitholders shall be not less than one third of the total investment units sold of the mutual fund project.

In the case where any unitholders' meeting fails to form a quorum in accordance with the criteria specified in the first paragraph after one hour has lapsed, the securities company may call for a new unitholders' meeting for which the quorum is no longer required.

The resolution of the unitholders shall be derived from the majority votes of the total investment units of the attending unitholders with the voting right unless the Capital Market Supervisory Board requires more votes than the majority votes.

The provisions in the first paragraph, the second paragraph and the third paragraph shall apply to the seeking of the unitholders' resolution through a letter requesting the unitholders' resolution, *mutatis mutandis*.

SECTION 129/3 The sending of a notice calling a meeting or a letter requesting the unitholders' resolution, the information requirement in such notice or letter, the meeting holding, the voting rights, the proxy and any other proceeding related to the seeking of the unitholders' resolution shall be in accordance with the rules, conditions and procedures specified in the notification of the Capital Market Supervisory Board.

SECTION 129/4 In seeking the unitholders' resolution at any time, either by holding the unitholders' meeting or sending a letter seeking the unitholders' resolution, if the unitholders

view that the resolution that has been passed that time is not in compliance with the law or that the securities company violates or fails to comply with Section 129/2 or violates or fails to comply with the rules, conditions or procedures specified under Section 129/3, at least five unitholders holding collectively at least one fifth of the total investment units sold of the mutual fund project may seek the court's order to revoke the resolution within forty-five days from the date of the resolution."

SECTION 18 The following provisions shall be added as Division 8/1: Securities Business Specified by the Minister, Section 140/1 of Chapter 4: Securities Business under the Securities and Exchange Act B.E. 2535:

**“Division 8/1
Securities Business Specified by the Minister**

SECTION 140/1 A securities company in the category of securities business under (7) of the definitions of the term, “securities business” under Section 4 shall operate business in accordance with the rules, conditions and procedures as specified in the notification of the Capital Market Supervisory Board.”

SECTION 19 The following provisions shall be added as Section 154/1 and Section 154/2 of the Securities and Exchange Act B.E. 2535:

“**SECTION 154/1** The Securities Exchange shall promote and maintain the integrity, fairness, accountability and orderliness in the trading of securities listed on the Securities Exchange, taking into consideration the benefits of the capital market and investor protection.

SECTION 154/2 For the operation of the Securities Exchange to be in accordance with Section 153 and Section 154/1, the Securities Exchange shall undertake at least the following matters:

(1) sufficient financial resources and systems for the performance of its operation and for the assumption of any risks associated with the operation of the Securities Exchange including contingency measures to accommodate any emergency situations;

(2) system for securities trading, system for recording and disseminating information regarding price quotation and securities trading, system for surveillance of securities trading, and system for clearing and settlement of securities, which promote and maintain the integrity, efficiency and fairness in the trading of securities;

(3) rules concerning the admission of members which are fair, rules for members to comply with in the trading of securities, and supervisory measures and enforcement on non-compliance with its rules;

(4) rules concerning the listing of securities, the maintenance of status as listed securities, the delisting of listed securities, and the disclosure and corporate governance of listed securities issuers;

(5) measures to prevent and resolve conflicts of interest; and

(6) efficient and fair arrangement for the handling of complaints or disputes.

In the case where the SEC views that any undertaking in accordance with a particular matter under the first paragraph may affect the integrity, cause unfairness, or bring about disorderliness

in the trading of securities listed on the Securities Exchange, the SEC shall instruct the Securities Exchange to amend or modify or revoke such undertaking.”

SECTION 20 The provision in Section 159 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:

“**SECTION 159** There shall be a board of directors of the Securities Exchange comprising not more than six persons appointed by the SEC in accordance with the procedures specified by Section 159/1, and not more than four persons elected by the members under Section 158 to serve as director, and the manager of the Securities Exchange shall *ex officio* be a director of the Securities Exchange.

The board of directors of the Securities Exchange shall elect a director who is not the manager of the Securities Exchange to be chairman and may also elect another director of the Securities Exchange to be vice chairman.”

SECTION 21 The following provision shall be added as Section 159/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 159/1** The persons appointed by the SEC to be directors of the Securities Exchange shall have knowledge and experience essential to the operation of the Securities Exchange, and are appointed from the list proposed by the juristic persons or groups of persons involved with the capital market.

The SEC shall specify the notification of the rules and procedures for the selection and appointment of directors of the Securities Exchange under the first paragraph, which shall at least contain the details of knowledge or experience essential to the operation of the Securities Exchange, and types or characteristics of juristic persons or groups of persons involved with the capital market who are entitled to propose persons to be selected and appointed as director of the Securities Exchange.”

SECTION 22 The following provision shall be added as Section 160/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 160/1** In the case where it is evident to the members under Section 158 that the operation of the Securities Exchange requires certain specialized knowledge or experience of a person who does not have Thai nationality, the members under Section 158 may elect not more than two of such persons as director of the Securities Exchange.”

SECTION 23 The provision under Section 161 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:

“**SECTION 161** The directors, except the manager, of the Securities Exchange shall hold office for a term of three years and may be re-appointed or re-elected, but shall not hold office for more than two consecutive terms.”

SECTION 24 The provision in the third paragraph of Section 170 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:

“The determination or revision and modification of the rules or regulations under the second paragraph shall become effective upon approval of the SEC; in this regard, the SEC shall consider and notify the result of its consideration to the Securities Exchange within sixty days from the date of receipt of such proposed rules or regulations.”

SECTION 25 The following provisions shall be added as the fourth paragraph, the fifth paragraph and the sixth paragraph of Section 170 of the Securities and Exchange Act B.E. 2535:

“In the case where the determination or revision and modification of the rules or regulations under the second paragraph may affect the business operation or interest of members, investors or stakeholders of the Securities Exchange, the Securities Exchange shall arrange a hearing for such persons and submit a report to the SEC on such hearing in support of the consideration for approval of the proposed rules or regulations.

The approval of the rules or regulations in accordance with the third paragraph and the arrangement of a hearing in accordance with the fourth paragraph shall not apply to the rules or regulations under (14), (15) or (16) of the second paragraph and any other rules or regulations as specified in the notification of the SEC.

Rules and regulations related to the election of the directors of the Securities Exchange under (3) of the second paragraph shall specify details of knowledge or experience essential to the operation of the Securities Exchange.”

SECTION 26 The following provision shall be added as Section 182/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 182/1** The Securities Exchange shall contribute money to the Capital Market Development Fund under Section 218/2 within one-hundred and fifty days as of the end date of the calendar year at a rate not less than ninety percent of the income after deducting expenses, taxes and reserves; in this regard, the consolidated financial statements of the Securities Exchange shall be used for the calculation of the amount of money to be contributed.

The arrangement of the reserves under the first paragraph shall be in accordance with the type and amount specified by the board of directors of the Securities Exchange, and the Securities Exchange shall disclose the information related to the arrangement of such reserves in a manner available for public access.”

SECTION 27 The provision under the third paragraph of Section 184 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:

“The board of directors of the Securities Exchange may specify that a person other than a securities company which is a member of the Securities Exchange is allowed to conduct the purchase or sale of a particular type of listed securities on the Securities Exchange.”

SECTION 28 The provision under Section 185 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:

“**SECTION 185** No member of the Securities Exchange shall conduct the purchase or sale of listed securities outside the Securities Exchange, regardless of whether it is acting as a broker, agent or in its own name, unless such member obtains a permission from the Securities Exchange or such purchase or sale is made in compliance with the rules, conditions and procedures as specified by the type of securities license granted.”

SECTION 29 The provision under Section 216 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 216 The provisions under Section 91, Section 154/1, Section 154/2, Section 158, Section 160, Section 160/1, Section 161, Section 162, Section 163, Section 170/1, Section 186, Section 190, Section 193, Section 194, and Section 197 including related penalty provisions shall apply, *mutatis mutandis*.”

SECTION 30 The following provisions shall be added as Chapter 6/1: Capital Market Development Fund, Section 218/1 to Section 218/21 of the Securities and Exchange Act B.E. 2535

“Chapter 6/1 Capital Market Development Fund

SECTION 218/1 In this Chapter:

“Fund” means the Capital Market Development Fund;

“Fund Committee” means the Capital Market Development Fund Committee;

“Evaluating Committee” means the Fund Performance Evaluating Committee;

“Fund Manager” means the Capital Market Development Fund Manager.

SECTION 218/2 A fund shall be established and called the “Capital Market Development Fund,” which shall be a juristic person with the objective to promote the development of the capital market in the following matters:

(1) development of organizations and infrastructures related to the capital market, including the development of competitiveness of the capital market;

(2) development of the competency of the personnel related to the capital market or capital market supervision;

(3) development of knowledge and understanding of the capital market, investment and capital market development for investors, the public, and related agencies and organizations;

(4) promotion and support of education, research, training and development of the pool of knowledge or academic work useful for the capital market.

SECTION 218/3 The Fund consists of the following money and assets:

(1) money or assets transferred from the Securities Exchange;

(2) money received by virtue of Section 182/1;

(3) money or assets donated or given by persons;

(4) returns or any benefits generated from the money or assets of the Fund.

SECTION 218/4 The Fund shall have the power to engage in activities within the scope of its objectives under Section 218/2.

The investment to seek benefits from the money and assets of the Fund, the establishment of a juristic person, the participation in business with other persons or the shareholding in a limited company or a public limited company shall be in accordance with the rules and procedures specified by the Fund Committee.

SECTION 218/5 The Fund shall have the power to withdraw money from the Fund for the following purposes:

- (1) to proceed in accordance with the objectives of the Fund;
- (2) to give financial support to the Securities Exchange by virtue of Section 218/6;
- (3) to pay for the management expenses of the Fund;
- (4) to pay for other expenses in accordance with the rules specified by the Fund

Committee.

SECTION 218/6 In the case where it is necessary to increase the competitiveness of the Securities Exchange or there occurs a special circumstance and the Securities Exchange needs a financial support from the Fund, the Fund Committee may consider granting such financial support to the Securities Exchange and may also specify a condition as deemed appropriate.

SECTION 218/7 A committee shall be established and called the “Capital Market Development Fund Committee”, comprising:

- (1) Chairman of the Securities Exchange as Chairman;
- (2) Deputy Secretary-General assigned by the Secretary-General as Vice Chairman;
- (3) Representatives from the Ministry of Finance, the Bank of Thailand and the Office of Insurance Commission, and manager of the Securities Exchange, as members;
- (4) three experts appointed by the board of directors of the Securities Exchange in accordance with the procedure specified under Section 218/8, as members.

The Fund Manager shall be the secretary of the Fund Committee.

SECTION 218/8 The persons appointed by the board of directors of the Securities Exchange as members of the Fund Committee under Section 218/7 (4) shall come from the list of persons proposed by the juristic persons or groups of persons involved with the capital market.

The board of directors of the Securities Exchange shall specify the rules and procedures for selecting and appointing the members of the Fund Committee under the first paragraph which shall at least contain the details of knowledge or experience essential to the operation of the Fund, and types or characteristics of the juristic persons or groups of persons involved with the capital market who are entitled to propose persons to be selected and appointed as members of the Fund Committee.

SECTION 218/9 The provisions under Section 160 and Section 160/1 shall apply to the qualifications and prohibited characteristics of the members of the Fund Committee under Section 218/7 (4).

SECTION 218/10 The members of the Fund Committee under Section 218/7 (4) shall hold office for a term of three years and may be re-appointed, but shall not hold office for more than two consecutive terms.

SECTION 218/11 In the case where a member of the Fund Committee under Section 218/7 (4) completes the term of office and a new member has not been appointed, the retiring member shall remain in office to proceed the work until a new member is appointed to resume duties.

In the case where a member of the Fund Committee under Section 218/7 (4) retires from office before the term ends, the Fund Committee shall comprise of the remaining members of the Fund Committee, and the member newly appointed as the replacement shall hold office for the remaining period of the predecessor.

The proceeding to appoint member of the Fund Committee under Section 218/7 (4) to replace the vacated position shall be completed within sixty days from the date on which the position becomes vacated.

SECTION 218/12 Apart from the expiration of the term of office, the members of the Fund under Section 218/7 (4) shall retire from office upon:

- (1) death;
- (2) resignation;
- (3) disqualification or possession of prohibited characteristics under Section 218/9;
- (4) termination by the resolution of the board of directors of the Securities Exchange due to incompetence in the performance of duty, infamous conduct or underperformance.
- (5) absence from the meetings of the Fund Committee for more than three consecutive times without providing a reasonable ground therefor.

SECTION 218/13 The provisions in Section 12 and Section 13 shall apply to the members of the Fund Committee and the meetings of the Fund Committee, *mutatis mutandis*.

SECTION 218/14 The Fund Committee shall have the powers and duties to supervise and operate the Fund in accordance with the objectives specified under Section 218/2. Such powers and duties shall include:

- (1) laying out the management policy, approving the operating plan, the financial plan and the fiscal budget of the Fund;
- (2) considering to approve a project or activity seeking promotion or support from the Fund, and monitoring and evaluating the performance of such project or activity;
- (3) monitoring and evaluating the performance of the Fund in accordance with its objectives;
- (4) supervising the operation and general administration as well as issuing rules or regulations of the Fund in the following matters:
 - (a) regulations for the selection of the Fund Manager, the operation and the authorization of the Fund Manager;
 - (b) determination of position, specifications, salary rates, wages and other remunerations of the staffs and employees of the Fund including the general administration and human resources management;
 - (c) financial management and administration, purchasing, accounting, budgeting and assets of the Fund;
- (5) any other necessary or relevant acts to meet the objectives of the Fund.

SECTION 218/15 The Fund Committee shall have the power to appoint a subcommittee to perform any assignment of the Fund Committee.

SECTION 218/16 The remunerations for the Fund Committee, the subcommittee, the audit committee and the Fund Performance Evaluating Committee shall be specified by board of directors of the Securities Exchange.

SECTION 218/17 The Fund shall have a manager who is appointed by the Fund Committee.

The Fund Manager shall have the qualifications and shall not have any prohibited characteristics specified by the Fund Committee.

The holding and termination of office, work performance, determination of wages and other remunerations of the Fund Manager shall be specified by the Fund Committee.

SECTION 218/18 The Fund Manager shall be the supervisor of the staffs and employees of the Fund and responsible for the management of the Fund in accordance with the objectives of the Fund and the laws, rules and regulations and the policy specified by the Fund Committee.

In any business with a third party, the Fund Manager shall be the representative of the Fund. For such purpose, the Fund Manager may assign a person to handle a specific act on the Fund Manager's behalf, but in any case, it shall be in accordance with the regulations specified by the Fund Committee.

SECTION 218/19 The Fund shall arrange an appropriate accounting system for the Fund and shall arrange a regular audit.

The Fund shall prepare and submit its financial statements to the auditor within ninety days as of the end of the fiscal year and such financial statements shall be audited and given an opinion thereon by the auditor.

In every fiscal year, the board of directors of the Securities Exchange shall appoint licensed auditor who shall receive a remuneration as specified by the board of directors of the Securities Exchange.

The Fund Committee shall appoint the Audit Committee comprising at least three but not more than five persons to perform the audit and submit the audit report to the Fund Committee.

The rules for the formation, composition and powers and duties of the Audit Committee under the fourth paragraph shall be in accordance with the regulations specified by the Fund Committee.

SECTION 218/20 There shall be an annual evaluation of the effectiveness of the Fund's performance; in this regard, the board of directors of the Securities Exchange shall appoint the Fund Performance Evaluating Committee comprising at least three but not more than five persons to perform the following duties:

(1) evaluate the effectiveness of the results according to the objectives and goals of the Fund;

(2) report the limitations or obstacles for the operation of the Fund;

(3) report the operating results and give recommendations to the Fund Committee.

The Evaluating Committee shall report the evaluation results to the board of directors of the Securities Exchange within one-hundred and twenty days as of the end of the evaluation period, and the Fund shall disclose the evaluation report to the public.

Upon completing the proceeding under the second paragraph, the Evaluating Committee shall be dissolved.

SECTION 218/21 The Fund shall prepare and submit an annual report showing its financial condition and operating results to the board of directors of the Securities Exchange within one-hundred and twenty days as of the end of the fiscal year and shall publish the report in a manner available for public access.”

SECTION 31 The following provision shall be added as Section 225/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 225/1** In the case where the securities depositor under Section 225 is a securities issuing company, it shall be deemed that the securities issuing company has prepared and delivered securities certificates to the buyers in accordance with the form or procedure specified by law upon compliance with the rules and procedure specified by the Securities Exchange.”

SECTION 32 The provision under Section 228/2 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 228/2** The provisions under Section 225, Section 225/1, Section 226, Section 227, Section 228 and Section 228/1 shall apply to the securities depository center which obtains license from the SEC, *mutatis mutandis*.

SECTION 33 The provision under Section 282 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 5) B.E. 2559, 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, the second paragraph of Section 91/1, Section 92, Section 98 (7) or (10), the second paragraph of Section 100, Section 117, Section 126/1, Section 129/3, Section 135, Section 139 (4), the second paragraph of Section 140, Section 140/1, 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 every day during which the contravention continues.

SECTION 34 The provision under the first paragraph of Section 283 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 5) B.E. 2559, shall be repealed and replaced with the following provision:

SECTION 283 In the case 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 the second paragraph of Section 91/1, Section 92, Section 117, Section 129/3, Section 135, Section 140/1, or Section 150, if such offence of the securities company is a result of an order or an act 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.

SECTION 35 The following provision shall be added as Section 283/1 of the Securities and Exchange Act B.E. 2535:

“**SECTION 283/1** Any securities company which contravenes or fails to comply with the rules, conditions or procedures specified in the second paragraph of Section 124/1 shall be liable to a fine not exceeding three hundred thousand baht and a further fine not exceeding ten thousand baht for every day during which the contravention or failure continues.

Any offense under the first paragraph which is also a contravention of the first paragraph of Section 124/1 shall be liable to a fine not exceeding five hundred thousand baht and a further fine not exceeding ten thousand baht for every day during which the contravention or failure continues.

In the case where any securities company commits an offense under the first paragraph, if such offense of the securities company is a result of an order or an act of any person or a failure to order or act in accordance with the duties of directors, 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.

In the case where the offense under the third paragraph is also a contravention of the first paragraph of Section 124/1, it shall be liable to imprisonment for a term not exceeding two years or a fine not exceeding five hundred thousand baht, or both.”

SECTION 36 The provision under Section 316 of the Securities and Exchange Act B.E. 2535 shall be repealed and replaced with the following provision:

SECTION 316 Any person, having acquired confidential information of any person in the performance of his duty under the powers and duties provided in accordance with this Act or having acquired confidential information from any person who has the authority under this Act, which are confidential information of the government or should not be disclosed under normal circumstances, such person who discloses such information to another person, shall be liable to imprisonment for a term not exceeding one year or a fine not exceeding one hundred thousand baht, or both.

The provisions of the first paragraph shall not apply to the disclosure in the following cases:

- (1) disclosure in the execution of power or the performance of duty;
- (2) disclosure for the purpose of investigation or trial;
- (3) disclosure relating to the commission of offences under this Act;

- (4) disclosure for the purpose of rectifying the condition or operation of a securities company;
- (5) disclosure to an auditor of any juristic person under this Act;
- (6) disclosure to the government agencies, state agencies, domestic and international agencies which are responsible for the supervision of money market, capital market, auditors, underlying goods or variables of derivatives contracts under the Derivatives Act, or other organizations as specified in the ministerial regulation;
- (7) disclosure upon written consent of such person.

SECTION 37 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. 5) B.E. 2559, 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 283/1, 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 38 The SEC shall appoint members of the board of directors of the Securities Exchange and the members under Section 158 shall elect members of the board of directors of the Securities Exchange to form the board of directors of the Securities Exchange under the Securities and Exchange Act B.E. 2535, as amended by this Act, within one-hundred and twenty days from the effective date of this Act.

The board of directors of the Securities Exchange under Section 159 of the Securities and Exchange Act B.E. 2535 which has been in office before the effective date of this Act shall remain in office and perform its duties continuously until the appointment or election of the board of directors under the first paragraph has been completed.

The directors of the Securities Exchange who have been in office before the effective date of this Act may be nominated to be appointed or elected to hold the position in accordance with this Act for another term.

SECTION 39 After the period of one year and six months from the date on which the board of directors of the Securities Exchange under the Securities and Exchange Act B.E. 2535 as amended by this Act takes office has lapsed, half of the members of the board of directors of the Securities Exchange appointed by the SEC and half of the members of the board of directors of the Securities Exchange elected by the members under Section 158 shall leave office by drawing lots whereby any decimal points shall be dismissed; in this regard, the termination of office by drawing lots shall be deemed termination due to expiration of the term of office.

SECTION 40 The Securities Exchange shall contribute money or other assets at the amount or value of five thousand and seven hundred million baht to the Capital Market Development Fund under Section 218/2 of the Securities and Exchange Act B.E. 2535 as amended by this Act within ninety days from the effective date of this Act.

The board of directors of the Securities Exchange and the Capital Market Development Fund shall jointly specify the amount or value, types and characteristics of the money or assets to be contributed under the first paragraph.

SECTION 41 In the initial stage, the Capital Market Development Fund Committee shall comprise of the members under Section 218/7 (1)(2) and (3) of the Securities and Exchange Act B.E. 2535 as amended by this Act until the members under Section 218/7 (4) of the Securities and Exchange Act B.E. 2535 as amended by this Act have been appointed.

The board of directors of the Securities Exchange shall appoint the members under Section 218/7 (4) of the Securities and Exchange Act B.E. 2535 as amended by this Act within sixty days as from the effective date of this Act.

The manager of the Securities Exchange shall perform the duties of the Capital Market Development Fund Manager until the appointment of the Capital Market Development Fund Manager under Section 218/17 of the Securities and Exchange Act B.E. 2535 as amended by this Act has been completed.

SECTION 42 All rules, regulations, notifications, or orders of the SEC, the Capital Market Supervisory Board, the SEC Office or the Stock Exchange of Thailand 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 to the extent that 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 43 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 136, Part 50 Kor, dated 16th April B.E. 2562)