

SEC provides information on actions related to “grey capital”

Following the discussion at the House of Representatives meeting on 14 May 2026, which addressed a case involving Finasia X Public Company Limited (FSX) concerning a capital increase without making a mandatory tender offer, the Securities and Exchange Commission (SEC) hereby provides the following information.

In cases where a shareholder’s shareholding changes by reaching or crossing each five percent multiple of the total number of voting rights of such business (whether an increase or a decrease), a report is required each time such acquisition or disposition occurs to inform investors in general. In addition, where shareholding reaches or crosses a trigger point—namely 25 percent, 50 percent, or 75 percent of the total number of voting rights of such business—a mandatory tender offer for the purchase of all remaining securities is required.

There are, however, several exemptions from the reporting and tender offer requirements, such as acquisitions of shares pursuant to existing rights, including inheritance, rights offerings (RO), stock dividends, acquisitions resulting from tender offers, or the exercise of conversion rights under convertible securities acquired from a tender offer. The exemption for RO has been in place since 1995 and was tightened in 2019 by limiting the exemption strictly to the exercise of RO in proportion to existing shareholdings. Where an acquisition reaches or crosses a trigger point, the exemption will terminate upon any subsequent acquisition of additional shares, even by as little as one share (the one share rule).

In the case of FSX’s capital increase in 2025, where certain shareholders increased their shareholding to cross a trigger point, such acquisition resulted from an RO exercised within the shareholders’ existing entitlements. Accordingly, such shareholders were exempt from the obligation to make a tender offer and from the reporting requirement under Section 246 of the Securities and Exchange Act (SEA). This is consistent with the criteria described above. In addition, an RO offered to shareholders on a pro rata basis is exempt from the requirement to obtain approval from the SEC under Section 33(3) of the SEA.

With respect to observations raised regarding actions taken by the Anti-Money Laundering Office (AMLO) to seize or freeze assets of certain groups of persons, and whether such persons may be considered a “group of persons” under the SEA and thereby be subject to tender offer or reporting obligations under Section 246 of the SEA, the SEC clarifies that the assessment of

whether persons constitute a group under the SEA differs from the criteria applied by the AMLO and/or other agencies for asset seizure or freezing. In this regard, the SEC has proceeded in accordance with its statutory authority by gathering evidence, including coordinating with relevant agencies both domestically and internationally, to ensure effective and prudent law enforcement. Should any violations of laws under the SEC's supervisory authority be identified, whether committed by any person or group of persons, the SEC will take action strictly in accordance with the law in all cases.

Regarding questions on amendments to the articles of association of listed companies to enhance mechanisms to prevent "grey capital," the SEC clarifies that issues concerning amendments to articles of association and the exercise of voting rights by certain groups of shareholders are governed by the Public Limited Companies Act, which falls outside the scope of the SEA. Nevertheless, the SEC has coordinated with and referred the matter to relevant agencies for their consideration, particularly in relation to the exercise of voting rights by certain groups of shareholders. In addition, the SEC has promoted the roles of institutional investors and associations in recognizing the importance of addressing such issues, as reflected by the proactive stance taken by the Association of Investment Management Companies in driving corporate governance in the Thai capital market and emphasizing the importance of the screening process for the qualifications of directors of listed companies.

The SEC's actions, in coordination with relevant government agencies, including the Ministry of Finance, the Economic Crime Suppression Division, the Department of Special Investigation, the Anti-Money Laundering Office, and the Department of Business Development, have supported the enforcement actions of other agencies, such as asset seizure and freezing. In this regard, the SEC's operations and law enforcement are carried out independently and are aimed at serving the public interest with a view to strengthen confidence in the Thai capital market.

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