

Definitions and Regulations for Securities Issuance and Offer for Sale



The Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551, which came into force on December 15, 2008, provides regulations and definitions related to the issuance and offer for sale of securities in Thailand. This summary aims to provide an overview of the main provisions of this law.



The Notification is issued by the Securities and Exchange Commission in accordance with Section 14 of the Securities and Exchange Act B.E. 2535 (1992), as amended by the Securities and Exchange Act (No.4) B.E. 2551 (2008). It is important to note that this law contains provisions that may restrict the rights and liberties of individuals, as permitted by the Constitution of the Kingdom of Thailand, specifically Section 29, Section 33, Section 34, Section 41, Section 43, Section 44, and Section 64.

The main purpose of this Notification is to determine definitions that are applicable to various aspects related to the issuance and offer for sale of securities. The definitions prescribed in this Notification apply to matters such as the application and approval of offer for sale of newly issued securities, exemption from filing registration statements for the offer for sale of securities, filing registration statements, disclosure of financial information of issuing companies, and the subscription, underwriting, and allocation of newly issued securities.

The Notification provides definitions for terms such as “securities“, which refers to shares or warrants, and “warrants“, which include share warrants or transferable subscription rights. It also defines “underlying shares” as newly issued shares provided for the exercise of rights under share warrants.

The Notification further defines “institutional investors“, which includes entities such as commercial banks, finance companies, securities companies, insurance companies, government units and state enterprises, international financial institutions, mutual funds, and foreign investors with similar characteristics.

Other definitions in the Notification include “registration statement” for the offer for sale of securities, “company“, which encompasses limited companies, public limited companies, and juristic persons under specific laws. It also defines terms like “listed

company“, “parent company“, “subsidiary“, “same-level subsidiary company“, “associate company“, and “control” concerning relationships and authority within companies.

The Notification also defines terms related to connected persons, persons who may have a conflict of interest, executives, major shareholders, and controlling persons. It specifies criteria for determining controlling persons based on voting rights, control over appointment or removal of directors, control over policy making or management, and involvement in the operation of the company.

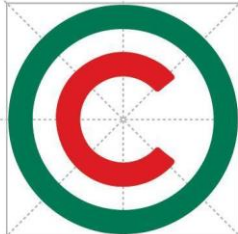
Additionally, the Notification includes definitions for terms like “consolidated financial statements” and “electronic data“, pertaining to financial reporting and information management.

Furthermore, Clause 3 of the Notification clarifies that any previous Notifications or regulations that allowed the use of definitions from the earlier Notification on Filing and Exemption from Filing of Registration Statement for Offer for Sale of Securities are now superseded by the definitions prescribed in this Notification.

In summary, the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 establishes definitions that are essential for understanding and complying with regulations related to the issuance and offer for sale of securities in Thailand. These definitions provide clarity and consistency in the interpretation and application of securities laws in the country.

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