

SEC Thailand's Public Hearing on Draft Regulations Relating to Net Capital Requirement

The SEC is seeking public comments on the proposed draft regulations relating to Net Capital Requirement for intermediaries including securities and derivatives business operators. The revision is intended to increase the effectiveness of the rule to capture the risk of business operators and balance between the cost of doing (operating/conducting) business and the investor protection.

The SEC proposed to amend the rules relating to Net Capital Requirement (Net Capital – NC) for securities and derivatives business operators, and published hearing in the second quarter.

The following key amendments are being considered:

(1) The subordinated loan facility can be included in the calculation of NC when the minimum requirement raises above the capital of operator from the securities or derivatives transactions.

(2) In case that the intermediaries face financial difficulty and cannot comply with the minimum requirement, their business must be immediately suspended. The intermediaries must transfer client assets to other operators in order to limit the impact on customers and the overall capital market.

(3) Digital assets are included in the list of liquid assets with the specific haircut. The risk of digital asset business is also applied to the intermediaries.

(4) The lease liabilities with early termination clause are not treated as total liabilities, except for the penalty arising from the early termination.

(5) The position risk of debt securities is modified which would cause the lower capital charge for overall market.

For further details of the public hearing, please visit www.sec.or.th/hearing or contact The Intermediaries Policy Department at 0-2033-6407 or email: juthaporn@sec.or.th. For electronic comments, please send an email to juthaporn@sec.or.th or teerawatt@sec.or.th. For paper comments, please send them to: The Intermediaries Policy Department, the Securities and Exchange Commission, Thailand

333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak Bangkok 10900, Thailand.

The public hearing ends on 15 October 2019.
