

## **SEC public hearing on proposed exemption from filing of the registration statement for RO and ESOP of repurchased shares**

Due to the Covid-19 situation, buying and selling shares on the Stock Exchange of Thailand (SET) has been affected. Listed companies, therefore, need to repurchase shares for the purpose of financial administration.

In this regard, the Department of Business Development of the Ministry of Commerce, consequently, amended the Ministerial Regulation for Prescribing Rules and Procedures for Repurchase of Shares, Disposal of Repurchased Shares and Deduction of Repurchased Shares of Companies, B.E. 2544 (2001) (“the Regulation for Purchase of Treasury Stocks”), and prescribed criteria and methods under the Regulation for Deduction of Repurchased Shares whereby, other than public offering, more options for offering of repurchased shares are provided in the forms of offering to the existing shareholders in proportion to their shareholding or Right Offering (RO) and offering to directors and employees or Employee Stock Option Plan (ESOP). In addition, the Regulation for Purchase of Treasury Stocks prescribes that a repurchase of shares at more than 10 percent of the paid-up shares requires the approval resolution of the shareholders’ meeting.

At present, pursuant to the Regulation relating to an Offer for Sale of the Existing Shares of Public Limited Company, for an offering at an aggregate value exceeding 20 million baht or the number of investors is more than 50, the public limited company has the duty to file the registration statement and draft prospectus for the offer for sale of securities (“the registration statement”) with the SEC. This requirement also applies to RO and ESOP of the existing shares.

The SEC is therefore proposing to revise the criteria for RO and ESOP of treasury stocks in order for public limited companies to be able to dispose of repurchased shares efficiently without undue burdens while maintaining the principles for protecting investors and shareholders. Essentially, the SEC proposes to:

1. Exempt the filing of the registration statement for RO of repurchased shares without additional criteria applied to newly-issued share offering under the Securities and Exchange Act B.E. 2535 (1992);

2. Exempt the filing of the registration statement for ESOP of repurchased shares on the condition that public limited companies comply with the criteria prescribed by the SEC.

For more details of this public hearing, please visit [www.sec.or.th/hearing](http://www.sec.or.th/hearing). Stakeholders and interested parties are welcome to give comments and/or suggestions via the website or email: [corporat@sec.or.th](mailto:corporat@sec.or.th). The consultation period ends on 10 June 2022.

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