

## Executive summary

### SEC Thailand public hearing on proposed amendments to the regulations for Material Transaction and Related Party Transaction

The Securities and Exchange Commission, Thailand (SEC) is seeking public comments on proposed amendments to the regulations for Material Transaction (MT) and Related Party Transaction (RPT). The proposed amendments to MT and RPT regulations are part of the Regulatory Guillotine Scheme whereby the existing laws and regulations are reviewed and revised or abolished to ensure that only necessary laws and regulations that keep pace with situations remain effective and maintain the sufficiency of investor protection.

The proposed amendments to the MT and RPT regulations conform with international regulations issued by jurisdictions such as Singapore, Hongkong and Malaysia with adjustments based on the business practice of listed companies in Thailand. The main focuses of the proposed amendments to the MT and RPT regulations are as follows:

#### MT

- The size of the transaction requiring shareholders' approval would be decreased from 50% to 25%, and the shareholders' right to veto MT/RPT transaction in case the opinion of the Audit Committee or the Independent Financial Advisor shows that the shareholders should not vote for an approval of the transaction;
- The calculation for the size of the transaction would be based on the value of the net asset instead of the net tangible assets;
- The aggregation of acquisition/disposal of transactions would be treated as one transaction if they are related transactions or as a part of the same project;
- Transaction according to Section 89/29 (2) and (3) of the Securities and Exchange Act B.E. 2535 (1992) would comply with MT regulations;
- Transaction between a listed company and its subsidiaries, investment for liquidity management and ordinary and revenue nature transaction would not comply with MT regulations.

## Related Party Transaction

- Any Transaction with general commercial terms would comply with Section 89/12 (1) of the Securities and Exchange Act B.E. 2535 (1992);
- The definition of close relatives would exclude spouse (since the spouse is under the definition of Related Person).
- The calculation for the size of transaction would be based on the value of the net asset, in consistent with MT, and transaction value which is higher;
- The discretionary power of the regulator regarding the consideration of fair and reasonable transactions of listed companies would be abolished.

For further 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 submit comments and suggestions through the website or email: [corporat@sec.or.th](mailto:corporat@sec.or.th) The public hearing ends on 23 March 2023.

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