



Legal Alert

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Report on securities holdings of directors and executives pursuant to Section 59 of the SEC Act

On March 5, 2024, the Securities and Exchange Commission (“SEC”) released Notification No. SorJor. 6/2567 RE: The Reporting of Changes in Securities Holdings by Directors, Executives, Auditors, Plan Preparers, and Plan Administrators and in the case of juristic persons, the directors and executives of said juristic persons (collectively referred to as “**Reporting Individuals**”) as per Section 59 of the Securities and Exchange Act B.E. 2535 (as amended) (“**SEC Act**”). (“**New Notification**”) This New Notification is effective from March 16, 2024, and supersedes Notification No. SorJor. 38/2561 (as amended) (“**Old Notification**”). The key essence of this change is as follows.

Topic	Old Notification	New Notification
Consolidation of Reports	Reporting Individuals are required to promptly report any changes in securities or derivatives contracts each time they engage in a transaction within 3 business days (7 business days where the name is in the system for the first time), <u>without regard to the number or amount of transactions.</u>	Option to report each transaction like the Old Notification, or to report upon completion of the period or value within three working days ((or seven working days if the name is being entered into the system for the first time), whichever occurs earlier, as follows: <ol style="list-style-type: none"> (1) The transaction(s) entered into has/have valued totalling 3 million baht or more *; or (2) Six months have passed since the date of the execution of initial transaction
Reporting of a related persons of the	Reporting Individuals must submit report each time there is a change in	Reporting Individuals must submit reports for themselves as well as for those related persons.

Reporting Individuals**	securities holdings by related persons.	However, in case where the Reporting Individuals have already submitted the report as per the New Notification, their spouse or partner who is cohabitant and holding a position in the same listed company are <u>deemed to have also submitted their report to the SEC.</u>
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Determination of the Transaction Date for the Purpose of Reporting Period Calculation	The law does not clearly define the transaction date in some cases. Therefore, case-by-case interpretation is needed (such as the case of acquiring newly issued shares and convertible securities)	The transaction date is the date of buying, selling, transferring, or receiving transfer of securities or derivatives contracts (T), except in some cases where the T date will not be shown in the trading board, a clearer specification is given, such as:
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- (a) **Purchase of newly issued shares:** The date of registration of the change in the paid-up capital with the Ministry of Commerce shall be used.
- (b) **Purchase of newly issued convertible securities:** The issue date of the convertible securities (Issue Date) shall be used.
- (c) **Breach of agreement regarding the delivery of securities under the securities lending and borrowing agreement (SBL):** The date of breach of the agreement shall be used.

**Consideration of the transaction value: Consider the price of buying selling, transferring, or accepting the transfer of securities or derivative contracts, in the case where such price is not available the following shall be used, in order: (1) the closing price on the transaction date, (2) the closing price on the last trading day before the transaction date, and (3) the fair value according to the guidelines of the Association of Investment Management Companies.*

***Related persons include (a) spouse or partner who is cohabitant, (b) children who have not reached legal age, or (c) juristic persons that have reporting obligations for persons under (a) or (b) and hold more than 30 percent of the total voting rights of such juristic person, representing the largest shareholding percentage in that juristic person.*

Deloitte’s Observation

The modification in reporting of changes in securities holdings under Section 59 of the SEC Act enables the Reporting Individuals to consolidate their reporting items at once. This modification would help flexibility in entry into transactions and facilitate easier planning of shareholding structures, thereby reducing the burden of reporting each time, even for minor stock changes. This helps prevent inadvertent violations of Section 59 of the SEC Act, which carries severe penalties including a fine of up to five hundred thousand baht and an additional fine of up to ten thousand baht per day for the duration of the non-compliance period.

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