Unofficial Translation

Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference.

Notification of the Capital Market Supervisory Board
No. Tor Thor. 19/2567
Re: Capital Reduction of Securities Companies and
Derivatives Business Operators

Whereas Section 98 (1) of the Securities and Exchange Act B.E. 2535 (1992) prescribes that no securities company may reduce its capital without permission from the Capital Market Supervisory Board; and whereas Clause 8 of the Notification of the Securities and Exchange Commission No. Kor Thor. 26/2563 Re: Maintenance of Capital of Business Operators, dated 8 October 2020, prescribes that no derivatives business operator may reduce its paid-up registered capital, resulting in a decrease in its shareholders' equity as shown in its financial statements, unless permission has been granted by the Capital Market Supervisory Board; the Capital Market Supervisory Board therefore resolves to grants general permission to securities companies and derivatives business operators to reduce their capital, subject to the following regulations:

Clause 1 The Notification of the Capital Market Supervisory Board No. Tor Thor. 57/2564 Re: Capital Reduction of Securities Companies dated 8 October 2021 shall be repealed.

Clause 2 In this Notification:

"Business Operator" means a securities company and a person granted a license to undertake the derivatives business in the category of derivatives brokerage;

"Surplus of Capital" means the capital in excess of the amount of capital required to be maintained by a business operator under the Notification on Maintenance of Capital;

"Notification on Maintenance of Capital" means the Notification of the Securities and Exchange Commission Re: Maintenance of Capital of Business Operators, the Notification of the Securities and Exchange Commission Re: Maintenance of Capital of Mutual Fund Management Companies, Private Fund Management Companies, Securities

Brokers, Dealers, and Underwriters of Investments Units, and Derivatives Fund Managers, and the Notification of the Securities and Exchange Commission Re: Maintenance of Capital of Investment Advisors and Derivatives Advisors.

Clause 3 Where a business operator wishes to reduce its capital, if such capital reduction is in accordance with the following rules, it shall be deemed that the business operator has been granted permission from the Capital Market Supervisory Board for the capital reduction:

(1) the capital reduction is not contrary to the relevant provisions of laws, rules, and accounting standards;

(2) the capital reduction does not change the shareholders' equity in the financial statements, with the exception of any of the following cases:

(a) where a business operator reduces its registered capital during a period in which it has been permitted to suspend all types of securities business and derivatives business for a period of not less than one year and has suspended its business within the period covered by such permission, or while it is in the process of applying to cease all types of securities business and derivatives business;

(b) in cases other than (a) and the business operator is in compliance with the following rules:

1. the business operator has the capital of more than 1.5 times of the amount of capital required to maintain by the business operator under the Notification on Maintenance of Capital or has the capital of more than three times of the amount of capital required to maintain by the business operator in the case where the business operator has obligations in relation to the clearing and settlement of securities or derivatives;

2. the business operator has a surplus of capital to accommodate expenses relating to its business operation specified by the SEC Office on its website for a period of not less than one year;

3. the business operator has a business plan that is stable and appropriate for at least the next three years, together with projections of incomes, expenses, and capital amount.

(3) the business operator has submitted, via the electronic system of the SEC Office, a copy of the resolution of the shareholders' meeting approving the capital reduction, to the SEC Office within 15 days of the date of the shareholders' resolution in accordance with the form and procedure specified by the SEC Office on its website, with the exception of a reduction of paid-up capital by cancelling registered shares that have not been sold or have not been fully sold within the period prescribed under the Ministerial Regulation Prescribing Rules and Procedures for Repurchase of Shares, Disposal of Repurchased Shares, and Cancellation of Repurchased Shares by Companies B.E. 2544 (2001).

Clause 4 This Notification shall come into force as from 16 June 2024.

Notified this 5th day of June 2024.

(Pornanong Budsaratragoon)
Secretary-General
Office of the Securities and Exchange Commission
Chairman
Capital Market Supervisory Board