

**TRANSLATED VERSION**  
codified up to No.2 as of July 10, 2015

*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. TorJor. 7/2558**

**Re: Regulations on Offer for Sale of Securities  
through Electronic System or Network**

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By virtue of Section 16/6 and Section 34 of the *Securities and Exchange Act B.E. 2535 (1992)* as amended by the *Securities and Exchange Act (No. 4) B.E. 2551 (2008)* and Section 35 of the *Securities and Exchange Act B.E. 2535 (1992)*, the Capital Market Supervisory Board hereby issues the following regulations:

**Clause 1** This Notification shall come into force as from 16 May 2015.

**Clause 2** In this Notification and forms under this Notification:

(1) “***provider of electronic system or network***” (***crowdfunding portal***) means provider of electronic system or network for offer for sale of securities approved under this Notification;

(2) “***electronic system or network***” means website or other electronic media having the similar nature supporting offer for sale of securities through electronic system or network; mobile application, for instance;

(3) “***securities***” means shares;

(4) “***institutional investor***” means institutional investor under the *Notification of the Securities and Exchange Commission concerning Determination of the Definitions of Institutional and High Net Worth Investors*;

(5) “***private equity trust***” means a private equity which has the characteristics as prescribed in the *Notification of the Securities and Exchange Commission regarding Types of Transaction in the Capital Market Allowed to Use Form of Trust*;

(6) “***venture capital business***” means shall have the same meaning as defined in the *Notification of the Securities and Exchange Commission concerning Criteria, Conditions and Procedures for Venture Capital Business Management*;

(7) “***qualified investor***” means investor as specified by the SEC Office by taking into account such investor’s investment expertise and financial conditions;

(8) “*retail investor*” means investor not defined as institutional investor, private equity trust, venture capital business and qualified investor.

## Chapter 1 General Provisions

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**Clause 3** For the purpose of compliance with this Notification, the SEC Office shall be empowered as follows:

(1) issuing detailed criteria under the scope of this Notification in order that the *crowdfunding portals* will be able to comply with this Notification under the similar manner, providing that [the SEC Office] may prescribe by considering the type of *securities* or investors;

(2) issuing the guidelines describing details of the provisions under this Notification with a view to providing the practices considered as appropriate and in consistence with this Notification. If, moreover, the *crowdfunding portal* has complied with the guidelines, it shall be deemed that the *crowdfunding portal* has complied with the provisions under this Notification;

(3) specifying the activities of the *crowdfunding portal* required to obtain prior approval from the SEC Office to prevent the *crowdfunding portal* from violating the provisions under this Notification;

(4) requiring the *crowdfunding portal* to submit any information, report or relevant documents to the SEC Office within appropriate period in order to monitor the compliance with this Notification by the *crowdfunding portal*, providing that [it ] will not be excessive burden to the *crowdfunding portal*. In this regard, the period to be specified by the SEC Office shall be subject to the following scopes:

(a) in case of urgent matter having substantially impact on the *crowdfunding portal*, members or capital market, the SEC Office may determine [the *crowdfunding portal*] to proceed within the business day on which such matter occurs;

(b) in cases other than (a), the SEC Office shall specify the period in consideration of reasonableness in the light of circumstances and related issues.

## Chapter 2

### Offer for Sale of Securities

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**Clause 4** This Notification shall apply to an offer for sale of *securities* through a *crowdfunding portal*.

An offer for sale of newly issued shares by a public limited company specifically to limited investors or to the public in compliance with the *Notification of the Capital Market Supervisory Board concerning Application and Approval of Offer for Sale of Newly Issued Shares* shall not be subject to this Notification.

**Clause 5** A limited company or public limited company making offer for sale of *securities* under this Notification shall comply with the followings:

- (1) being incorporated under Thai law;
- (2) having clear business operation or project and having intention to operate such business or project with the proceeds raised from an offer for sale of *securities* under this Notification.

In case where a company making offer for sale of *securities* operates its business by holding shares in limited company or public limited company in the amount not less than fifty percent of the total voting right [in the invested company] and does not have any other significant businesses (holding company), the invested company shall be the company with Clause 5.

**Clause 6** An offer for sale of *securities* through a *crowdfunding portal* shall be made through such *crowdfunding portal* only, except where a waiver has been granted by the SEC Office.

**Part 1**  
**Offering Manner and Approval for Offer for Sale of Securities**

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**Clause 7** A limited company shall be allowed to offer for sale of *securities* through a *crowdfunding portal* only in the any of the following manners:

(1) an offer for sale of *securities* to *retail investors* with the value not exceeding 20 million Baht during the period of 12 months as from the first offer and not exceeding 40 million Baht as from the first offer, providing that offer for sale to each *retail investor* shall not exceed 50 thousand Baht in each company;

The offer for sale of *securities* with oversubscription shall be allowed only where the offering amount is not less than 20 million Baht, providing that the company making offer for sale of *securities* shall not offer the portion for oversubscription in the amount larger than 25 percent of the offering amount. In this regard, the total offering amount shall not exceed 40 million Baht.

Calculation of the aggregate value of such *securities* shall be based on the offering price;

(2) an offer for sale of *securities* solely to *institutional investor*, private equity trust, *venture capital business* and *qualified investor*;

A limited company shall clearly separate the offering amount for each portion.

**Clause 8** A limited company making offer for sale of *securities* under Clause 7 shall report the sale of such *securities*, electronically via the system under the guideline specified by the SEC Office within 15 days after the closing date of offering with the following details:

- (1) date of offer for sale[of the *securities*];
- (2) type, characteristics, and specific title of the *securities* (if any);
- (3) total number of the *securities* offered for sale and total number of the *securities* sold;
- (4) price of the *securities* offered for sale;
- (5) name, contacting address, telephone number and website of the *crowdfunding portal*;

(6) names and addresses of the purchasers of the *securities* and the number of the *securities* obtained by such purchasers;

(7) name, contacting address and telephone number of the person filing the report.

**Clause 9** An offer for sale of newly issued *securities* by a public limited company through a *crowdfunding portal* in the manner specified under Clause 7 shall be deemed to have been approved by the SEC Office.

## **Part 2**

### **Appointment of Registrar**

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**Clause 10** A company making offer for sale of *securities* shall appoint a registrar which may be a *crowdfunding portal* or any other person approved by the SEC Office.

## **Part 3**

### **Early Close of Offering**

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**Clause 11** A company making offer for sale of *securities* may close the offering prior to the lapse of offering period if the subscribers have subscribed all the *securities* being offered and the following criteria have been complied with:

- (1) the company making offer for sale of *securities* has notified the *crowdfunding portal* to disseminate its intention prior to the commencement of offering that the company making offer for sale of *securities* may close the offering prior to the lapse of offering period if the subscribers have subscribed all the *securities* being offered; and
- (2) the company making offer for sale of *securities* shall notify the *crowdfunding portal* at least 5 days prior to the date [on which the company] intends to proceed with early close of offering.

**Chapter 3**  
**Application for Approval and Granting Approval**  
**for *Crowdfunding portal***

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**Clause 12** An entity intending to become an approved ***crowdfunding portal*** shall file an application with the SEC Office in accordance with Form 35-FP together with the documents specified in the application and under the guidelines provided by the SEC Office in the electronic system. The applicant shall also pay the application fee in accordance with the *Notification of the Office of the Securities and Exchange Commission concerning Determination of Fees for Filing of Registration Statement, Registration and Other Applications*.

**Clause 13** The applicant for approval as the ***crowdfunding portal*** filing the application under Clause 12 shall be approved by the SEC Office only when the following criteria have been satisfied:

- (1) being incorporated under Thai law;
- (2) having paid up registered capital not less than 5 million Baht;
- (3) not having a reasonable ground to believe that [the applicant] has financial condition that is likely to cause damage or any other circumstances indicating the applicant's financial hardship. In addition, there is no reasonable ground to believe that the applicant has any deficiency or is not appropriate regarding control and sound business conduct;
- (4) being able to demonstrate that the persons who are or will become directors, manager or persons with management authority in business operation of the ***crowdfunding portal*** business do not have any prohibited characteristics as specified in the *Notification of the Capital Market Supervisory Board concerning Rules on Personnel in the Capital Market Business*;
- (5) having put in place the systems ready to operate the ***crowdfunding portal*** business under Clause 23;
- (6) in cases where the applicant is a company having operated other businesses prior to the date of filing an application, the applicant's other businesses shall be related, beneficial or supportive to undertaking of the ***crowdfunding portal*** business

and shall not have potential conflict of interest with undertaking of the *crowdfunding portal* business, except where [the applicant] is able to demonstrate that there shall be an effective system to prevent such conflict.

**Clause 14** This Clause is repealed.

**Clause 15** The SEC Office shall notify the result of deliberating the application for approval as a *crowdfunding portal* within 90 days as from the date when the SEC Office has received the complete and accurate application and the evidentiary documentation as prescribed in the Licensing Manual for the Public. In case where the SEC Office does not grant the approval, it shall also give supporting reasons. If the SEC Office approves any *crowdfunding portal*, its will disclose the name of such *crowdfunding portal* in the manner that allows public inspection.

In case where the SEC Office does not grant the approval due to the fact that the *crowdfunding portal* was unable to comply with Clause 13, the SEC Office may determine the period or conditions for acceptance of the re-application of the said *crowdfunding portal*, providing that the period so determined shall not exceed 10 years as from the date on which the SEC Office notifies such dis-approval.

Upon the lapse of the period or when the *crowdfunding portal* has complied with the conditions specified under the second paragraph, if the *crowdfunding portal* re-applies for the approval, the SEC Office shall not bring the previous cause of dis-approval into its consideration.

**Clause 16** In exercising discretion under Clause 15, the SEC Office shall take into consideration the facts relating to behaviors of the *crowdfunding portal* or the person under Clause 13(4) on the case-by-case basis, providing that the factors taken into the consideration by the SEC Office shall include:

- (1) extent and impact of the behaviors; for instance, impact on money or capital market, impact on the public at large or impact on specific person;
- (2) significance of the behaviors; for instance, the amount of proceeds or the volume of transactions involved;
- (3) person obtained benefits from the consequence of behaviors;
- (4) involvement of the person in the behaviors; for instance, being accomplice, user or aider or abettor;

(5) complexity of the manner of actions or devices used in the actions; for instance, using names of others or using nominees;

(6) record of past behaviors; for instance, behaviors occur for the first time or repeating or continuing behaviors;

(7) awareness of the actor in the matter; for instance, intention or gross negligence;

(8) any other facts; for instance, giving facts or evidence beneficial to the consideration or proceedings, concealment or destroying related evidence or giving false information.

**Clause 17** An approval for *crowdfunding portal* shall not exceed 5 years as from the date stated in the notice of approval.

In case where the *crowdfunding portal* approved under the first paragraph has filed an application, with the SEC Office at least 30 days prior to the expiry date of the approval, for renewal of approval in order to continue the operation of the approved *crowdfunding portal*, if the SEC Office does not notify the result of its consideration within the expiry date of the approval, the said *crowdfunding portal* shall be able to continue its operation until the SEC Office issues the notice of its consideration.

## **Chapter 4**

### **Business Conduct for Crowdfunding as Professional**

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#### **Part 1**

#### **General Criteria**

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**Clause 18** A *crowdfunding portal* shall comply with the following business conducts:

(1) conducting the business and providing services for the member with honesty, expertise and proficiency, including due diligence and care in the manner that a professional would exercise in the similar circumstances;



(2) operating the business by maintaining corporate image and reputation of the *crowdfunding portal* including credibility of capital market primarily, as well as operating the business with reasonable awareness by taking account of time, business manner or circumstance, and services providing;

(3) providing quality services and treating the member in a fair and equitable manner by taking into consideration the types, nature and conditions of the member;

(4) refraining from any action that will cause the member to breach or fail to comply with the restrictions or duties as stipulated by any law in case where the member had notified [the *crowdfunding portal*] of such restrictions or duties;

(5) not taking any action which may cause conflicts of interest or cause business operation to be non-compliance with the standards or the conducts that the professional of the same nature would have done, unless it is the action performed under the criteria and conditions as prescribed by the SEC Office or under a duty prescribed by law;

(6) not receiving or giving reward or any other benefits, whether in form of cash, things or services, more than the consideration or benefit that should be received or rewarded in normal course of business but shall not include holding of *securities* in the company making offer for sale of *securities* to which its provides services;

(7) supervising to prevent improper use of the *crowdfunding portal*'s resources to support of or to take part in any wrongful action.

**Clause 19** A *crowdfunding portal* shall not make an agreement with the member in such a way that the *crowdfunding portal*'s liability shall be released or limited where the member suffered damage from failure to operate the business or to comply with the conducts under this Notification by the *crowdfunding portal* or its directors, manager or any other persons with management authority in relation to the *crowdfunding portal* business.

**Clause 20** A *crowdfunding portal* shall be prohibited from operating the following businesses:

(1) any businesses other than *crowdfunding portal* business as approved, except for the businesses which are related, beneficial or supportive to undertaking of

the *crowdfunding portal* business and shall not have potential conflict of interest with undertaking of the *crowdfunding portal* business, except where [the *crowdfunding portal*] is able to demonstrate that there shall be an effective system to prevent such conflict;

(2) providing of *electronic system or network* where shareholders of the company making offer for sale of *securities* can use such *electronic system or network* to offer for sale of their own *securities*.

The *crowdfunding portal* shall apply for a permission from the SEC Office prior to commencing any other businesses as specified under (1) of the first paragraph.

## Part 2

### Management Structure, Operating System and Personnel

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**Clause 21** A *crowdfunding portal* shall arrange to have management structure, operating system and personnel which are appropriate and sufficient to operate its business efficiently with responsibility and in compliance with applicable laws and regulations, including relevant standards of business operation.

In considering appropriateness and sufficiency under the first paragraph, nature, scale, quantity, complexity and diversity of businesses and services, as well as level of risks relevant to such businesses and services shall be taken into consideration

**Clause 22** A *crowdfunding portal* shall notify the company making offer for sale of *securities* to agree and acknowledge that the scope of services provided by the *crowdfunding portal* is merely the *provider of electronic system or network* that the company making offer for sale of *securities* shall use the *electronic system or network* for offer for sale of its own *securities*. In this regard, the services of the *crowdfunding portal* to select the company intending to use the *electronic system or network* and providing of any measures shall not be deemed as a broker or an agent of the company making offer for sale of *securities*.

**Clause 23** A *crowdfunding portal* shall supervise to put in place the following systems during the period of operating the businesses as approved:

(1) a system for preventing access to information concerning offer for sale of *securities* through the *crowdfunding portal* by any person not a member;

(2) a system for examining the identity and qualifications of member;

(3) a system for testing of the member's investment knowledge

(4) a system for keeping the member's assets, providing that procedures or process for managing subscription money shall be managed by escrow agent under law on escrow agent;

(5) a system for disclosure of sufficient and reliable information through system or network;

(6) a system for electronic communication between members or members and a company making offer for sale of *securities*, providing that the *crowdfunding portal* shall monitor such system to prevent the members from making offer for sale of their own *securities*;

(7) a system for information back-up on the reliable system or network, providing that the information relating to offer for sale of *securities* through the *crowdfunding portal* and post offering disclosure shall be kept at least two years;

(8) a system for automatic transmission of information by means of electronic;

(9) a system supporting business continuity;

(10) a system for supervision on the services of the *crowdfunding portal* (compliance), in accordance with the guidelines specified by the SEC Office;

(11) a system for the member's complaint handling for effective dispute settlement.

**Clause 24** A *crowdfunding portal* shall clearly determine, in writing, the policy on prevention and management of conflicts of interest. The policy shall be approved by its board of directors or the committee as assigned by the board of directors and shall be communicated within its organization. The *crowdfunding portal* shall, moreover, undertake [necessary steps] and supervise directors, manager and persons with management authority in business operation of the *crowdfunding portal* to comply with the policy.

Conflicts of interest shall mean conflicts of interest between the following persons:

- (1) the interest of member and the *crowdfunding portal* and persons relating to business operation;
- (2) the interest between members or between members and clients of the *crowdfunding portal*, in cases where the *crowdfunding portal* provides a variety types or natures of services where members or clients of each type or nature of business have conflicts of interest.

### **Part 3**

#### **Advertisement and Sale Promotion Activities**

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**Clause 25** A *crowdfunding portal* shall comply with the provisions in this part in relation to any person interesting in using the services of the *crowdfunding portal*.

The *crowdfunding portal* intending to arrange for an advertisement shall manage the advertisement to have appropriate content, proportion of content and presentation approach in order to allow the member to receive necessary and useful information for the use of services provided by the *crowdfunding portal* or for investment decision making, providing that the advertisement shall comply with the following criteria:

- (1) not containing information that is false, overstated or distorted and not concealing information or containing information;
- (2) not urging the member to make a decision to use the services or investment decision;
- (3) not implying or guaranteeing returns from investment, except where a waiver has been granted by the SEC Office;
- (4) having appropriate warning concerning risks associated with investment and shall notify the process for making inquiry for additional information on services or investment;
- (5) in case of using or referring the information provided by other persons, such information shall come from reliable and up-to-date sources, and shall clearly identify such sources.

**Clause 26** A *crowdfunding portal* shall arrange to have the statement, warning or any other information in the advertisement to be clearly heard or noticeable and suitable for the presentation. Besides, [the *crowdfunding portal*] shall emphasize on the expressing any warning in the similar manner as most of the other statements or information contained in the advertisement.

**Clause 27** A *crowdfunding portal* may launch sale promotion activities under the following criteria:

- (1) not enticing or urging the member by using sale promotion activities to decide to use the *crowdfunding portal* services or make investment decision without taking into consideration fundamental information necessary for investment decision;
- (2) not being a lucky draw or a drawing lots for a gift, a right or any other benefits;
- (3) having criteria and conditions for entitlement to a gift, a right or any other benefits which are clear and comprehensive while not misleading, proper and fair;
- (4) having generally notified the member in advance of sale promotion activities in appropriate period.

#### **Part 4**

#### **Acceptance, Communication and Providing of Service to Member**

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**Clause 28** A *crowdfunding portal* shall at least arrange the member to enter into the following agreements:

- (1) agreement and acknowledgment that use of the benefits from the system [provided by] the *crowdfunding portal* aims for seeking investment opportunities and that providing of any services by the *crowdfunding portal* shall not be deemed as a broker or an agent of such member;
- (2) the *crowdfunding portal* is obliged to provide the services to the member in accordance with the provisions of the Notification of the Capital Market Supervisory Board concerning regulations on offer for sale of *securities* through electronic system of network and relevant notifications.

**Clause 29** In communication with or providing services to a new information for the new member's consideration on whether to use the services and risks associated with the use of the services:

- (1) general information of the *crowdfunding portal*;
- (2) characteristic, scope and condition of the services offered to the member;
- (3) channel for providing the services and for communication;
- (4) rights, duties, liabilities and conditions on the member side or obliged the member to comply upon the use of services;
- (5) conflicts of interest (if any);
- (6) practices between the *crowdfunding portal* and the member in accordance with laws, relevant notifications and rules of practice specified by the *crowdfunding portal*.

In case of changes in the information set forth under the first paragraph, the *crowdfunding portal* shall disclose such changes to the member prior to the subscription of securities.

**Clause 30** For communication with or providing of services to the member, warnings or arrangements with the member to sign the acknowledgement or acceptance of the services or risks associated with the use of services, a *crowdfunding portal* shall be allowed to arrange [the aforementioned] in electronic form which shall be able to be stored and inspected as specified by the SEC Office.

**Clause 31** A *crowdfunding portal* shall put in place a communication channel with the member with proper monitoring system and in a timely manner, providing that the information so communicated shall be clear, reliable and not misleading.

## **Part 5**

### **Compilation and assessment of member information**

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**Clause 32** Prior to providing the services to a member, a *crowdfunding portal* shall compile and assess the member's information for the following purposes:

- (1) knowing the member;

- (2) categorizing type of the member;
- (3) considering ability of the member to comply with the service agreement.

**Clause 33** With respect to knowing the member, a *crowdfunding portal* shall consider the information received under Clause 32 to identify the real identity of the member or beneficial owner.

In case where the member refused to give the information or the information in possession is insufficient or not up-to-date in materiality or there is reasonable suspicion likely to cause the identification of the real identity of the member or beneficial owner not feasible, the *crowdfunding portal* shall deny to provide the services.

**Clause 34** For the purpose of categorizing type of a member, a *crowdfunding portal* shall consider the information received under Clause 32 in order to provide the services corresponding to the type of such member altogether with providing the information and warnings appropriate to each type of member.

In case where the member refused to give the information or the information in possession is insufficient or not up-to-date in materiality or there is reasonable suspicion likely to cause the categorization of the member not feasible, the *crowdfunding portal* shall categorize such member as a *retail investor*.

When the categorization of the member has been made, the *crowdfunding portal* shall notify the member of the result of the member categorization including rights and restrictions for each member.

**Clause 35** A *crowdfunding portal* shall review or adjust the information received under Clause 32 to be up-to-date in a timely manner or when it is apparent that the information in possession is incorrect or inaccurate, providing further that the *crowdfunding portal* shall put in place a record keeping system for such information in the manner that the *crowdfunding portal* shall be able to retrieve the information in the course of providing the services to the member without delay.

**Part 6**  
**Conducts in Providing Services to Members**

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**Clause 36** A *crowdfunding portal* shall exercise due care in making consideration and undertaking as follows:

(1) examining the identity of a company making offer for sale of securities, providing that during the previous two years, it shall not appear any of the following facts relating to the company making offer for sale of *securities*:

(a) making false disclosure or incomplete disclosure in materiality;

(b) failing to facilitate the *crowdfunding portal* in disclosing Information on the portal concerning use of proceeds raised from offer for sale of *securities* through the *crowdfunding portal*;

(c) failing to disclose sufficient information on the *crowdfunding portal* continuously after the offer for sale of *securities*;

(2) giving advice on compliance of the criteria relating to offer for sale of securities through the *crowdfunding portal* under this Notification;

(3) reviewing the manner of offer for sale of *securities* which shall comply with Chapter 2 and in case where the *crowdfunding portal* found or has suspicious ground to believe that the offer for sale of *securities* will violate or fail to comply with the provisions of the regulations or laws, the *crowdfunding portal* shall refuse to provide the services and notify the SEC Office [of such matter] without delay;

(4) arranging to have the agreement with the company making offer for sale of *securities* which shall at least require the company making offer for sale of *securities* to have the duties or to act as follows:

(a) the duties to disclose sufficient information on the *crowdfunding portal* before and continuously after offer for sale of *securities* which can be presented in various kinds of electronic forms but shall be clear, easy to understand and not misleading. [The duty of] continuous disclosure after offer for sale of *securities* may be subject to termination in accordance with the guideline specified by the SEC Office;

(b) giving right the member subscribing *securities* to cancel the subscription at any time (cooling-off period), except where the offering period remains less than forty-eight hours;



(c) in case of significant changes concerning the information disclosed, the company making offer for sale of *securities* shall notify the *crowdfunding portal* without delay as from the change, in order to allow the *crowdfunding portal* to disseminate such information without delay;

(d) in case of change under (c) occurs when the offering period remains less than 48 hours, the company making offer for sale of *securities* shall give the members the right to cancel the subscription of *securities* within 5 days as from the date on which the *crowdfunding portal* notifies such information to the members;

(e) disclosing information on progress of using the proceeds raised from offer for sale of *securities* through the *crowdfunding portal*;

The *crowdfunding portal* shall monitor the company making offer for sale of *securities* to comply with the provisions in sub clause (4) of the first paragraph;

(5) examining investment value of each member eligible to invest (investment limit), providing that in case of *retail investor*, the investment value shall not exceed 500,000 Baht during any 12 month period.

The members shall certify the said information through the *crowdfunding portal* before each and every subscription (self-declaration).

**Clause 37** In undertaking for the member, a *crowdfunding portal* shall at least have the following duties:

(1) providing update information to educate the member about offer for sale of *securities* through *crowdfunding portal* which shall at least contain the following information:

(a) process and method for *securities* subscription through the *crowdfunding portal*;

(b) risks associated with the *securities* offered for sale and risks arising from types of the *securities* offered for sale;

(c) disclosure of information concerning offer for sale of *securities* through the *crowdfunding portal*;

(d) limitation on investment value of each member;

(e) right to cancel subscription of *securities*;

(f) warnings that the *securities* offered for sale are illiquid due to the fact that there is no secondary market or [the *securities*] may be subject to transfer

restriction;

(2) notifying at least the following information to the member subscribing *securities* immediately upon receiving the subscription form:

(a) features of *securities*;

(b) value of the *securities* purchased, subscription money to be paid and fees or any expenses (in any);

(c) *securities* prices (if any);

(d) offering price (if any);

(e) name of the company making offer for sale of *securities*;

(f) right to cancel the subscription of *securities*;

(3) confirming the member subscribing *securities* when the *securities* have been offered [and subscribed] in full amount, providing that [the confirmation] shall at least contain the following information:

(a) date of confirmation on subscription of *securities*;

(b) features, prices and amount of *securities* subscribed by the members including the total amount of *securities* offered for sale;

(4) notifying the member subscribing the *securities* without delay, in case under Clause 36(4) (c), to allow the member to exercise the right under Clause 36(4) (b) and (d); Undertaking under the first paragraph shall be done by means of electronic and [may also be done by] other means.

**Clause 38** Prior to subscription, a *crowdfunding portal* shall require the member to be tested the investment knowledge, providing that the member has chosen all correct answers, except for providing services to the following members:

(1) the members are *institutional investors, private equity trusts* or *venture capital businesses*;

(2) the members are *qualified investors* expressing intention not to be tested;

(3) the members are *retail investors* having been tested no longer than three months prior to the subscription, providing that the *crowdfunding portal* shall present the previous questions and answers of such member and require such member to confirm the use of previous result prior to the subscription.

The investment knowledge test under the first paragraph shall at least cover the following issues:

- (1) high business failure risks of the company making offer for sale of *securities*;
- (2) if the company making offer for sale of *securities* will be liquidated as a result of business failure, the member as the investor may not obtain the return of investment proceeds;
- (3) no secondary market for the *securities* offered for sale or transfer restriction may be applied; therefore the *securities* will not be liquid;
- (4) payment of dividend or any benefits shall be in accordance with the article of incorporation or terms and conditions of the company making offer for sale of *securities*;
- (5) profit sharing and voting right of existing shareholders may be affected if the company making offer for sale of *securities* issued new shares to increase capital (control dilution);
- (6) examination of offering information and offering manners conducted by the *crowdfunding portal* is based on the information disclosure by the company making offer for sale of *securities* (self-declaration);
- (7) the member subscribing *securities* shall not be entitled to exercise claim for compensation under the Securities and Exchange Act B.E. 2535 in case where the company making offer for sale of *securities* disclosed false or incomplete information, in materiality.

**Clause 39** A *crowdfunding portal* shall, in relation to subscription money as follows:

- (1) arranging to have an escrow agent under law on escrow agent to keep the subscription money of the member;
- (2) arranging to have the subscription money transferred to the company making offer for sale of *securities* when it is apparent that the subscription money has reached to determined amount and the period where the member is entitled to cancel the subscription has lapsed;
- (3) arranging to have the subscription money transferred to the member who subscribed the *securities* within seven days as from any of the following events:

- (a) the member subscribing *securities* has canceled the subscription;
- (b) the company making offer for sale of *securities* is unable to offer for sale or *securities* [which have been subscribed] in full amount and within the specified period;
- (c) there is reasonable ground to believe that the company making offer for sale of *securities* disclosed false or incomplete information, in materiality or acted in a manner that taking advantage of the member (fraud protection).

## **Part 7**

### **Criteria and Period for Report Filing of Crowdfunding portal**

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**Clause 40** A *crowdfunding portal* shall prepare and file a report summarizing transactions of offer for sale of *securities* through the *crowdfunding portal* serviced by itself in accordance with form and procedures provided on the website of the SEC Office.

## **Part 8**

### **Measures**

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**Clause 41** In case where a *crowdfunding portal* fails to maintain the qualifications under Clause 13 or performs the duties specified under this Notification inappropriately, with deficiency or incompletely or violates or fails to comply with the criteria specified under this Notification, the SEC Office shall apply any of the followings to the *crowdfunding portal*:

- (1) requesting [the *crowdfunding portal*] for explanation, submission of relevant documents or evidence;
- (2) requesting [the *crowdfunding portal*] for rectification to comply with the criteria within the specified period;
- (3) requesting [the *crowdfunding portal*] to take any action or refrain from taking any action;
- (4) imposing suspension or revocation of the approval.

To protect public interest or investors, the SEC Office may disclose the abovementioned in the first paragraph to any person in accordance with Section 24/1.

**Clause 42** In case where the SEC Office determines the suspension period causing a *crowdfunding portal* unable to provide the services as approved for the remaining approval period or where the SEC Office revokes the approval under Clause 41, the SEC may determine the period or conditions for acceptance of the re-application of the said *crowdfunding portal*, providing that the period so determined shall not exceed ten years as from the date on which the SEC Office suspends or revokes the approval.

Upon the lapse of the period or when the *crowdfunding portal* has complied with the conditions specified under the first paragraph, if the *crowdfunding portal* re-applies for the approval, the SEC Office shall not bring the previous cause of suspension or revocation into its consideration.

Notified this 2<sup>nd</sup> day of April, 2015.

- Signature -

(Vorapol Socratyanurak)

Secretary-General

Office of the Securities and Exchange Commission

Chairman

Capital Market Supervisory Board