



SEC Office's Public hearing on the amendment to relax bondholder's representative rules for funding portal

To adjust qualifications of bondholders to be suitable with the current situation, the Securities and Exchange Commission Office ("SEC Office") opened a public hearing on the SEC Office's proposed amendment regarding qualifications of the bondholder's representative from 22 March 2024 to 25 April 2024.

This proposed amendment touched on the main two areas of the SEC Office's concerns.

Firstly, instead of allowing every kind of a securities company that is not authorised to operate a mutual fund management business or a private fund management business to be a bondholders' representative, the amendment will allow for only specific types of securities companies to be the bondholders' representative, such as securities broker, securities dealer or securities underwriter, given the reason that natures of these businesses are more compatible with those of bondholders' representative, and thus they are more capable in performing this duty.

Secondly, the amendment will allow the funding portal to be the bondholders representative for the bonds that it acts as an intermediary. This is to boost secured bond issuance that provides more protection to investors, given that, under the current rules, existing bondholder's representatives are all busy dealing with their bonds' default while funding portals are not allowed to be the bondholders' representative.

Nevertheless, to protect the investors, the amendment will impose extra financial qualifications of all bondholders' representative to make sure that their financial status is sufficient to perform their duty throughout their service term, such as minimum paid capital of THB 25,000,000.