SPI

ISSUE 6
6 JULY 2026

NEWSLETTER

Thai Securities Law Update:

Amendments to Rules on Material Transactions (MT) and Related Party Transactions (RPT)

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On 1 July 2026, important amendments to the Thai regulatory framework governing Material Transactions (**MT**) and Related Party Transactions (**RPT**) applicable to Thai listed companies came into effect. In this regard, the following new notifications were issued by the Capital Market Supervisory Board which replace the previous MT and RPT notifications: (i) the Notification of the Capital Market Supervisory Board No. TorJor. 45/2568 Re: Rules on Material Transactions dated 19 December 2025, and (ii) the Notification of the Capital Market Supervisory Board No. TorJor. 46/2568 Re: Rules on Related Party Transactions dated 19 December 2025, (the **Notifications**).

The Notifications aim to better align the rules with current market conditions and international standards, while enhancing investor protection. In addition, several aspects of the existing regulatory interpretations and practices of the Office of the Securities and Exchange Commission of Thailand (**SEC**) have now been expressly incorporated in the Notifications, providing greater clarity and certainty for listed companies and market participants.

KEY AMENDMENTS:

<table>
<tr><th>MT</th></tr>
<tr><td>Addition of MT transaction categories to include (i) entering into, amending or terminating contracts for lease or hire-purchase of business or assets, and (ii) provision of financial assistance, as already contemplated under SEC Act, to give practical effect to these matters</td></tr>
<tr><td>Specification of exemptions previously applied in practice but not expressly included in the notification, including:
Transactions between a listed company and its subsidiary, or between subsidiaries;
Establishment of a new subsidiary;
Acquisition or disposition of current assets used in the ordinary course of business;
Acquisition or disposition of assets for liquidity management purposes; and
Lease, hire-purchase, or financial assistance in the ordinary course of business</td></tr>
</table>

MT

- Amendment of criteria for calculation of transaction size:
  - New calculation method:

Calculation Basis	Calculation Formula
Net Asset	$\frac{\text{(Proportion of assets acquired or disposed x Net Asset of target company)} \times 100}{\text{Net Asset of the listed company}}$
Net Profit	$\frac{\text{(Proportion of assets acquired or disposed x Net Profit of target company)} \times 100}{\text{Net Profit of the listed company}}$
Total value of consideration paid or received	$\frac{\text{(Total value of consideration paid or received} \times 100)}{\text{total assets of the listed company}}$
Value of equity shares	$\frac{\text{(Number of shares issued by the listed company for the payment of assets} \times 100)}{\text{Number of issued and paid-up shares of the listed company}}$

  - **Extension of transaction aggregation period** for calculation purposes from 6 months to 12 months for MT that are related or are under the same project (excluding transactions already approved by a shareholders' meeting).

- Amendment of thresholds and obligations to be performed based on transaction size:
  - New criteria:

Transaction Size			Obligations			
	Normal Case	**Special Case***	**Board Approval + SET Disclosure**	**Shareholders' Approval**	**IFA Opinion**	**Progress Report**
Small	X < 25%	X < 10%	-	-	-	-
Medium	25% ⩽ X < 50%	10% ⩽ X < 25%	✓	✓	-	✓
Large	X ⩾ 50%	X ⩾ 25%	✓	✓	✓	✓
X ⩾ 100% (Backdoor Listing)			✓	✓ (+ Relisting)	✓	✓

*Special Case refers to where a company with negative net assets or operating losses enters into a transaction that may have a materially adverse impact on its financial position or operating results.

  - Removal of the obligation to send a circular notice to shareholders
  - **Introduction of additional shareholder approval safeguard**: if the Audit Committee or Independent Financial Advisor opines that the MT is not appropriate, there must not be a **veto of 10%** or more of the total votes of shareholders present and entitled to vote
  - Grant of **exemption from MT obligations** for the listed company where the MT is entered into by its subsidiary that is itself a listed company and has complied with applicable MT regulations

RPT

- **Revision of exemptions** to remove certain previously prescribed exemptions and provide that the exemptions under the SEC Act shall apply instead for consistency purposes
  - As a result, among other changes:
    - ✔ **all** transactions entered into on normal trading terms that are already approved by the board of directors or in accordance with board-approved principles will be exempted in line with the SEC Act
    - ✔ the broad exemption for transactions proven to be fair and not resulting in any transfer of benefits will be removed, thereby revoking regulatory discretion in interpretation and shifting the assessment to fiduciary duties under the SEC Act.

- **Expansion of the RPT aggregation criteria** to include transactions with not only the same related party, its related persons or close relatives, but also major shareholders and controlling persons of the related party, their related persons and close relatives, as well as juristic persons whose major shareholder or controlling person is any of the foregoing persons.

RPT

- **Amendment of thresholds and obligations** to be performed based on transaction size:
  - New criteria:

General Transaction

Transaction Size (whichever is higher)			Obligations			
	Value	**%Net Asset (NA)**	**Board Approval + SET Disclosure**	**Shareholders' Approval**	**IFA Opinion**	**Progress Report**
Small	X ⩽ THB 1 million	X ⩽ 0.03% NA	-	-	-	-
Medium	THB 1 million < X < THB 20 million	0.03% NA < X < 3%NA	✔	-	-	-
Large	X ⩾ THB 20 million	X ⩾ 3%NA	✔	✔	✔	✔

Special Transaction

Transaction Size (whichever is higher)			Obligations			
	Value	**%Net Asset (NA)**	**Board Approval + SET Disclosure**	**Shareholders' Approval**	**IFA Opinion**	**Progress Report**
Small	X < THB 100 million	X < 3%NA	✔	-	-	-
Large	X ⩾ THB 100 million	X ⩾ 3%NA	✔	✔	✔	✔

*Special Transaction refers to the provision of financial assistance to a related party that is (i) an individual, (ii) a juristic person in which a listed company or its subsidiary holds a lower shareholding proportion than other related parties, or (iii) a juristic person in which a listed company or its subsidiary is not a shareholder.

  - **Introduction of additional shareholder approval safeguard**: for large transactions, if the Audit Committee or Independent Financial Advisor opines that the RPT is not appropriate, there must not be a **veto of 10% or more** of the total votes of shareholders present and entitled to vote
  - Grant of **exemption from RPT obligations** for the listed company where the RPT is entered into by its subsidiary that is itself a listed company and has complied with applicable RPT regulations.

KEY REGULATORY REFERENCES:

- Securities and Exchange Act B.E. 2535 (1992) (as amended) (***SEC Act***)
- Notification of the Capital Market Supervisory Board No. TorJor. 45/2568 Re: Rules on Material Transactions
- Notification of the Capital Market Supervisory Board No. TorJor. 46/2568 Re: Rules on Related Party Transactions
- Further regulations of the Stock Exchange of Thailand (SET), to be monitored for updates
- SEC guidelines

PRACTICAL IMPLICATIONS AND RECOMMENDED ACTIONS:

With the Notifications taking effect on 1 July 2026, Thai listed companies should review their internal approval processes, reporting mechanisms and transaction classification frameworks on a group-wide basis, and if necessary, revise accordingly to ensure regulatory compliance.

Thai listed companies should also consider updating internal policies and documents where appropriate, conducting internal training to enhance internal awareness, and maintaining records to support the arm's length basis and transaction justification. Ensuring that the legal, finance, compliance and other relevant teams are familiar with the updated framework will be critical to achieving ongoing compliance.

For further information or legal consultation regarding this issue, please contact:

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