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THAILAND

Newsletter

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Revising the C (Caution) Sign Posting Updates from the SET

The Stock Exchange of Thailand ("SET") has revised its regulation with regard to C (Caution) sign posting, which will come into force from 25 March 2024 onwards. A summary of the additional criteria is shown in the blue text below:

Sign	Criteria
CB (Business)	<ul style="list-style-type: none"> The shareholders' equity is less than 50% of paid-up capital.* The company, a creditor or a regulator has submitted the company's rehabilitation petition, and the court has accepted the petition. The company has been filed for bankruptcy by the creditors and the court has accepted the petition. A financial institution, a securities company, or a life insurance or non-life insurance company, has been publicly ordered by its regulator to rectify its financial position or operating results by temporarily discontinuing its certain operations or business expansions. Such order is significant to its financial status and operating results. The company is considered as 'having no business', determined by its income from operations being less than 100 MB (SET) and 50 MB (MAI). The company has incurred losses for 3 consecutive years, resulting in shareholders' equity of less than 100% of the paid-up capital.* The company has defaulted on debt repayment to financial institutions or on the debt instruments.**
CS (Financial Statements)	<ul style="list-style-type: none"> The auditor's report contains the issuance of a disclaimer opinion on the financial statements. The Securities and Exchange Commission has ordered the company to rectify the financial statements or to arrange a special audit.



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Sign	Criteria
CC (Non-compliance)	<ul style="list-style-type: none"> The listed company that has total assets or almost all of its total assets in the form of cash or short-term securities (a Cash Company). The company's Audit Committee (AC) has fewer than 3 members for more than 3 months.
CF (Free Float)	<ul style="list-style-type: none"> The company fails to meet the free float requirement, which is to maintain no fewer than 150 minority shareholders or no less than 15% of the company's paid-up capital.*

* Paid-up capital means the net amount of paid-up capital after deducting discounts on share capital and discounts from business restructuring.

** The scope of default in this context is expanded to include cases where subsidiaries of the company have defaulted on debt repayment amounting to 5% or higher of the company's total assets. In cases involving debt instruments, the sign posting will be based on the signs provided by the ThaiBMA, e.g., DP (Default Payment), DNP (Default not related to payment), FP (Fail to Pay), FPG (Failed to Pay with Guarantee).

If you have any questions in relation to the topic raised in this briefing, please contact the authors listed in the left-hand column.

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