

PwC Tax Newsletter

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Legal update on the amendments of listing rules

The Stock Exchange of Thailand (SET) has recently announced amendments to the listing rules in respect of the qualifications for companies applying to be listed on the SET and the Market for Alternative Investment (mai). These amendments will be implemented to strengthen trust in the Thai capital market and to tighten the screening process for the offering of securities to the public (IPO) as the thresholds for the operating result (profit) and shareholders' equity will be higher. These amendments will also encourage smaller companies with strong profitability to be listed on the SET, since the requirement for paid-up capital after the IPO will be reduced. The proposed amendments will be effective for listing applications submitted from 1 January 2025 onwards.

The following are the key amendments to the listing rules:

1. Increasing the threshold for profits to reflect the good operating results of the company
2. Increasing the threshold for shareholders' equity to reflect the strong financial status
3. Decreasing the paid-up capital (after IPO) for listing on the SET to encourage smaller companies with good operating results to be listed. As for the mai, the requirement for minimum paid-up capital remains unchanged, and
4. Increasing the threshold for free-float rates and the ratio for IPO shares to increase trading liquidity.

The comparison between the current listing rules and the amendments are summarised in the table below. The amended criteria are in red text.

	SET		mai	
	Current criteria	Amended criteria	Current criteria	Amended criteria
1. Minimum net profit				
• Net profits of the latest year	THB 30 million	THB 75 million	THB 10 million	THB 25 million
• Accumulated net profits for a period of 2-3 years prior to the filing of	THB 50 million	THB 125 million	-	THB 40 million

	SET		mai	
	Current criteria	Amended criteria	Current criteria	Amended criteria
listing application				
2. Minimum shareholders' equity after IPO ¹	THB 300 million	THB 800 million	THB 50 million	THB 100 million
3. Minimum paid-up capital after IPO	THB 300 million	THB 100 million	THB 50 million	THB 50 million
4. Minimum free float ²	1. Number of minority shareholders: 1,000 2. Free float: <ul style="list-style-type: none"> • 25% if the paid-up capital is less than THB 3 billion • 20% if the paid-up capital is THB 3 billion or higher. 	1. Number of minority shareholders: 1,000 2. Free float: <ul style="list-style-type: none"> • 30% if the paid-up capital is less than THB 300 million • 25% if the paid-up capital is THB 300 million or higher but less than THB 3 billion • 20% if the paid-up capital is THB 3 billion or higher. 	1. Number of minority shareholders: 1,000 2. Free float: <ul style="list-style-type: none"> • 25% if the paid-up capital is less than THB 3 billion • 20% if the paid-up capital is THB 3 billion or higher. 	1. Number of minority shareholders: 300 2. Free float: <ul style="list-style-type: none"> • 30% if the paid-up capital is less than THB 300 million • 25% if the paid-up capital is THB 300 million or higher but less than THB 3 billion • 20% if the paid-up capital is THB 3 billion or higher.
5. Minimum ratio of the shares for IPO	<ul style="list-style-type: none"> • 15% of the paid-up capital if the paid-up capital is less than THB 500 million • 10% of the paid-up capital or THB 75 million³ (whichever is greater) if the paid-up capital is at least THB 500 million 	<ul style="list-style-type: none"> • 20% of the paid-up capital if the paid-up capital is less than THB 300 million • 15% of the paid-up value or THB 60 million⁴ (whichever is greater) if the paid-up capital is at least THB 300 million but less than THB 500 million • 10% of the paid-up capital or THB 75 million⁵ (whichever is greater) if the paid-up capital is at least THB 500 million 	15% of the paid-up capital	Same as the amended criteria for SET

Although the above amendments would significantly impact companies that plan to file listing applications from 2025 onwards, they would at the same time strengthen the quality of the securities issuers, and subsequently result in more trust and confidence of investors in the Thai capital market

¹ Prior to the filing of listing application, the shareholders' equity must be higher than 0.

² After the amendments take effect, the free float rates for SET and the mai will be identical, except for the amount of the minority shareholders.

³ Calculated by par value.

⁴ Calculated by par value.

⁵ Calculated by par value.

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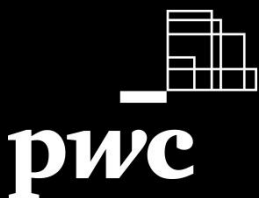
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