

# PwC Tax Newsletter

## Issue no. 01/2024

### 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 <sup>1</sup> | 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 <sup>2</sup>                     | 1. Number of minority shareholders: 1,000<br>2. Free float: <ul style="list-style-type: none"> <li>25% if the paid-up capital is less than THB 3 billion</li> <li>20% if the paid-up capital is THB 3 billion or higher.</li> </ul>  | 1. Number of minority shareholders: 1,000<br>2. Free float: <ul style="list-style-type: none"> <li>30% if the paid-up capital is less than THB 300 million</li> <li>25% if the paid-up capital is THB 300 million or higher but less than THB 3 billion</li> <li>20% if the paid-up capital is THB 3 billion or higher.</li> </ul>   | 1. Number of minority shareholders: 1,000<br>2. Free float: <ul style="list-style-type: none"> <li>25% if the paid-up capital is less than THB 3 billion</li> <li>20% if the paid-up capital is THB 3 billion or higher but less than THB 3 billion</li> <li>25% if the paid-up capital is THB 300 million or higher but less than THB 3 billion</li> <li>20% if the paid-up capital is THB 3 billion or higher.</li> </ul> | 1. Number of minority shareholders: 300<br>2. Free float: <ul style="list-style-type: none"> <li>30% if the paid-up capital is less than THB 300 million</li> <li>25% if the paid-up capital is THB 300 million or higher but less than THB 3 billion</li> <li>20% if the paid-up capital is THB 3 billion or higher.</li> </ul> |
| 5. Minimum ratio of the shares for IPO                 | <ul style="list-style-type: none"> <li>15% of the paid-up capital if the paid-up capital is less than THB 500 million</li> <li>10% of the paid-up capital or THB 75 million<sup>3</sup> (whichever is greater) if the paid-up capital is at least THB 500 million</li> </ul> | <ul style="list-style-type: none"> <li>20% of the paid-up capital if the paid-up capital is less than THB 300 million</li> <li>15% of the paid-up value or THB 60 million<sup>4</sup> (whichever is greater) if the paid-up capital is at least THB 300 million but less than THB 500 million</li> <li>10% of the paid-up capital or THB 75 million<sup>5</sup> (whichever is greater) if the paid-up capital is at least THB 500 million</li> </ul> | 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

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

<sup>2</sup> 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.

<sup>3</sup> Calculated by par value.

<sup>4</sup> Calculated by par value.

<sup>5</sup> Calculated by par value.

# Contact us

## Tax Mergers and Acquisitions

- Paul B.A. Stitt, Partner ext. 1119
- Vanida Vasuwanichchanchai, Partner ext. 1303
- Orawan Phanitpojjamarn, Partner ext. 1017

## Tax Reporting & Strategy

- Somsak Anakkasela, Partner ext. 1253
- Sudarat Isarakul, Partner ext. 1024
- Wutinon Trisrisak, Associate Partner ext. 1294

## Indirect Tax Services

- Somsak Anakkasela, Partner ext. 1253
- Tuttapong Kritiyutanont, Associate Partner ext. 1426

## Financial Services

- Orawan Fongasira, Partner ext. 1302
- Nopajaree Wattananukit, Associate Partner ext. 1396

## Legal Services/ BOI Services

- Vunnipa Ruamrangsri, Partner ext. 1284

## U.S. Tax Desk

- Vanida Vasuwanichchanchai, Partner ext. 1303

## Customs & Trade

- Paul Sumner, Partner ext. 1305
- Tanarat Permpoonsap, Senior Manager ext. 1196

## Tax Structuring

- Paul B.A. Stitt, Partner ext. 1119
- Vanida Vasuwanichchanchai, Partner ext. 1303
- Orawan Phanitpojjamarn, Partner ext. 1017

## Transfer Pricing

- Peerapat Poshyanonda, Partner ext. 1220
- Janaiporn Khantasomboon, Partner ext. 1437
- Niphan Srisukhumbowornchai, Lead Partner ext. 1435
- Panachai Anontanut, Partner ext. 1295

## Business Process Outsourcing Services

- Somsak Anakkasela, Partner ext. 1253
- Wutinon Trisrisak, Associate Partner ext. 1294

## Tax Dispute Resolution

- Niphan Srisukhumbowornchai, Lead Partner ext. 1435
- Sudarat Isarakul, Partner ext. 1024

## Japanese Business Desk

- Atsushi Uozumi, Partner ext. 1157
- Jun Takebe, Associate Partner ext. 1209

## Chinese Tax Desk

- Vanida Vasuwanichchanchai, Partner ext. 1303

15th Floor Bangkok City Tower  
179/74-80 South Sathorn Road

Bangkok 10120

Tel: +66 (0) 2844 1000

Fax: +66 (0) 2286 6666

Website: <http://www.pwc.com/th>

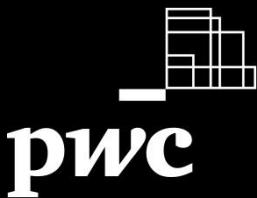
## Editor

**Vunnipa Ruamrangsri, Partner ext. 1284**

E-mail: [vunnipa.ruamrangsri@pwc.com](mailto:vunnipa.ruamrangsri@pwc.com)

**Passanan Suwanno, Associate Director ext. 2051**

E-mail: [passanan.suwanno@pwc.com](mailto:passanan.suwanno@pwc.com)



© 2024 PricewaterhouseCoopers Legal & Tax Consultants Ltd. All rights reserved. PwC refers to the Thailand member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with over 360,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).