



Thai SEC Tightens Major Shareholder Rules to Unmask Ultimate Control

The Securities and Exchange Commission of Thailand (SEC) has revised regulations to scrutinize "Significant Financial Supporters" of major shareholders. Recognizing that financial backers often dictate business directions and represent the ultimate controlling persons, this proactive reform aims to prevent illicit capital such as money laundering or cybercrime proceeds from compromising market integrity and operator credibility.

Core Regulatory Pillars

- **Prior SEC Approval Required:** Any individual or entity providing direct or indirect financial support (including providing cash/assets, guarantees, contracts, or debt/equity instruments) to a major shareholder is legally deemed a "major shareholder" and must obtain prior SEC approval. This look-through rule also captures any intermediaries involved.
- **Mandatory Share Aggregation:** Shares held by different entities sharing the same Significant Financial Supporter must be aggregated to determine major shareholder thresholds, closing loopholes for fragmented holdings.
- **Public Sector Exemption:** Redundant structural checks are eliminated for government bodies, state agencies, public organizations, or independent statutory entities, which are audited only at the organizational level.
- **Indirect Holding Clarification:** The language governing indirect shareholding has been refined to align precisely with the SEC's original policy intent from public consultations.

Action Items and Compliance Timeline

- **90-Day Transition Window:** Existing operators must immediately audit their funding structures and submit SEC approval requests for any newly captured "Significant Financial Supporters" or aggregated groups within 90 days of the effective date (by mid-November 2026).
- **Enhanced KYC/KYB:** Compliance teams must implement a "look-through" approach to identify ultimate beneficial owners and debt-guarantee providers backing their major shareholders.