

# Market Consultation

## Enhancement of Regulatory Measures

Consultation period ends on  
April 21, 2024

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## Part 1: Executive Summary

To improve transparency of trading in Stock Exchange of Thailand (SET) and to enhance fairness among investors, SET had engaged a leading consulting firm in conducting a study on our current regulations and practices of short selling and algorithmic trading (also known as ‘program trading’), compared to those of other foreign exchanges, both developed markets and markets with similar development to Thailand (referred to as “peer exchanges”).

According to the study, SET’s regulations and practices of supervising **short selling** and **algorithmic trading** are comparable to **peer exchanges**. Nonetheless, some additional measures are recommended to strengthen the supervision of such matters in order to tackle the current situation, of which SET’s Board of Governors has therefore granted approval. These improvements can be classified into 3 aspects as follows:

**1) Measures to reduce price volatility:** In order to ensure the orderly market and to prevent abnormal price fluctuations, some measures on volatility controls and short selling rules will be improved. Examples of such measures are revising the qualifications of eligible short-selling stocks, tightening the short-selling price restriction when there is a decrease in securities price and setting a daily limit for short selling on a per-stock basis, introducing dynamic price band to control price volatility during a day, and adopting auction trading as another measure for securities whose trading deviates from the normal market condition.

**2) Measures to regulate inappropriate trading behavior:** SET monitors the trading of securities on a continuous basis and takes actions against any misconducts which may lead to illegal activities. To ensure fair and orderly market, additional measures might be put in place, for example:

- setting a minimum order resting time to prevent excessive order cancellations
- disclosing information on investors with inappropriate trading behavior to all members
- registering high frequency traders (HFT) to better regulate their activities
- proposing an automatic trading halt when trading volume of a stock reaches the threshold in order to prevent erroneous trading.

**3) Measures to enhance investor protection:** SET will publish information of outstanding short positions on a per-securities basis to help investors make an informed investment decision. In addition, to strengthen the supervision framework, SET proposes to raise the penalties imposed on members.

It is noteworthy that some measures require more time for a thorough study on more details as well as their impacts. It might involve some system developments for effective implementation. In this regard, SET proposes the following measures as our Quick Wins.

- 1) Measures to regulate short selling** by improving the qualifications of securities that can be sold short and setting stricter criteria for short selling prices in the event of a decrease in the price of securities. This is to reduce price fluctuations that may be caused by short selling.

- 2) **Measures to supervise program trading** by registration of investors who place orders at high speed. For the benefit of stricter supervision and monitoring of trades of this group of investors. In addition to prevent too frequent order cancellation, Minimum Order Resting Time, meaning that orders should be maintained for few seconds, will be introduced.
- 3) **Disclose information of investors who have inappropriate trading behavior to all members.** After being informed, members shall take actions against these investors as prescribed in Association of Securities Companies (Thailand) (ASCO)'s guidelines, e.g. reducing their trading limits or requiring them to only trade through authorized traders. This is to enhance supervision of investors with inappropriate trading behavior which could lead to price manipulation.
- 4) **Increase the penalties imposed on members** to tighten regulation of any violations of or incompliance with SET's rules.

For other measures, SET will conduct market consultations later when details of which have become clear.

The consultation period of this paper will end on April 21, 2024 SET will review the comments received and carefully consider whether any amendments should be made to our proposals. Please submit your feedback on this link: <https://forms.gle/MAaxwe5PaRUBpwt69>

Should there are any questions or further clarifications needed, please contact Market Supervision Policy Department Tel. 02-009-9804-5 or Securities Trading Department Tel. 02-009-9324-5 or Email: [MarketSupervisionPolicyDepartment@set.or.th](mailto:MarketSupervisionPolicyDepartment@set.or.th)

## Part 2: Proposed Amendments

### 2.1) Review the list of eligible short-selling securities

SET sets out the list of eligible short-selling securities, which are stocks with large market capitalization and/or sufficient liquidity, to reduce the risk of obtaining securities at an unreasonable price in returning them to the lender. Short-selling of certain securities and the underlying securities are also permitted to allow investors to effectively adopt a hedging strategy. Currently, investors can short sell the following securities:

- (1) Stocks which are the constituent of SET100 Index
- (2) Stocks with a 3-month average market capitalization of not less than 5,000 million baht and free float of not less than 20% of paid-up capital (referred to as “non-SET100 Index stocks”)
- (3) Exchange Traded Funds (ETFs) as well as foreign ETFs.
- (4) Depositary Receipts (DR)
- (5) Underlying securities of ETFs, Derivative Warrants (DW), and Single Stock Futures
- (6) Non-Voting Depositary Receipts (NVDR) of the eligible short-selling stocks

For this time, SET has reviewed the suitability of short-selling securities in relation to the size and the current market conditions. It appears that from 2016 to 2023, the market capitalization of SET100 Index constituent stocks has become larger, of the smallest one has increased from 8,000 million baht in 2016 to 16,000 million baht in 2023. We also look into the criteria used in foreign exchanges and find that, in addition to the size of market capitalization, liquidity of such stocks is taken into consideration, for example:

- Bursa Malaysia (Bursa) considers the average monthly trading volume
- Hong Kong Exchanges (HKEX) considers the aggregate turnover to market capitalization ratio
- Indonesia Stock Exchange (IDX) considers the average daily trading value or volume

In addition to common stocks, SET allows short-selling of other securities, including ETFs, foreign ETFs, DRs and the underlying securities. This is to enable investors to properly and effectively manage their hedging strategies which is in line with foreign exchanges such as Hong Kong Exchanges (HKEX) and Taiwan Stock Exchange (TWSE). SET, therefore, proposes to amend the qualifications of eligible short-selling shares as mentioned in (2) which are non-SET100 Index stocks.

#### Question 1: Amendment to the qualifications of short-selling stocks

SET proposes to maintain the current list of eligible securities except for (2) non-SET100 Index stocks which should raise the size and liquidity, in order for short-selling stocks to remain in the top quartile with regards to the market capitalization and liquidity, as follows:

- Increase the market capitalization to 7,500 million baht. It is raised from 5,000 million baht yet smaller than the SET100 Index constituent stocks. This is to match with the larger market capitalization of those in the SET100 Index.
- Introduce the average monthly turnover as liquidity is currently not considered. It is proposed that a 12-month average monthly turnover of not less than 2% of the listed shares of such securities should be factored in.

Summary of factors currently considered	Proposal
Market capitalization 5,000 million baht + Free Float 20%	<a href="#">Market Capitalization of 7,500 million baht</a> + <a href="#">12-month Average Monthly Turnover of 2%</a> + Free Float 20%

## 2.2) Amendment to the short-selling price rule

Currently, SET requires that short selling orders can be placed at a price not lower than the last trading price (zero-plus tick), and in the event of a market disruption, such as after circuit breaker is triggered, the SET Board may consider imposing the uptick rule on all short selling orders where investors are permitted to short at a price higher than the last trading price.

To better minimize the impact of short-selling on price volatility, the uptick rule should be applied to securities when its price declines by a specified level. This practice is available in some foreign bourses, for example Taiwan Stock Exchange (TWSE), Japan Exchange Group (JPX) and the U.S. stock markets. That is, when a stock price falls by 10% from the previous day's closing price, short-selling in that particular shares must comply with the price restriction (uptick or zero-plus tick, as the case may be), while no price rule is generally applied. Though, the applicable period of price rule varies.

- TWSE's price rule will be in effect on the next business day, and last for 2 business days.
- JPX's and USA's price rule will be in effect for the remaining of the day and on the following business day.

If the stock price continues to fall at the specified level (decrease by 10%), the price rule will remain in place in these markets.

However, SET has received suggestions from the market participants that applying the uptick rule only to securities with price declines is too complicated, in terms of system development and investor education. They suggested to replace the zero-plus tick rule with the uptick rule and apply to all securities. Therefore, SET would like to invite comments on both alternatives.

**Question 2: Tightening of short-selling price restriction**

**Option 1** Apply Uptick rule, instead of Zero-plus tick, to all securities. This option will help reduce price impact of the entire market.

**Option 2** Apply uptick rule only to securities when price declines by the predefined level i.e. when the closing price falls from the previous day's closing price by 10%.

**2.3) Strengthen supervision of the High-Frequency Trading (HFT)**

Currently, SET permits all types of investors to use algorithmic trading. Prior to the use, members must receive approval from SET for their pre-trade risk management to ensure that such algorithmic trading will not cause any damage to the trading system or overall market.

From past to present, SET has found that the proportion of algorithmic trading usage has increased. And part of this comes from an increase in the proportion of the High-Frequency Trading investor (HFT).

**Question 3 Require the registration of HFT investor**

In order to tighten the HFT supervision, SET will require members to register their HFT<sup>1</sup> clients before using algorithmic trading, and they have to submit clients' information to SET such as customer name, trading account, details of securities deposit and settlement. Moreover, members must have the appropriate measures to control the trading of their clients from the beginning of the day and also during the day.

**2.4) Introduce a Minimum Order Resting Time**

SET has disclosed the characteristics of improper trading behavior, along with some examples of such behavior, to ensure that members and investors have a good understanding and refrain from sending improper orders into the trading system in that manner which may mislead other investors to understand that there is a substantial bid (offer) volume in a particular time and to trick other participants for buying and selling in the target security.

However, for supervision, SET will add more measures to prevent the behavior that repeatedly place orders and then update and/or cancel within the short period.

**Question 4 Add Minimum Order Resting Time before being able to update and/or cancel the order**

SET will introduce a Minimum Order Resting Time measure to retard the excessive update and/or cancellation of the order for specific period, e.g., X seconds.

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<sup>1</sup> HFT is a client who uses algorithmic trading to generate orders from SET's Co-location.

## 2.5) Disclosure of information of investors with inappropriate trading behavior

SET has prescribed the characteristics of inappropriate trading behavior, along with some examples of such behavior, to ensure that our members have a good understanding and supervise their clients not to place orders in such manner. In the case an inappropriate behavior is detected, SET will inform the member through whom that investor trades, and they can take actions as prescribed in the ASCO's guidelines<sup>2</sup>.

However, an investor may open trading accounts with more than one member, so other firms may not be aware of an investor's inappropriate trading behavior and cannot take effective steps to prevent a misconduct.

### **Question 5: Disclosure of information of investors with inappropriate trading behavior to all members**

To enhance supervision of investors with inappropriate trading behavior, which could lead to market manipulation, SET proposes to amend the rules to allow SET to share information of investors who have such inappropriate behavior with all members, instead of the current practice where SET only disclose such information only to the member who takes care of that investor with inappropriate trading behavior. After being informed, members shall take actions against these investors as prescribed in ASCO's guidelines. Failure to comply with ASCO's guidelines, SET may consider taking disciplinary actions against that member.

## 2.6) Increase the penalty for members

According to the results of the above-mentioned study by a leading consulting firm in relation to the consideration and punishment of members, it has been compared with the laws and regulations of other foreign exchanges such as Korea Exchange (KRX), Hong Kong Exchanges (HKEX), etc. The study found that the punishments imposed on members of SET are still lower than in other countries, including monetary fines. Additionally, the SET rules and regulations related to the disciplinary action imposed on members has been effective since 2007. Thus, it is deemed appropriate to revamp the monetary fines to encourage members to comply with the rules and regulations and prevent members and related persons from violating or not complying with the SET rules and regulations.

### **Question 6: Increase the penalty to be imposed on members.**

To intensify the supervision of members, SET proposes to amend the rules related to disciplinary action for members who violate or do fail to comply with the SET rules and regulations by increasing the monetary fines. As for the increase in such penalty, it will be 3 times from the current rate as follows:

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<sup>2</sup> For example, to reduce the trading limit or to instruct the client to trade through authorized traders only.



Rules	Current fines	Proposal
<b>1. Trading, clearing and settlement of securities in the Exchange</b>		
1.1 Unauthorized trading transaction off-exchange.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
1.2 Installation of trading system not in the member's place of business or failure to notify to the SET.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
1.3 Installation of computer monitor used for trading in an unauthorized place.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
1.4 Allowing persons who do not have duties related to the trading of securities to enter the place where the computer monitors used for trading are installed.	Not more than Baht 100,000 per transaction	Not more than Baht <u>300,000</u> per transaction
1.5 Allowing another person to connects their computer equipment to the member' s trading system, enabling such person to place trading order directly or receive the trading information form the trading system without authorization or not in accordance with the SET rules.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
1.6 Allowing another person other than trader to place trading order through the trading system.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
1.7 Disclosure information obtained from the trading system is not in accordance with the SET rules.	Not more than Baht 50,000 per transaction	Not more than Baht <u>150,000</u> per transaction
1.8 The online trading system adopted by the member is not in accordance with the SET standard.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>

Rules	Current fines	Proposal
1.9 Failure to provide measures to prevent and control others from recording trading order via the online system for client.	Not more than Baht 100,000	Not more than Baht <u>300,000</u>
1.10 Use of algorithmic trading for unauthorized trading or not in accordance with the SET rules.	Not more than Baht 100,000 per transaction	Not more than Baht <u>300,000</u> per transaction
1.11 Connecting to the member trading order submission system not in accordance of the SET rules.	-	Not more than Baht <u>3,000,000</u>
1.12 Failure to provide a testing system or not to supervise the submission of any testing orders in the test system. (Test Environment)	-	Not more than Baht <u>3,000,000</u>
1.13 Placement of trading order which results in change or no change to the price or volume of securities trading, which does not reflect the normal market conditions (false market) Examples of such order behavior are as follows: - placing a bid or offer at the price that is higher or lower than the projected price which would not normally be matched, regardless as to whether such order will subsequently be cancelled - placing a bid or offer and subsequently canceling it, or cancelling existing bid or offer and place the same bid or offer	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>

Rules	Current fines	Proposal
<p>again shortly after for several times</p> <ul style="list-style-type: none"> <li>- placing a bid or offer at the price and trading volume likely to get matched with the same client or clients of the same group</li> <li>- placing a trading order at the price substantially higher or lower than the projected price</li> <li>- placing several transactions of trading order in order to push the price up or down several times</li> <li>- placing several transactions of trading order at the same price level although purchase/selling transactions can be effectuated at one time.</li> </ul>		
<p>1.14 Failure to check false market information that disclosed by the SET or failure to comply in accordance with ASCO guidelines.</p>	-	Not more than Baht <u>300,000</u> per person
<p>1.15 Failure to ensure that clients comply with the measures by the SET. In the case of trading that deviates from normal market conditions</p>	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
<p>1.16 Failure to ensure that clients comply with the measures by the SET, such as trading with a cash balance account with securities that are under the measures or are temporarily allowed for trading before the</p>	-	Not more than Baht <u>300,000</u> per person

Rules	Current fines	Proposal
effective date for the delisting etc.		
1.17 Failure to supervise trader and customers who trade through online trading system to comply with the SET rules regarding trading securities.	Not more than Baht 1,000,000	Not more than Baht <u>3,000,000</u>
1.18 Failure to supervise trader to perform their duties in accordance with the SET rules.	Not more than Baht 500,000	Not more than Baht <u>1,500,000</u>
1.19 Failure to have a policy and risk management method which cover at least credit risk, operational risk, market risk and legal risk and which are able to effectively accommodate the securities business and have in place measures for the control and follow-up of operation prescribed.	-	Not more than Baht <u>300,000</u>
1.20 Failure to have an appropriate internal control system which is able to control and supervise the performance of the work by executives and employee or performing personnel of the member to ensure the performance of the duties of the member and to prevent any violation of the duties of the member or any action which fit the characteristics or which may be believed to fit the characteristics of the failure to comply with the duties of the member.	-	Not more than Baht <u>1,500,000</u>

Rules	Current fines	Proposal
1.21 Failure to file an application for revocation of the registration of trader in the form and period prescribed by the SET.	1,000 Baht per person	<u>3,000</u> Baht per person
<p>1.22 Failure to comply with the SET rules relating to trading the member's own securities or those of its affiliated company as broker or agent for clients for its customer, as following:</p> <p>1.22.1 Failure to have the customers to trade the member's own securities in cash only.</p> <p>1.22.2 Failure to disclosure conflict of interest to customers in accordance with the rules.</p> <p>1.22.3 Failure to report a list of companies having connection with the member, and report the variation in the list of companies having connection with the member to the SET within the period of time and in the form prescribed by the SET.</p> <p>1.22.4 Failure to provide a suitable and clear measure for rectifying an error in the trading of the member's own securities without causing the member to become a holder of securities of its own securities.</p> <p>1.22.5 Failure to prepare the rules governing prohibition of the use of inside information concerning the trading of the member's own securities or a</p>	<p>Not more than Baht 10,000 per time order</p> <p>Not more than Baht 10,000 per time</p> <p>Not more than Baht 10,000 per time</p> <p>Not more than Baht 100,000 per time</p> <p>Not more than Baht 100,000 per time</p>	<p>Not more than Baht <u>30,000</u> per time order</p> <p>Not more than Baht <u>30,000</u> per time</p> <p>Not more than Baht <u>30,000</u> per time</p> <p>Not more than Baht <u>300,000</u> per time</p> <p>Not more than Baht <u>300,000</u> per time</p>

Rules	Current fines	Proposal
<p>company having connection with the member in the capacity of a broker or an agent of a customer, and the rules governing prohibition of the trading of such securities which would cause a conflict of interest between the member and a customer for the purpose of internal implementation in the organization of the member, including the punishments of its employees in the case of violation or non-compliance of such rules.</p> <p>1.22.6 Failure to provide a system for monitoring and inspecting its performance and report to the SET immediately when it is found that the member violates or fails to perform in accordance with the rules relating thereto.</p>	<p>Not more than Baht 100,000 per time</p>	<p>Not more than Baht <u>300,000</u> per time</p>
<b>2. Naked Short Selling</b>		
<p>Sell securities or let customer sell securities without possession of such securities (in the event that this violates the law relating thereto), as follows:</p> <p>2.1 Sale of securities even though the member or its customer does not possess such securities and report is made in accordance with the SET rules.</p> <p>2.2 Sale of securities even though the member or its</p>	<p>Equal to the amount of profits earned</p>	<p>Not more than <u>three times</u> of profits earned <u>but not less than Baht 1,000,000</u></p> <p>Not more than <u>three times</u> of profits earned <u>but not less than</u></p>

Rules	Current fines	Proposal
customer has no possession of such securities but report is <u>not</u> made in accordance with the SET rules.	Equal to the amount of profits earned and an additional of not more than Baht 50,000 per client	<u>Baht 1,000,000</u> and an additional of not more than Baht <u>150,000</u>
<b>3. Short Sale on the Exchange</b>		
Failure to comply with the short selling rules prescribed by the Exchange, such as not short selling securities specified by the Exchange or failing to mark transactions with the "S" flag etc.	Not more than Baht 100,000 per transaction	Not more than Baht <u>300,000</u> per transaction
<b>4. Margin Trading of Securities</b>		
4.1 Failure to demand that additional collateral be deposited by client in the event that the value of the client's assets drop below the value of collateral required to be maintained.	Not more than Baht 10,000 per demand required to be made by the member	Not more than Baht <u>30,000</u> per demand required to be made by the member
4.2 Failure to enforce the sale of securities in the event that the value of the client's assets drop to be equal to or below the value of the minimum collateral	Not more than Baht 100,000 per time members must force sales	Not more than Baht <u>300,000</u> per time members must force sales
4.3 Failure to demand that initial collateral at the rate specified by the exchange.	-	Not more than Baht <u>30,000</u> per time members must call on customers to place initial collateral.
<b>5. Rules and procedures for securities trading in cash</b>		
5.1 Failure to oversee that the purchase order of securities by its client is at any time not greater than the ceiling determined by the company	Not more than Baht 50,000 per transaction and effective excess	Not more than Baht <u>150,000</u> per transaction and effective excess
5.2 Allowing its client to make further purchases when the purchase price has not been	Baht 50,000 per transaction or commission payable on the purchase price of additional securities when the purchase	Baht <u>150,000</u> per transaction or commission payable on the purchase price of additional securities when the purchase

Rules	Current fines	Proposal
paid or the difference of the setoffs has not been settled.	price or the difference has not yet been settled, whichever is greater	price or the difference has not yet been settled, whichever is greater
5.3 Failure to demand to place collateral at the rate specified by the SET.	Not more than Baht 50,000 per demand required to be made by the member	Not more than Baht <u>150,000</u> per demand required to be made by the member
5.4 Payment of the selling price of securities in favor of client before the payment becomes due in accordance with the rules.	Baht 50,000 per transaction or commission payable on the total sum of the purchase price and the selling price, whichever is greater	Baht <u>150,000</u> per transaction or commission payable on the total sum of the purchase price and the selling price, whichever is greater
5.5 Payment of the selling price of securities in favor of client before the payment of the purchase price has been obtained of the same securities	Not more than Baht 50,000 per transaction	Not more than Baht <u>150,000</u> per transaction
5.6 Payment of the selling price of securities to a person other than the customer	Not more than Baht 10,000 per transaction	Not more than Baht <u>30,000</u> per transaction
5.7 Failure to have a customer who is a juristic person obtain the payment of the selling price by procedures prescribed by the SET.	Not more than Baht 10,000 per transaction	Not more than Baht <u>30,000</u> per transaction
5.8 Failure to have a customer pay the purchase price and obtain the payment of the selling price by stipulated procedures and make report in accordance with the SET rules 5.8.1 Failure to have a customer pay the purchase price and obtain the payment of the selling price by stipulated procedures and make report in accordance with the SET rules	Baht 1,000 per transaction	Baht <u>3,000</u> per transaction



Rules	Current fines	Proposal
5.8.2 Failure to have a customer pay the purchase price and obtain the payment of the selling price by stipulated procedures and failure to make report in accordance with the SET rules	Baht 1,000 per transaction an additional adjustment and not more than Baht 10,000 <u>ທຽມ</u>	Baht <u>3,000</u> per transaction an additional adjustment and not more than Baht <u>30,000</u> <u>ທຽມ</u>
5.9 Failure to comply with the SET rules for clearing and settlement of securities base on amounts of respective trading transaction (Gross Settlement)	Not more than Baht 100,000 per transaction	Not more than Baht <u>300,000</u> per transaction
<p>5.10 Failure to have client pay the purchase price of securities or make delivery thereof within the stipulated period as follows:</p> <p>5.10.1 (a) Failure to have client pay the purchase price and make report in accordance with the SET rules</p> <p>(b) Failure to have client deliver certain securities and make report in accordance with the SET rules</p> <p>5.10.2 (a) Failure to have client pay the purchase price and not make report in accordance with the SET rules</p> <p>(b) Failure to have client deliver certain securities and not make report in accordance with the Exchange rules</p>	<p>At the daily rate of Baht 1,000</p> <p>At the daily rate of Baht 1,000 per securities</p> <p>At the daily rate not more than Baht 10,000</p> <p>At the daily rate not more than Baht 10,000 per securities</p>	<p>At the daily rate of Baht <u>3,000</u></p> <p>At the daily rate of Baht <u>3,000</u> per securities</p> <p>At the daily rate not more than Baht <u>30,000</u></p> <p>At the daily rate not more than Baht <u>30,000</u> per securities</p>
<b>6. Sales for forced pawning or debt repayment</b>		
Failure to comply with the SET rules for selling securities listed on the SET related to enforcing	-	Not more than Baht <u>300,000</u> per time

Rules	Current fines	Proposal
a pledge or forcing a debt to be paid as prescribed by the SET.		
<b>7. Submitting reports and financial statements</b>		
7.1 Failure to report member incidents to the SET according to the specified criteria and period such as suffering of serious damage or cessation of business operation such as capital increase, amalgamation, change of director, relocation of head office and opening/closing of branch	Not more than Bah 50,000 per report	Not more than Bah <u>150,000</u> per report
7.2 Failure to submit report to the SET within the stipulated period	At the daily rate not more than Baht 1,000 but not more than Baht 10,000 per report	At the daily rate not more than Baht <u>3,000</u> but not more than Baht <u>30,000</u> per report
<b>8. Procedures for executing a brokerage or agency agreement for trading on the Exchange for non-member securities company</b>		
8.1 Failure to notify the SET of the execution or termination of brokerage/agency agreement made with non-member securities company	Not more than Baht 10,000 per contract/person	Not more than Baht <u>30,000</u> per contract/person
8.2 Failure to have non-member securities company comply with the terms and conditions of the agreement made between the member and the non-member securities company	Not more than Baht 50,000 per person	Not more than Baht <u>150,000</u> per person
<b>9. Increasing the penalty in cases of intentional or benefitting Clients*</b>		
In the case of intentional misconduct that benefits clients or actions taken to circumvent compliance with	Increased from the fine specified in each characteristic of another action not more than Baht 1,000,000	Increased from the fine specified in each characteristic of another action not more than Baht <u>3,000,000</u>

Rules	Current fines	Proposal
securities laws and the regulations of the exchange.		

\*Applies to violations of all the regulations set by the SET.

**Part 3: Questionnaire**

Please complete the questionnaire by filling out this form or go to <https://forms.gle/MAaxwe5PaRUBpwt69>

**1. General information**

Name \_\_\_\_\_

Company Name \_\_\_\_\_ (Symbol \_\_\_\_\_ )

Position \_\_\_\_\_

Contact Number \_\_\_\_\_

E-mail address \_\_\_\_\_

Category of the respondent (You may choose more than 1 choice)

- Securities Company                       Individual Investor
- Employees of securities company       Institutional Investor
- Other (please specify).....

*The Stock Exchange of Thailand will process your personal information for the purpose of public hearing. Your personal information will be protected under the privacy notice of the Stock Exchange Group. Learn more details from <https://www.set.or.th/en/privacy-notice>.*

**2. Questions** (If you agree but details are otherwise or disagree, please provide reasons of your view)

**Question 1: Do you agree with the proposed amendment to the qualifications of short-selling stocks by increase market capitalization and introduce monthly turnover for non-SET100 Index stocks?**

<b>1.1) Increase market capitalization to 7,500 million baht</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Agree, but the details are otherwise (Please explain) .....	<input type="checkbox"/> Disagree (Please explain) .....
<b>1.2) Introduce the 12-month average monthly turnover of 2%</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Agree, but the details are otherwise (Please explain) .....	<input type="checkbox"/> Disagree (Please explain) .....

Further suggestions:

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**Question 2: Do you agree with the uptick rule (i.e. a price higher than the last trading price) to reduce price volatility?**

<input type="checkbox"/> <b>Agree with Option 1</b> – Apply uptick rule, instead of zero-plus tick, to all securities
<input type="checkbox"/> <b>Agree with Option 2</b> – Apply uptick rule only to securities when price declines
<input type="checkbox"/> <b>Disagree with the uptick rule</b> (Please explain).....
<u>Further suggestions:</u>

**Question 3: Do you agree to strengthen supervision of the High-Frequency Trading (HFT)?**

<input type="checkbox"/> Agree	
<input type="checkbox"/> Agree, but the details are otherwise.	(Please explain)
<input type="checkbox"/> Disagree	(Please explain)
<u>Further suggestions:</u>	

**Question 4: Do you agree with the Introduction of a Minimum Order Resting Time** to retard the excessive update and/or cancellation of the order for specific period?

<input type="checkbox"/> Agree	
<input type="checkbox"/> Agree, but the details are otherwise.	(Please explain)
<input type="checkbox"/> Disagree	(Please explain)
<u>Further suggestions:</u>	

**Question 5: Do you agree with the disclosure of information of investors with inappropriate trading behavior to all members** to enable members to take actions to prevent investors with such behavior effectively?

<input type="checkbox"/> Agree	
<input type="checkbox"/> Agree, but the details are otherwise.	(Please explain)
<input type="checkbox"/> Disagree	(Please explain)
<u>Further suggestions:</u>	

**Question 6: Do you agree with the amendment of rules related to increasing the punishment imposed on members?**

<input type="checkbox"/> Agree	
<input type="checkbox"/> Agree, but the details are otherwise.	(Please explain)
<input type="checkbox"/> Disagree	(Please explain)
<u>Further suggestions:</u>	

**Other Recommendations**

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Please submit your feedback back to [MarketSupervisionPolicyDepartment@set.or.th](mailto:MarketSupervisionPolicyDepartment@set.or.th) by April 21, 2024.

