SET

# Market Consultation

## Proposed Revision of Measures to Enhance Confidence

Consultation period ends on

May 29, 2026

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## Part 1: Introduction

As the Stock Exchange of Thailand ("SET") has continuously implemented trading regulatory measures to enhance investor confidence since 2024, and introduced further adjustments in 2025. After these measures have been enforced for a certain period, SET has gathered feedback from all stakeholders and thoroughly analyzed both historical and current data. Consequently, SET deems it appropriate to review the current trading regulatory measures regarding: (1) Measures to reduce abnormal price volatility, and (2) Measures to supervise inappropriate trading behaviors. This review aims to ensure that the trading regulatory measures are flexible and suitable for the current market environment, while mitigating trading obstacles for all investor groups. SET continues to reinforce investor confidence while maintaining effective market supervision.

In this regard, SET is conducting a public consultation to gather feedback from relevant stakeholders. The information obtained will be highly valuable for the consideration of revising relevant regulations. You can submit your opinions or additional suggestions to SET from now until **May 29, 2026**, via the following link: https://forms.microsoft.com/r/EFQF82bt4c

For further inquiries, please contact the Securities Trading Department at Tel. 02-009-9325-8 or Email: SecuritiesTradingDepartment@set.or.th.

## Part 2: Proposed Measures

In this review of trading regulatory measures, SET has evaluated the current measures in effect and categorized them into 3 groups as follows:

- **Group 1: New Measures**
- **Group 2: Revised Measures**
- **Group 3: Cancelled Measures**

To ensure market stability and build investor confidence, SET will maintain these reviewed trading regulatory measures for a period of at least 18 months, unless there is a material change that unavoidably impacts market trading conditions.

## Group1 New Measures

The newly proposed measures consist of 2 measures, detailed as follows:

### 1.1 Adjustment of Tick Size

Currently, SET specifies 8 levels of Tick Sizes ranging from 0.01 to 2.00 Baht, which have been in effect since March 2009. SET has reviewed these criteria to align with current trading conditions. Based on trading data analysis in 2024, it was found that the Tick Size should be adjusted for two main groups of stock prices:

**Group 1: Securities priced between 10 – 25 Baht.**

This price range accounts for 14% of total common stocks and has a wider Tick Size to Price ratio compared to other regional exchanges. Additionally, 85% of stocks in this range face a Tick Size Constraint[1], while the proportion of retail day-trade investors is relatively low. Therefore, SET proposes reducing the Tick Size from the current 0.10 Baht.

**Group 2: Securities priced between 5 – 10 Baht and 25 – 50 Baht.**

As these ranges are adjacent to Group 1, SET proposes reducing the Tick Size to cover these ranges as well, ensuring consistency and continuity in the Tick Size to Price ratio.

[1] Tick Size Constraint refers to the limitation arising from the specified tick size that impacts the price movement of securities, particularly when the tick size is large relative to the security's price. This can result in inflexible price adjustments that do not align with market demand.

Details regarding the Tick Size of both groups are shown in the table below.

| Price (Baht) | Tick size (Baht) | Tick size-to-Price | | Number of traded securities[1/] (Total 928) | % Number of securities with Tick-size constraint | |
|---|---|---|---|---|---|---|
| | | Ratio | Compare to peer | | All securities[2/] 2024 | Non SET100 & mai & REIT/PF 2024 |
| < 1 | 0.01 | (>1%) | Narrower | 312 | 85% | 84% |
| 1 – 2 | | (0.5% - 1%) | | | | |
| 2 – 5 | 0.02 | (0.4% - 1%) | | 225 | 78% | 77% |
| 5 – 10 | 0.05 | (0.5% - 1%) | Average | 159 | 82% | 80% |
| **10 – 25** | **0.10** | **(0.4% - 1%)** | Wider | 128 | **85%** | **80%** |
| 25 – 50 | 0.25 | (0.5% - 1%) | | 56 | 71% | 53% |
| 50 – 100 | | (0.25% - 0.5%) | | 25 | 44% | 13% |
| 100 – 200 | 0.50 | (0.25% - 0.5%) | | 13 | 62% | 29% |
| 200 – 400 | 1 | (0.25% - 0.5%) | | 10 | 50% | 29% |
| > 400 | 2 | <0.5% | | - | | |

| Proposed | |
|---|---|
| **Price** | **Tick size** |
| **5 – 10** | **0.02** |
| **10 – 25** | **0.05** |
| **25 – 50** | **0.10** |

Remark: 1/ Common stock & REIT/PF traded in 2024.
2/ All stocks in the SET100 have tick-size constraints.

Expected Benefits from Tick Size Reduction:

(1) Enhance Trading Liquidity: A refined Tick Size allows investors to place orders at more precise prices, narrows the Bid-Ask Spread, and attracts more orders to the market, thereby improving overall market liquidity.

(2) Reduce Trading Costs for Investors: A narrower Bid-Ask spread enables both retail and institutional investors to execute trades at better prices and significantly reduces implicit transaction costs.

(3) Increase Regional Competitiveness: Aligning the Tick Size-to-Price ratio with other regional exchanges will elevate SET's attractiveness to foreign investors and enhance the Exchange's competitive edge.

**Proposal**

To ensure an appropriate Tick Size level that enhances investors' trading liquidity, SET proposes reducing the Tick Size as detailed in the table below:

| Current | | |
|---|---|---|
| **Security Price** | **Tick Size** | **Tick Size-to-Price Ratio (%)** |
| ≤ 2 | 0.01 | 0.50% |
| 2 ≤ 5 | 0.02 | 0.40% - 1.00% |
| 5 ≤ 10 | 0.05 | 0.50% - 1.00% |

| Proposed | | |
|---|---|---|
| **Security Price** | **Tick Size** | **Tick Size-to-Price Ratio (%)** |
| ≤ 2 | 0.01 | 0.50% |
| 2 ≤ 10 | 0.02 | 0.20% - 1.00% |
| 10 ≤ 25 | 0.05 | 0.20% - 0.50% |

| Current | | |
|---|---|---|
| **Security Price** | **Tick Size** | **Tick Size-to-Price Ratio (%)** |
| 10 ≤ 25 | 0.10 | 0.40% - 1.00% |
| 25 ≤ 100 | 0.25 | 0.25% - 1.00% |
| 100 ≤ 200 | 0.50 | 0.25% - 0.50% |
| 200 ≤ 400 | 1.00 | 0.25% - 0.50% |
| ≥ 400 | 2.00 | 0.50% |

| Proposed | | |
|---|---|---|
| **Security Price** | **Tick Size** | **Tick Size-to-Price Ratio (%)** |
| 25 ≤ 50 | 0.10 | 0.20% - 0.40% |
| 50 ≤ 100 | 0.25 | 0.25% - 0.50% |
| 100 ≤ 200 | 0.50 | 0.25% - 0.50% |
| 200 ≤ 400 | 1.00 | 0.25% - 0.50% |
| ≥ 400 | 2.00 | 0.50% |

### 1.2 Extra Charge on High OTR (Order to Trade Ratio) to Reflect System Capacity Costs

Given that the submission of trading orders with a high ratio of orders compared to matched trades (Deal) or Order to Trade Ratio ("OTR") and high frequency from certain investors requires the trading system to unnecessarily process a large number of orders, this is considered a high utilization of SET's systemic capacity and may affect the efficiency of the overall market trading system.

SET has studied the operational guidelines of foreign stock exchanges that have established measures to supervise the submission of such trading orders. For example, the United Kingdom (UK) imposes an additional fee in cases where the OTR is greater than 500 (FTSE 100), India imposes a progressive rate additional fee in cases where the OTR is greater than 50, and Germany imposes an additional fee in cases where the OTR is greater than 100,000 (counted per Broker), etc.

**Proposal**

To maintain the stability of the overall trading system and ensure appropriate resource utilization, SET proposes that member companies incur an Extra Charge for trading accounts that consume high system capacity. This aims to reflect system usage costs and prevent the submission of orders without a genuine intention to execute trades. SET will consider orders with the following characteristics[2]

(1) Order frequency exceeding 50 times per Active Minute; AND

(2) An Order to Trade Ratio (OTR) exceeding 100 times.

If a trading account meets the above criteria, it will be subject to an Extra Charge only for the portion exceeding 30,000 orders/day[3] at a rate of 0.15 Baht (15 Satang) per order. This measure will not apply to orders placed by registered Market Makers.

[2] SET may adjust the specified parameters and charging rates to appropriately align with prevailing trading conditions at that time.

[3] Calculated based on SET's daily trading hours (5 hours x 60 minutes = 300 minutes) and the base OTR threshold of 100 times.

## Group2 Revised Measures

The proposed revised measures consist of 3 measures, detailed as follows:

### 2.1 Revision of the Uptick Rule for Short Selling

Currently, SET has required short sell orders to be placed at a price higher than the last traded price (Uptick rule), effective since July 1, 2024. However, a review of this measure revealed that it adversely impacts stock liquidity and slows down the price discovery mechanism. Furthermore, other foreign exchanges such as Taiwan Stock Exchange (TWSE), Japan Exchange Group (JPX), and US exchanges only apply the Uptick rule when a stock's price is declining.

**Proposal**

To decelerate selling pressure during volatile markets and maintain market balance while mitigating the negative impact on liquidity, SET proposes revising the criteria as shown in the table below:

| Current | Proposed* |
|---|---|
| • Short sell orders must be priced higher than the last traded price (Uptick). | • Short sell orders must be priced higher than or equal to the last traded price (Zero-Plus Tick).<br>• However, if a security's closing price declines by 10% or more compared to the previous business day's closing price (Close-to-Close), short sell orders on the following business day must be priced higher than the last traded price (Uptick). |

*This revised measure will not apply to registered Market Makers, who will continue to receive exemptions under the current criteria.

### 2.2 Revision of Short Selling Eligible Securities

Currently, short selling is permitted in 2 groups of securities:

- **Group 1**: Common stocks in the SET100 Index, and common stocks that are underlying assets for Single Stock Futures, DW, and ETF.
- **Group 2**: Other securities such as ETF and DR.

These criteria have been effective since April 16, 2025. Upon review, SET found that common stocks which are the underlying of DWs and ETFs (in Group 1) often include mid-to-small-cap stocks, which may lack sufficient liquidity for short selling and could experience adverse price impacts.

**Proposal**

SET proposes narrowing the scope of Short Selling Eligible Stocks to strictly include large-cap, highly liquid stocks. The eligibility of stocks acting as underlying for ETFs and DWs will be removed to prevent price impact on mid-to-small-cap stocks, as detailed below:

| Types of Securities Eligible for Short Selling | Current | Proposed* |
|---|---|---|
| **Group 1**: Common Stocks | | |
| • Constituents of the SET100 Index | Allowed | Allowed |
| • Underlying assets of Single Stock Futures | Allowed | Allowed |
| • Underlying assets of DW | Allowed | Not Allowed |
| • Underlying assets of ETF | Allowed | Not Allowed |
| **Group 2**: Other Securities | | |
| • ETF | Allowed | Allowed |
| • DR | Allowed | Allowed |

*This revised measure will not apply to registered Market Makers.

### 2.3 Revision of HFT Criteria and HFT Registration

Currently, SET defines "High Frequency Trading" (HFT) investors as those who use automated computer algorithms for trading and utilize Co-Location facilities for placing orders, and meet other SET-specified conditions[4]. Member companies are required to register HFT clients with SET and establish risk management measures, effective since July 1, 2024.

However, a review of the currently enforced trading regulatory measures revealed that the definition of HFT differs from international standards. The existing criteria utilize a Pre-defined approach to classify HFT investors, focusing primarily on infrastructure utilization and the location of the order-routing system, along with requiring mandatory registration before trading begins. In contrast, international exchanges employ a Post-Audit approach, which primarily evaluates investors based on their actual trading behaviors, such as Order Frequency & Speed, End of Day Position, and daily trading value.

[4] Clients utilizing Algorithmic Trading to generate and submit trading orders, which is developed specifically for a particular client or a specific group of clients, and operated through computer equipment installed at SET's Co-location facility.

**Proposal**

To elevate regulatory standards to align with international practices and appropriately monitor the trading behaviors of this investor group, SET proposes revising the definition and registration criteria for HFT investors as detailed below:

| | **Current** | **Proposed** |
|---|---|---|
| **Approach** | Pre-Defined | Post-Audit |
| **Criteria** | Investors with the following characteristics:<br>1. Utilizing computer algorithms (Algorithmic Trading) for automated trading AND<br>2. Operating through computer equipment for order routing installed at locations specified by SET (Co-Location). | Investors with the following characteristics:<br>1. Utilizing a dedicated order-routing channel for specific investors (Dedicated API user) OR<br>2. Exhibiting trading behaviors that meet all of the following conditions[5]:<br>2.1 Frequent: Submitting more than 50 orders per Active Minute per account.<br>2.2 Flat: Having an End of Day Position of less than 50%.<br>2.3 Active: Trading on more than 80% of the available trading days per account, and having a daily trading value exceeding 30 million Baht. |
| **HFT Investor Registration** | • Member companies must register clients who are HFT investors with SET prior to the commencement of trading. | • If an investor's account exhibits characteristics or trading behaviors that meet the specified criteria, the member company is obligated to have the client register with SET (by signing an Undertaking Letter) in the format and within the timeframe specified by SET.<br>• For investor accounts exhibiting trading behaviors that meet the aforementioned criteria, SET will notify the member company of the list of names, enabling the member company to coordinate with the client regarding registration with SET.<br>• However, in the event that the member company is unable to have the client register with SET in the format and within the timeframe specified by |

[5] SET may adjust the parameters used for consideration.

| | Current | Proposed |
|---|---|---|
| | | SET, the member company is obligated to suspend trading for that client's account. Furthermore, if the member company fails to comply with these regulations, SET will consider taking disciplinary action against the member company. |

## Group3 Cancelled Measures

The proposed cancelled measures consist of 3 measures, detailed as follows:

### 3.1 Cancellation of the HFT Eligible Securities Restriction

Currently, SET restricts High Frequency Trading ("HFT") investors to trading only the following securities:

- Common stocks that are constituents of the SET100 Index
- Common stocks which are the underlying of DW and Single Stock Futures
- Other types of securities such as ETF, DW, DR

These regulations have been effective since July 7, 2025. A review found that most HFT investors already trade securities within the Short Selling Eligible List. Therefore, canceling the HFT Eligible Stocks restriction will align the supervision of all investor groups and be more consistent with international standards. It will also increase opportunities to boost liquidity for mid-to-low liquidity securities.

**Proposal**

Since proposals have been made to adjust the Uptick Rule and narrow the short-selling eligible securities universe, to increase trading flexibility and provide equal access to all securities for all investor groups, which will boost overall market liquidity, SET proposes canceling the restriction on security types for HFT investors (HFT Eligible Stocks). This will allow HFT investors to trade all securities similarly to general investors.

### 3.2 Cancellation of Dynamic Price Band

Currently, SET enforces a Dynamic Price Band ("DPB") at ±10% from the latest trading price, in addition to the existing daily Ceiling and Floor limits. If an order would result in a match outside the DPB, the system pauses trading for that security for 2 minutes. This has been effective since September 2, 2024.

However, a review found that DPB triggers are heavily concentrated in low-liquidity and low-volume securities. Consequently, the measure fails to reduce intraday volatility as intended. Furthermore, it disrupts trading continuity at times and acts as an obstacle for illiquid securities with wide Bid-Ask Spreads, as investors cannot place orders across multiple price ticks due to the DPB restriction.

**Proposal**

To reduce trading obstacles and enable securities prices to move efficiently in accordance with market mechanisms, SET proposes removing the DPB measure.

### 3.3 Cancellation of Minimum Resting Time

Currently, SET enforces a Minimum Resting Time ("MRT") measure, requiring orders to remain in the system for at least 250 milliseconds before member companies can modify or cancel them, to prevent inappropriate order submissions. This has been effective since September 2, 2024.

However, a review found that the MRT measure imposes a system burden on member companies regarding order management. Additionally, the number of orders rejected by this measure is very small and does not significantly impact the overall market.

**Proposal**

To enhance member companies' system efficiency and reduce trading obstacles, and considering the proposed implementation of the Extra Charge on high OTR (Proposal 1.2), SET proposes canceling the MRT measure.

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## Part 3: Market Consultation Feedback Form

Please provide your feedback via this form and return it to SecuritiesTradingDepartment@set.or.th or via the link https://forms.microsoft.com/r/EFQF82bt4c by May 29, 2026.

### 1. General Information

Name ..............................................................................................................

Surname ..............................................................................................................

Company .............................................. (Abbreviation .............................. )

Position ..............................................................................................................

Telephone ..............................................................................................................

Email ..............................................................................................................

Status of Respondent (Select all that apply)

- ☐ Securities Company
- ☐ Individual Investor
- ☐ Employee of a Securities Company
- ☐ Institutional Investor
- ☐ Other (Please specify).........................

*The Stock Exchange of Thailand (SET) will collect, use, and disclose your personal data for the purposes of hearing your feedback, contacting you, and performing other necessary actions related to this public hearing. Your personal data will be protected in accordance with the SET Group's Privacy Notice. For more details, please visit: https://www.set.or.th/en/privacy-notice*

**2. Comments** (If you agree with other details or disagree, please specify reasons)

**Issue 1: Do you agree with the newly proposed measures with the following details?**

**1.1 Do you agree with the adjustment of Tick Size as follows?**

| Current | |
|---|---|
| **Security Price** | **Tick Size** |
| ≤ 2 | 0.01 |
| 2 ≤ 5 | 0.02 |
| 5 ≤ 10 | 0.05 |
| 10 ≤ 25 | 0.10 |
| 25 ≤ 100 | 0.25 |
| 100 ≤ 200 | 0.50 |
| 200 ≤ 400 | 1.00 |
| ≥ 400 | 2.00 |

| Proposed | |
|---|---|
| **Security Price** | **Tick Size** |
| ≤ 2 | 0.01 |
| 2 ≤ 10 | 0.02 |
| 10 ≤ 25 | 0.05 |
| 25 ≤ 50 | 0.10 |
| 50 ≤ 100 | 0.25 |
| 100 ≤ 200 | 0.50 |
| 200 ≤ 400 | 1.00 |
| ≥ 400 | 2.00 |

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

**1.2 Do you agree with imposing an extra charge on member companies for trading accounts that utilize high SET systemic capacity, This charge would apply to accounts with an order submission frequency of more than 50 times per Active Minute and an Order to Trade Ratio (OTR) of more than 100 times, The rate would be 0.15 Baht (15 Satang) per order for the number of trading orders exceeding 30,000 orders per day?**

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

**Issue 2: Do you agree with the proposed revised measures with the following details?**

**2.1 Do you agree with the revision of the Short Selling Price Rules as follows?**

| Current | Proposed |
|---|---|
| • Short sell orders must be priced higher than the last traded price (Uptick). | • Short sell orders must be priced higher than or equal to the last traded price (Zero-Plus Tick).<br>• However, if a security's closing price declines by 10% or more compared to the previous business day's closing price (Close-to-Close), short sell orders on the following business day must be priced higher than the last traded price (Uptick). |

**Opinion:**

| | |
|---|---|
| ☐ Agree | |

| | |
|---|---|
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

**2.2 Do you agree with the revision of the Short Selling Eligible Securities as follows?**

| Types of Securities Eligible for Short Selling | Current | Proposed |
|---|---|---|
| **Group 1**: Common Stocks | | |
| • Constituents of the SET100 Index | Allowed | Allowed |
| • Underlying assets of Single Stock Futures | Allowed | Allowed |
| • Underlying assets of DW | Allowed | Not Allowed |
| • Underlying assets of ETF | Allowed | Not Allowed |
| **Group 2**: Other Securities | | |
| • ETF | Allowed | Allowed |
| • DR | Allowed | Allowed |

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

**2.3 Do you agree with the revision of the HFT Criteria and HFT registration as follows?**

<table>
<tr><th></th><th>Current</th><th>Proposed</th></tr>
<tr><td>Approach</td><td>Pre-Defined</td><td>Post-Audit</td></tr>
<tr><td>Criteria</td><td>Investors with the following characteristics:<br>1. Utilizing computer algorithms (Algorithmic Trading) for automated trading <u>AND</u><br>2. Operating through computer equipment for order routing installed at locations specified by SET (Co-Location).</td><td>Investors with the following characteristics:<br>1. Utilizing a dedicated order-routing channel for specific investors (Dedicated API user) <u>OR</u><br>2. Exhibiting trading behaviors that meet all of the following conditions:<br>2.1 Frequent: Submitting more than 50 orders per Active Minute per account.<br>2.2 Flat: Having an End of Day Position of less than 50%.<br>2.3 Active: Trading on more than 80% of the available trading days per account, and having a daily trading value exceeding 30 million Baht.</td></tr>
<tr><td>HFT Investor Registration</td><td>● Member companies must register clients who are HFT investors with SET <u>prior</u> to the commencement of trading.</td><td>● If an investor's account exhibits characteristics or trading behaviors that meet the specified criteria, the member company is obligated to have the client register with SET (by signing an Undertaking Letter) in the format and within the timeframe specified by SET.<br>● For investor accounts exhibiting trading behaviors that meet the aforementioned criteria, SET will notify the member company of the list of names, enabling the member company to coordinate with the client regarding registration with SET.<br>● However, in the event that the member company is unable to have the client register with SET in the format and within the timeframe specified by SET, the member company is obligated to <u>suspend trading</u> for that client's account. Furthermore, if the member company fails to comply with these regulations, SET will consider taking disciplinary action against the member company.</td></tr>
</table>

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

**Issue 3: Do you agree with the proposed cancelled measures with the following details?**

**3.1 Do you agree with the cancellation of the HFT Eligible Securities Restriction for the HFT investor group, allowing them to trade like general investors?**

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

### 3.2 Do you agree with the cancellation of the Dynamic Price Band (DPB)?

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

### 3.3 Do you agree with the cancellation of the Minimum Resting Time (MRT) measure?

**Opinion:**

| | |
|---|---|
| ☐ Agree | |
| ☐ Agree, but with other details | (Please specify details and reasons) |
| ☐ Disagree | (Please specify details and reasons) |
| Other suggestions: | |

**Other additional suggestions:**

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SET would like to express our gratitude for your feedback and suggestions.