



### PP-SME: New Option to Raise Funds For SMEs and Startups in Thailand

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Small and Medium Enterprises (SMEs) and startup companies play an important role in Thailand’s economic growth. They contribute to economic dynamism by spurring innovation and stimulating competition. However, there are many issues and obstacles often faced by SMEs and startup companies when raising funds in Thailand. Realizing the predicament, the Securities and Exchange Commission of Thailand (the “SEC”) has recently unlocked restrictions for SMEs and startup companies’ access to funds by enacting regulations enabling SMEs and startup companies to raise funds in the capital markets by way of private placement for:

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1. offering newly issued shares; or
2. offering convertible debentures (“CD”)

To be eligible, SMEs and startup companies that wish to offer newly issued shares or CD must have the following characteristics:

	Small Enterprise		Medium Enterprise	
	Employment (persons)	Income per year (in Million THB)	Employment (persons)	Income per year (in Million THB)
<b>Production</b>	Not more than 50	Not more than 100	51 to 200	More than 100 but not more than 500
<b>Trade and Services</b>	Not more than 30	Not more than 50	31 to 100	More than 50 but not more than 300



### Kudun and Partners

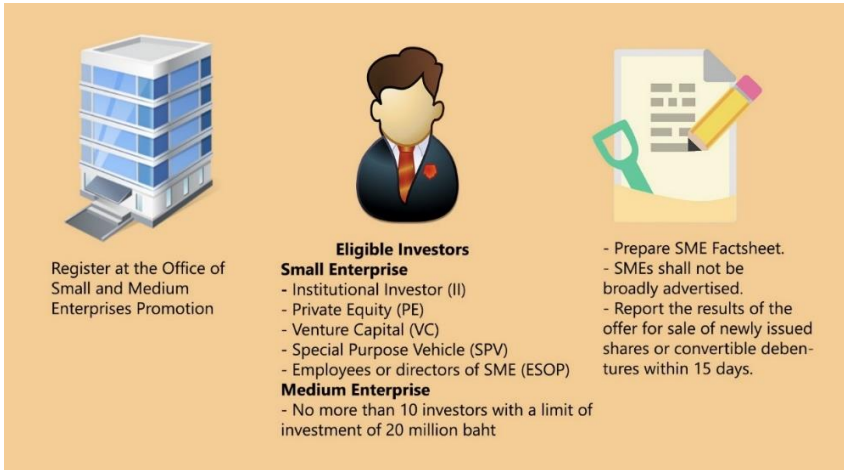
As investments in SMEs and startup companies involve a high level of risks, only investors stipulated by SEC are eligible to invest in such SMEs, including Institutional Investor (“II”), Private Equity (“PE”) or Venture Capital (“VC”), Angel Investor, and employees or directors of SME (“ESOP”). Whereas, in medium-sized enterprises, there shall be no more than 10 investors with a investment limit of THB 20 million.


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Type of Investors	Limit of Investment	Number of Investors
<b>SMEs</b> <ul style="list-style-type: none"> <li>• Institutional Investor (II)</li> <li>• Private Equity (PE)</li> <li>• Venture Capital (VC)</li> <li>• Angel Investor</li> <li>• employees or directors of SMEs (ESOP)</li> </ul>	No limit	No limit
<b>Medium Enterprises</b>	Not more than THB 20 million	Not more than 10 investors


In addition, SMEs and startup companies are also required to register for the Capital Market Fundraising Promotion Project for SME(PP-SME) with the Office of Small and Medium Enterprises Promotion (OSMEP) and prepare SME Factsheet (i.e. information describing business operations, financial, type of securities, and related risks). As newly issued shares or CD are being offered to pre-selected investors or institutions, SMEs and startup companies shall not broadly advertise to market.

After the sale, the report of the results of an offer for sale of newly issued shares or CD shall be submitted to the SEC within 15 days of the closing date. SMEs and startup companies that comply with all conditions and requirements as mentioned above will be exempted from the requirement of needing an approval from the SEC.






Register at the Office of Small and Medium Enterprises Promotion



**Eligible Investors**  
**Small Enterprise**  
- Institutional Investor (II)  
- Private Equity (PE)  
- Venture Capital (VC)  
- Special Purpose Vehicle (SPV)  
- Employees or directors of SME (ESOP)  
**Medium Enterprise**  
- No more than 10 investors with a limit of investment of 20 million baht



- Prepare SME Factsheet.
- SMEs shall not be broadly advertised.
- Report the results of the offer for sale of newly issued shares or convertible debentures within 15 days.

For further information, please contact our Startup team at Kudun and Partners.