

Independence Study Title : The Extended Definition of Insider Trading Regulation
in Thailand: A Focus on Expert Networking
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ABSTRACT

The main objective of this research paper is to study the legal structure of the extended definition of insider trading of Section 241 under the Securities and Exchange Act, B.E. 2535. The scope of insider who contact, with expert networking is also in discussion on the concept of insider trading and the means of trade, performed by experts of the company having to access the non-public information. The study compares legislations of United States law with Thai law in order to present a guideline for effective enforcement of law.

This research paper discusses the aforesaid offence; it is the definition of “insider” and “expert networking”. The word should be defined more clearly in order to prevent any practical problem. It is also deals with the type of insider who has a direct or indirect access to the information material in regards to changes in the prices of securities which has not been disclosed to the public by expert networking .

It was found in research papers that the offense of disclosure of non-public material information is subject to the following element:

1. Confirmation of intention,
2. Information shall be the material information effect to changes in the prices of securities,
3. The disclosure is solely for the purpose of securities trading.

This research paper is suggested to emphasize the nature of material information and the public disclosure prohibition in taking advantage on securities trading and the Securities and Exchange Commission (SEC) should be empowered to regulate and investigate suspect performance of expert networking in order to protect the public interest.

The offence of insider trading, together with expert networking uses the material of non-public information which also has a difficulty in proving. There should be some presumption in proving the surrounded material facts regarding the prior inside information possessed by experts of the issuer company and provide such information to the tippee who trades on the basis of the information by the purpose of using the material of non-public information taking advantage on trade of securities.

The legal presumption regarding the consideration of securities trading should be considered with the simplification of proving for the performance and clarification of the provision of the Act.

