

The Trading of Individual Investors with Out Knowledge of Law Related to the Stock Market

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Abstract

The purposes of this research was to study the individual investors who almost never study the new securities and exchange act (fifth amendment) of 2016 which identified that criminal offense by notification distribute false information or endorsement or mistake text declaration on financial position operating result stock trading or involving information to issuing company that effected to stock market or making decision in exchange market because of individual investors always communicate through online social media. Individual investors who posting false information that lead to positive or negative in exchange investment increase or decrease share prices all those above statement, individual investors could be commit a crime. Hence, should be give knowledge on the new securities and exchange act (Fifth Amendment) of 2016 to individual investors for avoiding to be a legally criminal offender.

Keywords: The Securities and Exchanges Act (Fifth Amendment) of 2016, Individual Investors, Investment Exchange

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Introduction

Financial market is an important mechanism in the country because it is the source of financial assets between those who want to avail the fund to its maximum benefits. Thus, it is absolutely necessary that the personnel concerned in this industry must possess a good knowledge of the process. Character and structure of financial markets include investment analysis and the risk of investment in various stock exchange to manage the security group be performed.

Another type of intermediary is raising fund by financial transfer. It is a popular because the process of raising money is by external sources. Also this method enables investor to avail of a long term funding in a very low interest. The one who invest in financial assets can raise funds by business and needs funding to create financial assets such as issuance of promissory notes, debentures and common share.

Raising funds through market is different from raising funds through financial institutions. Financial institution will act as intermediaries to collect investment money transfer to business the institution will receive the difference of cost and income interest including service charge. In the meantime, raising money by financial market the fund will be received and used by the investors immediately. This is in practical raising funds through market collects lower interest funds than the financial institution

In general when the investors availed the money they needed they normally used them for business for the return of their investment. Thus it is said that investment through financial system is limited to the potentials of the fund raising partners if the valuable assets will be used for its maximum benefits.

Financial institution plays an important role in the stock exchange of Thailand. The government seriously pay attention by definition guide lines operation online stock exchange during the National Economic and Social Development (B.E 2510 . 2514) and formally establish a stock market by securities of Thailand BE 2517. The objective is to be the central trading hub in Thailand. Also to promote savings and support to people who are engage in business ownership and industrial institution in Thailand. It also aims to protect the interest of all parties involved in the market

Capital market plays an important role in the financial system as a source of low cost funding for business. In the past , capital market development, they focused on secondary market as the main trading market the first market development for a new securities offer to the people includes capital market care. During that period, capital market is under many agencies such as Ministry of Finance, Ministry of Commerce and Bank of Thailand. These agencies operate in continuous redundancy of unity and development while there was a rapid increase of capital market .To promote for the growth and development that could benefit the raising of fund and investment of the first and second market including overall national economy capital market transaction are subject to templates law and provision to prevent exploitation, so since December 12, 2559 BE

2559 became an independent organization to oversee the development and define operational policy of capital market.

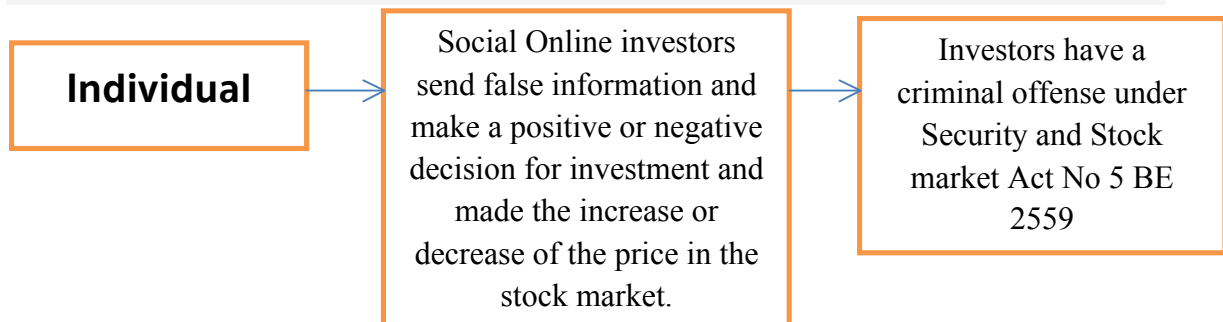
Due to a non-transparent behavior of the board of executives where they use the business in their self-interest like releasing fund to a near relative and indulge in high-risk projects, the investment stock market 's shareholders benefit were damaged as well as the business sector. This was been an important factor that contributed to weaken the strength of the business sector and national economy as well. It was not only observed that the lack of caution of bank of loan institution caused the collapse of financial system of the country and created enormous effect. Because of the corruption, all the taxpayer will be the one to bear the burden. The employee or creditor who have of good company governance contributed to these corruption and therefore become a national problem that the sector must pay attention to solve the problem. The best way the shareholders are taking advantage is to use inside trading or fail information for the profit. Most individual investor who obtained false information are making decision whether to invest in a stock market in a positive or negative way.

Individual investors who published false information on social media online committed a criminal offense. The effect of this in the company who issued stock securities falls on its trading price performance. According to Stock and Exchange Security Act No.5 BE 2559 sector 240 which prohibits any false information to clients. Investors that whoever violates the law will be sent for imprisonment for not more than 2 years or fine of five hundred thousand (500,00) or 2 million baht (2,000,000) ,while the person who is responsible for securities operation of the company will be imprisoned for more than five years and pay a fine of one million(1,000,000) to five million baht (5,000,000).

Research Objectives

1. To be able to know out if individual investors have a knowledge on the prohibition of giving false information.
2. To be able to study if individual investors have some knowledge of the Criminal Security Act No. 57 BE 2557 Sec.240 accommodation Class 296
3. to find out if investors have or have no criminal offense under Security Act No 5 BE 2559 Sec. 240 Acc clause 296

Research Framework



The diagram illustrates the concept of research

Research Area

Study the collection of data in the stock market from individual investors in Thailand.

Research Methodology

1. This is a quantitative research for data collection and analysis
2. Bangkok will be the selected area of study.

Discussions

1. There are 17.8% individual who responded that they do not know the internal information or false information
2. 92.5% individuals send their data to social media account
3. Individual investors who were not aware of the Stock market Securities Act No 5 BE 2559 section 240 amounted to 77.6%
4. There are 65.4% individual investors who responded that individual must be educated and be given knowledge on Stock market Security Act no 5 BE 2559 section 240.

Suggestion

1. Individual investors should be advised to obtain proper information before making an investment.
2. Individual investors using online media should be advised to obtain information on the Criminal offense involved in Stock market Security Act before making any investment.
3. The Securities Trading Agents should provide knowledge on the Law of Investment.

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