

SEC Thailand's public hearing on the proposed amendments to the ICO portal regulations related to outsourcing and other regulations

The Securities and Exchange Commission, Thailand (“SEC”) is seeking public comments on proposed principles and draft regulations regarding outsourcing regulation and other regulations related to ICO portals. These amendments aim to increase flexibility and alignment with the nature of the business, strengthen the ecosystem of investment token offering services and enhance regulatory oversight efficiency.

The SEC has considered feedback and recommendations received from relevant stakeholders on the revision of ICO portals' outsourcing regulation in accordance with the former public consultation No. 28/2567 between 27 June 2024 and 12 July 2024.

As resolved in the SEC Board Meeting No. 13/2567 convened on 3 October 2024, the SEC is therefore conducting the public hearing on the revised proposals on the outsourcing of ICO portal's work systems to third parties (“outsourcee”) and the proposed amendments to other ICO portal regulations as well as draft relevant regulations. The objectives are to increase flexibility, to be consistent with nature of business operation, and to promote the completeness and strength of fundraising ecosystem which will help investors have widespread access to investment tokens during the transition period moving investment tokens to be regulated under the Securities and Exchange Act. The key points of the proposed amendments are as follows:

(1) ICO portals' outsourcing regulation : This amendment allows ICO portals to outsource all system operations related to ICO portals, including certain due diligence tasks in addition to those permitted by the current regulation.

In the case of due diligence, ICO portal is able to outsource only a due diligence task related to either (1) Business (e.g., issuer information, business plans, digital token projects) or (2) Technology (e.g., source code in smart contracts or other mechanisms used in place of smart contracts) to the outsourcee in each ICO project and the appointed outsourcee is not allowed to outsource to another party (only a due diligence task). Additionally, the ICO portal must obtain approval from the SEC before outsourcing any tasks related to such due diligence.

(2) Other regulations related to ICO portals : These include ICO portals' submission and disclosure of financial statements and actions in case of ICO portals' failure to comply with governing regulations, to enhance efficiency and suitability of ICO portal supervision.

For further details of this public hearing, please visit www.sec.or.th/hearing or <https://law.go.th/>. Stakeholders and interested parties are also welcomed to submit comments and recommendations via the SEC Thailand's website or email : kanjanachat@sec.or.th; thapanee@sec.or.th or perapong@sec.or.th.

The public hearing ends on 19 December 2024.