

The Securities and Exchange Commission (SEC) is conducting a public hearing on a proposed amendment to the regulations related to investor segmentation by considering affordable loss as well as investment knowledge and experience.

Currently, SEC's regulations on investor classification are based on the concept of investor's affordable loss considered solely by the investor's wealth. Although this concept is consistent with general principles in developed countries, it has several limitations. For example, the regulations do not address a likelihood that the investors qualified by the wealth requirements may still lack understanding of financial products' features and related risks. Likewise, for investors that have sufficient knowledge and expertise but are not considered wealthy, may have limited access to the investment opportunities. Moreover, certain sectors, such as SMEs, cannot access the fundraising tools to raise capital. Since these types of fundraising tend to associate with high risk levels, investments in those underserved sectors are strictly limited to only a small group of investors by the current regulations to ensure investor protections.

SEC is therefore proposing amendments to the regulations related to investor segmentation to reclassify the type of investor by revising the financial qualification threshold as well as considering on the factors that reflect the knowledge and experiences of the investors. This will expand the pool of potential qualified investors and offer more opportunities for them to be able to invest in more variety of assets to increase their wealth. Also, this would increase the capital available for the fundraising tools responding to underserved sectors, which tend to be riskier, while still maintaining the appropriate investor protections.

Apart from investor segmentation, the proposed amendments also aim to ensure investor protection for investments in certain high-risk assets either by scoping the potential impacts within the narrow group of investors or by imposing the investment limit per investor.

The proposed amendments are expected to be enforced on any financial product regulated by SEC except cryptocurrency.

For further details of the public hearing, please visit [www.sec.or.th/hearing](http://www.sec.or.th/hearing).

Comments and suggestions can be submitted via the website or send an email to:  
[ratanant@sec.or.th](mailto:ratanant@sec.or.th) or [paneeya@sec.or.th](mailto:paneeya@sec.or.th). The public hearing ends on 21 May 2021.