

SEC Thailand's public hearing on the draft regulations of the ICO portal and digital token offering

The Securities and Exchange Commission, Thailand (“SEC”) is seeking public comments on the draft regulations of the digital token portal service provider (ICO portal) and digital token offering regarding the handling of conflicts of interest during the process of digital token issuance, allowing outsourcing for certain activities, and other ongoing supervisions, following the public hearing on the principles of proposed amendments to the related regulations of ICO portal and digital token offering during 23 June to 23 July 2022. The draft amendment to the related regulations aims to clarify the ICO portal about measures for preventing conflicts of interest in the digital token offering process and to enhance the flexibility and efficiency of the ICO portal, summarized as follows:

(1) Requiring the approved ICO portals not to provide service to the issuers that they may be related in such a way that may have an impact on their duty performance and their independence when conducting due diligence, for example, direct and indirect cross-shareholding between the potential issuer and ICO portal, having the same directors, etc.

(2) Allowing the ICO portal to outsource contacting and providing services to the investor and supporting activities related to digital token offering and subscription management. Still, it will not allow the ICO portal to outsource core functions such as due diligence ICO projects. In principle, the ICO portal must have a written outsourcing policy approved by the Board of Directors, measures, and service provider supervision. It must not operate as an empty box.

(3) Requiring the approved ICO portals to notify the SEC office when there are any changes the persons who are directors, managers, or persons with management authority in business operation or in case of unable to maintain qualification and operating systems as required by the regulation and ICO regulation about disclosure requirements on real estate backed ICO for issuer regulated under Securities and Exchange Act B.E.2535 to be comparable with other issuers.

For further details of this public hearing, please visit www.sec.or.th/hearing. Stakeholders and interested parties are also welcome to submit comments and recommendations via the SEC Thailand's website or email: thapanee@sec.or.th, amphornp@sec.or.th or chatchan@sec.or.th

The public hearing ends on 5 January 2023