

## SEC Thailand's public hearing on the draft regulations of debt-liked and infra-backed ICO

The Securities and Exchange Commission, Thailand (“SEC”) is seeking public comments on the draft regulations of debt-liked and infra-backed ICO, which were drafted based on the amendments proposed and published for public comments earlier. The proposed amendments aim to provide adequate and proper investor protection, prevent regulatory arbitrage, and promote the use of technology in fundraising.

The business model of ICO is developing and changing in a way that is structured similarly to existing securities under the securities law, such as debt-liked and infrastructure trust, while the regulatory standard under the ICO regulation is not equivalent to those under the securities offering regulation. Thus, SEC has revised the ICO regulations for debt-liked and infra-backed ICO to be comparable to those of similar securities as follows:

- For debt-liked ICO, the issuer structuring the return of the project in the form of a fixed return that is not varied to the performance of the project must disclose the information about the reasonable credit risk assessment of the project assessed by a digital token portal service provider (ICO portal) or an independent specialist and the factors used for rating methodologies to ensure that the investors have the adequate information especially relating to credit risk and creditworthiness of a project for investors before making an investment decision.
- For infra-backed ICO relying on the concept of tokenization by having infrastructure as underlying assets, the amendments are proposed to set out infra-backed ICO regulations comparative to infrastructure trust regulations consistent with the context of ICO, which includes specifying the types of infrastructure as underlying assets, asset due diligence and appraisals, trustee's role and responsibilities, asset management of the issuer, and other requirements.

For further details of this public hearing, please visit [www.sec.or.th/hearing](http://www.sec.or.th/hearing) and [www.law.go.th](http://www.law.go.th). Stakeholders and interested parties are also welcome to submit comments and recommendations via the SEC Thailand's website or email: [thapanee@sec.or.th](mailto:thapanee@sec.or.th), [pitthal@sec.or.th](mailto:pitthal@sec.or.th) or [chatchan@sec.or.th](mailto:chatchan@sec.or.th)

The public hearing ends on 30 August 2023