

SEC Thailand’s public hearing on the draft regulations on the offering of investment token, the regulation regarding custodial wallet provider, and other related regulations on the digital asset business operation

The Securities and Exchange Commission, Thailand (“SEC”) is seeking public comments on the draft regulations on the offering of investment token, the regulation regarding custodial wallet provider, and other related regulations on the digital asset business operation. The proposed regulations aim to provide greater protection to investors, which is consistent with the risks and nature of digital assets and related transactions, while continuing to support the development of innovation and technology in order to strengthen the growth of the capital market and the digital economy.

Under the draft regulations, the principal’s points are as follows:

- (1) Regulation of investment token by adjusting the investment limit of retail investors in order to comply with the product risk by removing the investment limit of retail investors in the case of asset-backed ICO, specifically real-estate backed ICO and infra-backed ICO, from the original limit of 300,000 baht per person per offering;
- (2) Review regulations to support custodial wallet providers by allowing them to provide services to related digital asset business operators in which they have common major shareholders. The custodial wallet providers allowed to do so must be listed companies* or subsidiary company in the group with expertise, experiences, and readiness in custody of customers' securities or financial asset as well as associated risk management. Furthermore, such custodial wallet providers must comply with the additional criteria;
- (3) Require digital asset business operators who wish to undertake other businesses to seek approval and obtain prior permission from the SEC in order for SEC’s efficient monitor on digital asset business operations; and

* Excluding the companies whose stocks are registered for trading in LiVEx platform, and their subsidiary companies

(4) Digital asset business operators must not provide services through digital asset operators operating illegally. This is to enhance the quality and the credibility of the overall digital asset market.

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 or jira-it@sec.or.th.

The public hearing ends on 7 September 2023.