

## SEC public hearing on proposed amendments to PVD Act to enhance oversight efficiency and investment flexibility

**Bangkok, 3 November 2023** – The Securities and Exchange Commission (SEC) is conducting a public hearing on proposed amendments to the Provident Fund Act B.E. 2530 (1987) (PVD Act) to keep pace with the establishment of provident funds in the form of pooled fund to increase the efficiency of fund management by providing more appropriate investment choices for members, determining clear duties of parties involved, and clarifying the powers and responsibilities of supervisory authorities.

During January – March this year, the SEC conducted a public hearing on proposed amendments to the PVD Act to support the development of fund structure, enhance the member protection mechanism with fair treatment and transparency, and increase flexibility for management of member contribution. Most respondents agreed with the proposed amendments and suggested further details for the amendments. The SEC has taken the public and stakeholders' comments and recommendations into consideration.

On 15 August 2023, the SEC Board Meeting No. 13/2566 approved the proposed amendments in principle, which contain the following essences:

1. revising the PVD Act to address the growing demand for pooled funds: Employers and employees shall have a mutual agreement that allows employees to become members of a provident fund through three different approaches: 1) a single fund, 2) a group fund, and 3) a pooled fund, established by an asset management company and subject to enhanced regulations to improve fund management efficiency and offer a wider range of investment choices to members. The revision also includes provisions for a central registrar to facilitate employers and employees through paperwork services and collection of contributions for the provident funds;

2. revising the PVD Act to enhance member protection, fair treatment and transparency: to ensure the availability of PVD data, to prescribe a clear application process and document requirements for fund registration, to improve the duties of employers, the Provident Fund Committee (PC) and fund managers, and to increase flexibility for members to manage their savings effectively to enhance the efficiency of provident fund as an effective retirement savings

and investment mechanism for employees. This includes measures such as automatic enrollment and default investment options, and more flexible withdrawal options from the fund;

3. revising the PVD Act to enhance the powers and responsibilities of the SEC and related authorities: prescribing powers and responsibilities of the Minister of Finance, the SEC Board, the Capital Market Supervisory Board, and the SEC Office. These entities are entrusted to supervise and regulate provident funds and prescribe additional rules to establish the appropriate standards and best practice for the operation of provident funds.

The consultation paper is available at

[https://www.sec.or.th/TH/Pages/PB\\_Detail.aspx?SECID=950](https://www.sec.or.th/TH/Pages/PB_Detail.aspx?SECID=950). Stakeholders and interested parties are welcome to submit comments and suggestions via the website or email: pajaree@sec.or.th, sirinad@sec.or.th, or thitimam@sec.or.th. The public hearing ends on 3 December 2023.

---