

SEC public hearing on the principles regarding the establishment on investment trust investing in environmental project(s).

The Securities and Exchange Commission, Thailand (“SEC”) is seeking a public hearing on the principles regarding the establishment and management on Investment Trust Investing in environmental project(s) (“**the Green Investment Trust**”) aiming to promote and encourage sustainability-interested investors and expand the financial sources for those who intend to raise fund.

At the present, Sustainable development on environmental matter is one of the important goals in both national and global levels and the public sector also provides policies to continuously support environmental conservation. Hence, SEC, as the key public sector in capital market, considers the use of capital market products to encourage investment in projects that conserve or preserve the environment, including developing areas for either the reforestation or afforestation to promote environmental development in Thailand by promoting and supporting sustainability-interested investors and expanding the financial sources for those who intend to raise fund on the legalized onshore-lands that used for reforestation or afforestation including but not limited to the farmers with their communities are capable to convert such lands to be securities.

In this regard, in January 2024 the SEC Board and the Capital Market Supervisory Board approved the principles to issue the regulations facilitating use of an investment trust as a vehicle to support an investment in environmental projects. The key principles of the Green Investment Trust are summarized as follows:

- (1) The investment policies shall be indicated to land onshore, which already conducted the afforestation or reforestation and has been registered with Thailand Greenhouse Gas Management Organization (“TGO”) on Thailand Voluntary Emission Reduction Program¹ or other internationally recognized verified carbon standard programs.
- (2) The Green Investment Trust’s revenue shall mainly come from selling carbon credits;
- (3) The appraisal of invested assets shall be creditable and be in line with the academic standards and having an aggregate value of such assets not less than 75 percent of the total value of the trust units offered for sale, including the amount of loan. (if any);

¹This program aims to conduct either the afforestation or reforestation with the purpose to absorb CO₂.

- (4) In accordance with the structure of the Green Investment Trust, the trustee shall be responsible for conserving the Green Investment Trust's assets, selecting and appointing the Trust Manager and overseeing the Trust Manager to perform as roles prescribed in the Trust Deed;
- (5) The eligible investor on Green Investment Trust shall be merely Institutional Investors or Ultra High Net Worth Investors* since the investment of the Green Investment Trust may consume long period of time and the volatility of its returns.

For further details of this public hearing, please visit www.sec.or.th/hearing Stakeholders and interested parties are welcome to submit comments and suggestions through the website or email: fundraisingpolicy@sec.or.th The public hearing ends on 18 March 2024.

*Note: the definitions are specified by The Notification of the Securities and Exchange Commission No. Kor Jor. 39/2564 Re: Determination of Definitions of Institutional Investor, Ultra-High Net Worth Investor and High Net Worth Investor, dated 24 December 2021