



STATEMENT OF INTENT



SECURITIES AND EXCHANGE COMMISSION

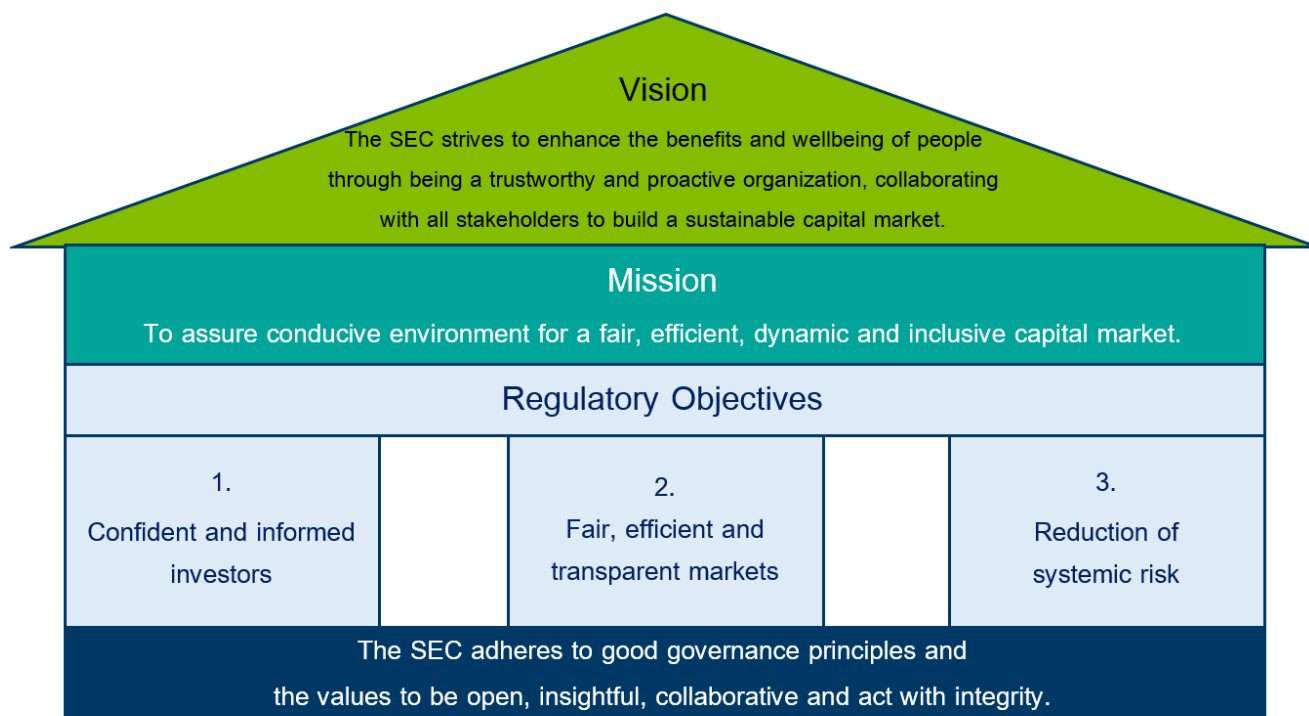
1. Objective

This Statement of Intent sets forth the intentions and commitments of the Securities and Exchange Commission (SEC) to effectively respond to the needs of the public and stakeholders in supervising and developing a sustainable capital market. The SEC administers the Securities and Exchange Act B.E. 2535 (1992), the Derivatives Act B.E. 2546 (2003), Trust for Transactions in the Capital Market Act B.E. 2550 (2007), Royal Enactment on Special Purpose Juristic Persons for Securitisation B.E. 2540 (1997), and Provident Fund Act B.E. 2530 (1987).

The SEC strongly believes that this Statement of Intent will aid the public and all capital market stakeholders to understand the SEC's role and operations, and promote confident participants of the capital market.

2. Vision and Mission

The SEC's vision, mission and objectives aim at supervising and developing the capital market to be efficient, transparent, inclusive, reliable, and in accordance with international standards.



The capital market plays an important role in society and the national economy. The SEC, as a capital market regulator, strives to enhance the wellbeing of people by promoting a conducive environment for transparent, efficient and fair markets. To achieve its objectives, the SEC oversees the quality of business operators, including their products and services, promotes a variety of financial tools, flexibility and competitiveness of securities businesses, safeguards market stability, ensures securities trading fairness, and facilitates easy access to information. The SEC expects that this will contribute to the comprehensive utilization of capital market benefits. However, the SEC's role does not involve preventing investor losses or ensuring compensation in the event such losses arise.

3. Future opportunities and challenges

The capital market is affected by the country's and global social, political and economic circumstances. The following factors may impact the role of the SEC:

- 3.1 Technology innovation and disruptions which may have a major impact on financial systems and behavior of market participants.
- 3.2 Integration and connectivity of financial markets, cross-border investments, competitiveness of the Thai capital market.
- 3.3 Changes in social structures, including an aging society, economic and social inequality, degradation of resources, and focus on sustainability that impact fundraising and investment behavior.
- 3.4 Changing expectations of the regulator to have an expanded role in creating an ecosystem that allows all parties to confidently utilize the benefits of the capital market. Expectations include:
 - Provide opportunities for businesses to operate independently with an effective supervision system in place to ensure an orderly market;
 - Be responsive to the different needs of market participants without unfairly advancing the interests of any particular group to the disadvantage of others;
 - Promptly deal with identified issues and misconduct within the scope of the regulator's statutory authority, while considering all relevant factors.

4. Strategic priorities

To achieve the legislative intent, the SEC's vision, mission, and objectives, as well as to be able to address the factors identified above, the SEC has agreed four strategic priorities as follows:

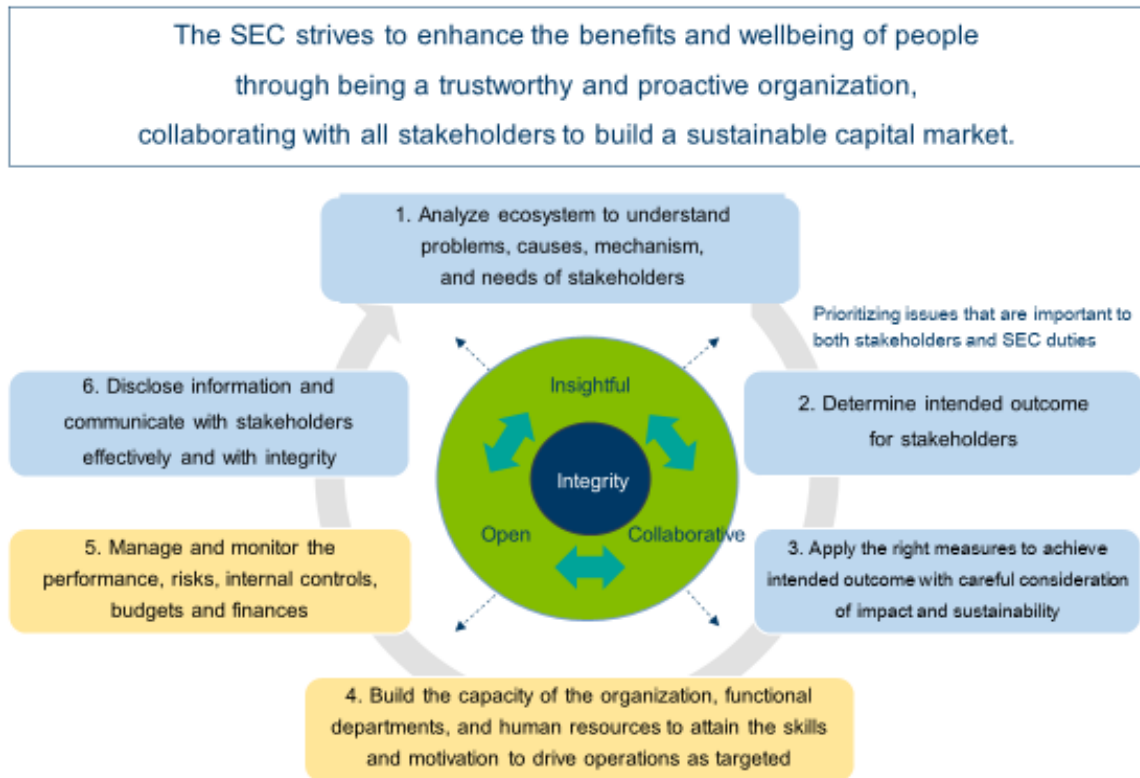
- 4.1 Strengthening efficiency and attractiveness of the Thai capital market and its position in the region as a preferred capital market venue;
- 4.2 Promoting good governance and high standards as an integral part of business of issuers, securities companies and institutional investors to create investor confidence and sustainable returns;
- 4.3 Empowering investors to make informed investment decisions;
- 4.4 Driving competitiveness and inclusiveness through the use of technology and innovation strategies.

The SEC monitors factors which may affect the reliability and stability of the capital market as a whole, including systemic risk, and collaborates with other financial regulators and relevant parties.

The strategic priorities may be adjusted if changing circumstances so require.

5. Achieving its strategic priorities

As the SEC operates within a legal framework, the SEC will focus on strengthening its own governance, enhancing organizational efficiency and effectiveness, and adhering to the **Sufficiency Philosophy** principles, namely, reasonableness, moderation, and self-immunization, with knowledge and ethics, to create a sustainable market.



5.1 Living the values

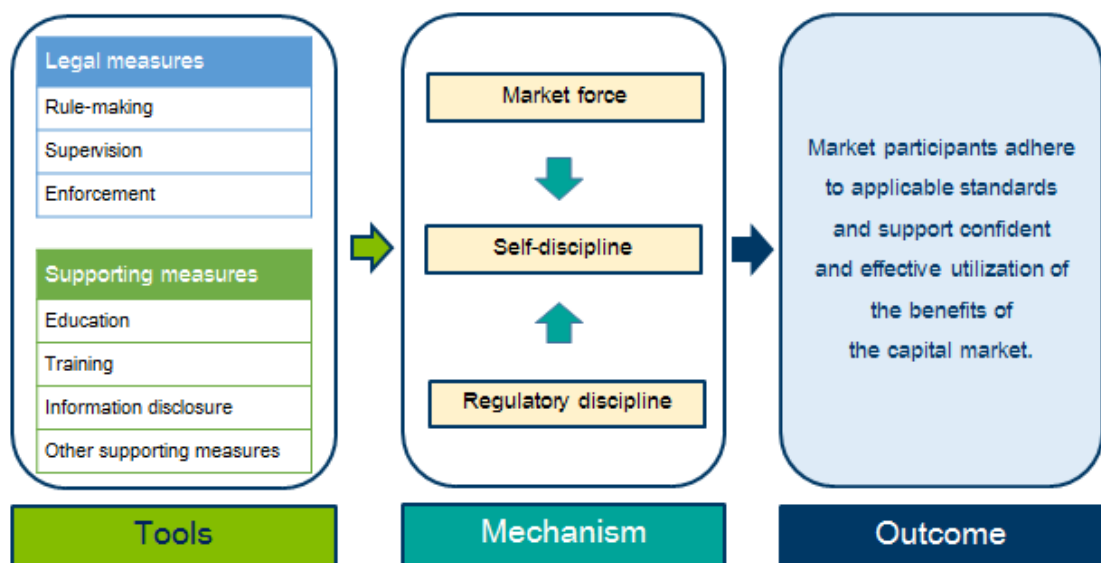
The SEC recognizes that human resources drive the organization's ability to achieve its objectives. Therefore, the SEC places strong emphasis on outcome-based development of employee competencies to ensure effective job performance for the benefit of investors, other stakeholders and the general public. Moreover, the SEC strives to ensure that the conduct of SEC commissioners ("SEC Board"), the Capital Market Supervisory Board members, and SEC employees at all levels is consistent with SEC values as follows:

- **Open:** Willingness to actively listen and have a constructive dialogue to understand the needs, limitations and opportunities of all relevant parties to achieve mutual understanding and benefits.
- **Insightful:** Ability to comprehend all relevant aspects of issues in their entirety, including causes and factors affecting the capital market, in order to respond appropriately.
- **Collaborative:** Ability to identify common goals and collaborate with relevant parties to achieve the best outcomes.
- **Integrity:** Being trustworthy, accountable and respecting the rule of laws and good governance principles to strengthen confidence of all stakeholders and the general public.

5.2 SEC governance framework

In proposing policies and measures, the SEC requires its employees to consider the following:

- (1) Analyze the ecosystem of a particular matter to understand related challenges, causes, and factors, including circumstances, risks, needs, and behaviors of relevant parties in the capital market. The SEC employs a collaborative approach to build relationships with and ensure engagement of relevant stakeholders.
- (2) Define clear intended outcomes within the scope of the SEC's statutory authority that create long-term benefits for stakeholders with due consideration of public policy and matters related to the economy, society and the environment.
- (3) Determine the necessary and appropriate measures to achieve intended outcomes with careful consideration of the impact of interventions on relevant parties and the ability to monitor implementation. The SEC believes that measures should achieve sustainable outcomes without imposing undue burdens on regulated persons.



Operating under limited resources, the SEC's approach to regulatory and supporting measures combines intervention and collaboration with relevant parties to strengthen mechanisms that support sustainable outcomes.

The SEC commits to ensuring effective enforcement of the securities laws and deterring and penalizing misconduct through appropriate sanctions that (1) prevent the offender from profiting from wrongful acts (disgorgement), (2) penalize the offender (discipline), (3) discourage misconduct, and (4) inform the public of enforcement action taken.

- (4) Ensure effective management, monitoring and evaluation, including risk and budgeting management, internal control, adequate financial resources, performance evaluation against the SEC's objectives and plans, and prevention of conflicts of interest.
- (5) Disclose relevant information and communicate with market participants effectively and with integrity to deliver accountability to stakeholders. The SEC recognizes the importance of disclosure and transparency concerning its operations and decision-making processes to duly inform the public. Effective accountability allows market participants to gain a comprehensive understanding of the SEC's role and operations.

5.3 Human resources and organizational development

To strengthen accountability and enhance organizational capacity, the SEC will focus on the following:

(1) Board level

- Strengthen the SEC Board's leadership role in defining the organization's direction and strategies and ensuring that the Capital Market Supervisory Board and the SEC Office meet the organization's vision, mission and objectives;
- Ensure appropriate criteria and procedures for the nomination of experts;
- Nurture a collaborative work environment for the SEC Board, the Capital Market Supervisory Board and the SEC Office, conducive to the pursuit of common goals in the interest of a sustainable capital market;
- Conduct board evaluations for constructive feedback

(2) SEC Office level

- Arrange the organizational structure to reflect the interests of stakeholders and the structure of the capital market;
- Ensure a sufficient number of employees, provide training and appropriate compensation to incentivize employees. The SEC realizes the importance of employee diversity, development and compensation to develop and retain professional and experienced employees whose interests are aligned with the vision, objectives and values of the organization;

- Effectively manage resources to maintain financial stability. The SEC's income is derived from the application fees for the issuance and offering of securities, license and business undertaking fees, annual contribution from the Stock Exchange of Thailand. To ensure continuity of the SEC's operations and to avoid an excessive burden on market participants, the SEC will periodically review the fee structure and other sources of income, as appropriate;
- Establish and update information systems, encourage innovation and promote the use of technology throughout the organization to effectively support and safeguard the continuity of the SEC's operations.

6. Accountability of the SEC

The SEC is accountable to the State, regulated persons and the public.

6.1 Accountability towards the State

The Minister of Finance is in charge of the enforcement of the Securities and Exchange Act B.E. 2535 (1992) and other laws under the supervision of the SEC. The SEC is responsible for:

- Preparing and filing with the Minister a three-year operating plan in line with the National Economic and Social Development Plan and the Capital Market Development Plan;
- Reporting to the Minister on the annual operating performance and financial statements as audited by the Audit Committee;
- Remitting the remaining income to the State after deducting the expenses and reserves as approved by the Minister.

6.2 Accountability towards regulated persons and the public

- Organizing a focus group and/or public hearing before issuing regulations and publicly disclose the results of such hearings;
- Providing communication channels for stakeholders and a complaint handling mechanism;
- Disclose the strategic plan and related operating performance;

- Disclose enforcement actions and statistics to inform the public of violations of the securities laws and the SEC's considerations in enforcement actions, and deter misconduct;
- Disclose the budget and financial statement.

The SEC discloses information through different channels, including meetings, websites, annual reports and other appropriate channels.

7. Collaboration with other regulators and relevant persons

To perform its duties effectively, the SEC collaborates with other regulators, persons, and organizations (domestic, foreign, international), as appropriate, to ensure effective supervision and development of a sustainable capital market. Examples are:

- Government entities, such as the Fiscal Policy Office, the State Enterprise Policy Office, the Bank of Thailand, the Office of Insurance Commission, Department of Business Development
- Law enforcement agencies, such as Office of the Attorney General, Economic Crime Suppression Division, Department of Special Investigation, Anti-Money Laundering Office, Office of the National Anti-Corruption Commission
- Relevant organizations and persons in the capital market, such as the Stock Exchange of Thailand, Thai Listed Companies Association, Federation of Thai Capital Market Organizations, Association of Securities Companies, Association of Investment Management Companies, Federation of Accounting Professions, Thai Investors Association, Thai Institute of Directors, The Thai Bankers' Association, Association of International Banks, Thai Life Assurance Association, Thai Financial Planners Association
- Regional collaboration and international organizations, such as ASEAN Capital Markets Forum (ACMF), Asian Development Bank (ADB), International Organization of Securities Commissions (IOSCO), The Organisation for Economic Co-operation and Development (OECD), International Monetary Fund (IMF), World Bank, and foreign supervisory and regulatory counterparts. Collaboration supports the exchange of information, enforcement

of the securities laws, the development of capital markets in the region, and meeting international standards.

8. Conclusion

The SEC is committed to performing its role as specified by law, pursuant to good governance principles, in line with its vision, mission and values, and in support of the country's "**Stability, Prosperity, Sustainability**" goals. The SEC will take into account the interests of stakeholders, society and the environment to develop a sustainable capital market in support of a strong national economy for the benefit and wellbeing of the country and its people.



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