

The SEC Thailand's public hearing on the regulatory framework for crypto ETF

The Securities and Exchange Commission (SEC) is seeking public comments on the regulatory framework for crypto exchange-traded fund (crypto ETF) in Thailand. The consultation covers principles relating to the establishment of crypto ETF, the delegation of digital asset investment management for mutual fund (MF), and the qualifications for digital asset custodial wallet provider (DA Custodian) and other digital asset business operator to serve as fund supervisors for crypto ETF.

This initiative aims to expand investment options for investors, enhance the capabilities of business operator, promote greater diversity of products in Thailand's capital market, and further strengthen the crypto ETF ecosystem under a regulatory framework that ensures adequate and proper investor protection in place.

At SEC Board Meeting No. 13/2568 on 4 December 2025, and Capital Market Supervisory Board Meeting No. 2/2569 on 17 February 2026, the Boards approved the proposed regulatory framework for crypto ETF and the related regulations concerning the delegation of digital asset investment management for MF. In addition, the SEC also proposed amendments to the fund supervisor regulations by allowing qualified DA Custodian and other digital asset business operator to serve as fund supervisors for crypto ETF. This is intended to broaden investment opportunities for investors, particularly those seeking exposure to crypto assets through MF. The initiative also seeks to promote the development of Thai business operator and to support a more well-rounded and robust crypto ETF ecosystem.

The proposed amendments are summarized as follows:

1. Principles Governing the Establishment of Crypto ETF

In the initial phase, the SEC proposes to facilitate the establishment of spot crypto ETF that invests directly in the underlying crypto. This product is intended to employ relatively simple structures to enhance investors' understanding of their characteristics and associated risks, while ensuring that they are managed by asset management companies (AMCs) operating under appropriate custody arrangements. Crypto ETF would fall within the general regulatory framework governing ETF and would be further supplemented by the relevant requirements applicable to MF that invest in digital assets. In this context, the SEC sets out the following proposed supplementary principles:

1.1 AMCs seeking to establish crypto ETF should demonstrate adequate sufficient organizational readiness, including appropriately qualified personnel, robust operational systems, and the engagement of competent service providers, to ensure that the fund can operate in a secure, efficient, and orderly manner.

1.2 Crypto ETF should be structured as passive investment vehicles that seek to replicate the performance of a single underlying crypto, maintaining net exposure to that asset of no less than 80 percent of net asset value over the accounting period. Eligible crypto, as designated by the SEC, must exhibit high liquidity and broad market acceptance; at the initial stage, these comprise Bitcoin and Ethereum.

1.3 Crypto invested by crypto ETF should be primarily safeguarded by a SEC-supervised digital asset custodian (DA Custodian) to ensure robust investor protection and effective regulatory oversight.

1.4 Crypto ETF should be listed and traded on the Stock Exchange of Thailand, accompanied by appropriate measures, including investor education, mechanisms to ensure that investors adequately understand the associated risks prior to trading. These measures should further underscore prudent investment principles, including avoiding excessive concentration in digital assets and ensuring that investment decisions are aligned with each investor's individual risk tolerance and financial capacity.

1.5 Other relevant requirements include strengthening disclosures to ensure investors clearly understand the fund's characteristics, risks, and structural features. The SEC will also amend applicable rules to allow MF and private fund (PF) to invest in Thai-domiciled crypto ETF—previously limited to foreign crypto ETF—while remaining subject to existing investment limit regulations.

In addition, during the initial phase, the SEC will restrict the availability of alternative products linked to overseas crypto ETF, such as depositary receipt referencing such ETF and arrangements enabling Thai brokerage company to facilitate retail investor access, to support the domestic crypto ETF ecosystem and strengthen the capabilities of Thai business operator.

2. The delegation of digital asset investment management for MF

To ensure that the delegated party is appropriate for managing digital asset investments for MF, the outsourcee must be a licensed Digital Asset Fund Manager (DA Fund Manager).

3. The qualifications for digital asset custodial wallet provider (DA Custodian) and other digital asset business operators to serve as fund supervisors for crypto ETF

3.1 DA Custodians and other digital asset business operators will be recognized as qualified financial institutions eligible to act as fund supervisors for MF, as designated by the SEC under Section 121 of the Securities and Exchange Act B.E. 2535 (1992).

3.2 A DA Custodian or other digital asset business operator acting as a fund supervisor will only be permitted to supervise crypto ETF. To qualify, the operator must possess adequate and proper qualifications in key areas such as financial standing, personnel, and operational systems, sufficient to perform fund supervisor duties for crypto ETF. These qualifications must be consistent with the existing regulatory framework governing fund supervisors of MF and must be maintained throughout their role as fund supervisor.

3.3 A fund supervisor that is a DA Custodian or other digital asset business operator may appoint a sub-custodian to safeguard assets in accordance with existing regulations. For the custody of digital assets, such custody must be carried out by a licensed DA Custodian.

In addition, existing fund supervisors such as commercial banks, or fund supervisors that are digital asset business operators, may appoint a foreign digital asset custodian as sub-custodian however, in such cases, the foreign custodian must meet the qualifications required for entities permitted to custody digital assets for digital asset business operators under the SEC Board Notification on Rules, Conditions, and Procedures for Operating Digital Asset Businesses, and must also be subject to oversight by a recognized regulatory authority, as prescribed.

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: chavisa@sec.or.th, thanunya@sec.or.th, pattarav@sec.or.th, nut@sec.or.th, or thapanee@sec.or.th, until 11 May 2026.