

SEC Thailand's Public Hearing on Debt Crowdfunding Regulations

To facilitate greater access to capital by SMEs and startups, the SEC Thailand is currently conducting a public hearing on amendments to crowdfunding regulations to allow for fundraising through issuance of debt securities ("debt crowdfunding").

The proposed scheme will leverage on the existing equity crowdfunding scheme. The following key amendments are being considered:

- (1) SMEs or startups will be able to raise fund by offering secured or non-secured plain vanilla debt securities through registered crowdfunding portals.
- (2) Portals that will conduct debt crowdfunding business must have in place credit worthiness assessment system in addition to the 11 systems already prescribed for equity crowdfunding portals and must disclose the factors used in such assessments.
- (3) Investment limit for each retail investor will be increased from 50,000 baht per issuer to 100,000 baht per issuer (counting both equity & debt securities in such limit).
- (4) Aggregate investment limit for each retail investor will be increased from 500,000 baht in any 12-month period to 1 million baht in any 12-month period (counting both equity & debt securities in such limit).
- (5) Previous requirement on clear separation between amounts offered to retail and non-retail investors will be lifted to allow for greater flexibility.

The SEC Thailand will also adjust crowdfunding regulations to be more in line with other regulations, such as definition of private equity trust and venture capital, as well as some rules regarding trading in secondary market.

For more details of this public hearing, please visit www.sec.or.th/hearing or contact FinTech Department at 0-2263-6047 or fintech@sec.or.th. The consultation period will end on January 28, 2019.