

SEC's public hearing on the proposed amendment to the Securities and Exchange Act B.E. 2535 (1992) and Derivatives Act B.E. 2546 (2003)

The Securities and Exchange Commission, Thailand ("SEC") is seeking the public comments on the proposed amendment to the Securities and Exchange Act B.E. 2535 (1992) ("SEA") and the Derivatives Act B.E. 2546 (2003) ("DA"). This amendment is aiming to enhance supervisory efficiency and investor protection, to reduce obstacles in operating business, and to keep up with the changing environment towards technology advancement.

The amendments of SEA cover these following issues:

1. The Offering of Digital Tokens:

To amend the definition of "securities" under the SEA to cover other financial assets with similar characteristics to traditional securities, e.g. investment tokens or utility tokens for incomplete products or services, as well as other provisions of the SEA that are incompatible with the nature and process of digital token offering and the digitization of traditional securities.

2. The Establishment of Securities Trading Center, including the Amendment of the Provisions regarding the Directors, Executives and Major Shareholders of Securities Depository and Clearing House:

To amend legal obstacles to set up the business as a securities trading center to accommodate the trading of securities and digital tokens. In addition, the amendment also covers the revamp on provisions related to directors, executives and major shareholders of the clearing house and the securities depository so as to be consistent with those enforced to the personnel in securities and derivatives businesses.

3. The Protection of Assets of the Depositor in case of Securities Depository's Bankruptcy:

To improve the legal framework in order to evidently afford protection to the securities balances of participants and investors held in the depository's name, in the event of its bankruptcy. Parallely, to clarify the beneficial ownership rights of the depositors and investors.

4. The Enhancement of SEC Supervision on Stock Exchange of Thailand ("SET"):

To give SEC board power to issue business conduct rules, as well as to impose penalties on SET, including its directors and executives in case of contravention of any rules or orders of SEC board.

5. The Improvement on the Auditing of SET and Securities Trading Center's Financial Statements:

To require SET and securities trading center to have their financial statements audited by qualified auditors who are under the qualified audit firms.

6. The Scope Expansion of the Measures to Prevent Unfair Practices for all Trading Venues:

To expand the scope of measures to prevent unfair practices by covering the unfair practices that might occur in all trading venues not only through SET, and securities trading center, but also electronic trading platform (ETP) or any other potential trading platforms.

The amendment of DA covers the oversight of the directors, executives and major shareholders of the derivative exchange and the derivative clearing house to be in line with the provisions enforced to the personnel in securities and derivatives businesses.

For further details of the public hearing, please visit www.sec.or.th/hearing. Stakeholders and interested parties are welcome to submit comments and recommendations via the website, or email: thitika@sec.or.th, patarasaya@sec.or.th, sarochac@sec.or.th, sarochat@sec.or.th, or thanapatk@sec.or.th.

The public hearing process will end on 24 December 2020.