

SEC Thailand's public hearing on proposed amendments to the Digital Asset Fund Manager and Digital Asset Advisory Service in terms of customer services.

The Securities and Exchange Commission, Thailand (SEC) is seeking public comments on the proposed amendments regarding Digital Asset Fund Manager and Digital Asset Advisory Service in terms of customer services related to decentralized finance platforms (DeFi platform)*. The proposed amendment aims to safeguard the public from ultra high risk as there were cases of scams and cyber thefts occurred in the past. Investors may suffer losses, and they may not be able to sue or obtain a reimbursement because only the platform developer has the authority to access and control over the assets. In addition, transactions on the DeFi platform are in their early stages. There are various forms and characteristics of services on DeFi platform which might be regulated under the various laws and the relevant agencies are considering them.

Given the current situation, the SEC is reviewing the regulations on Digital Asset Fund Manager and Digital Asset Advisory Service in terms of customer services, covered the following key issues:

- (1) Digital Asset Fund Managers are prohibited from managing clients' assets by engaging digital assets into any DeFi platform transaction, such as lending and borrowing digital assets, liquidity pool.
- (2) Digital Asset Advisors are prohibited from giving advice to clients or conducting any analysis regarding DeFi, such as investment recommendation on the DeFi platform.

For further details of this public hearing, please visit

https://www.sec.or.th/TH/Pages/PB_Detail.aspx?SECID=772. Stakeholders and interested parties are welcome to submit comments and recommendations via the website or email: kunpatu@sec.or.th kanokkan@sec.or.th and chawannuch@sec.or.th

The public hearing will end on 7 January 2022.

*The DeFi platform is a technology-based financial services platform that is decentralized. There is no intermediary required. Use smart contracts as the primary mechanism for controlling the execution of certain conditions.