

## SEC public hearing on proposed amendments to capital requirements of digital asset exchanges, brokers, and dealers

The Securities and Exchange Commission (SEC) is seeking public comments on proposed amendments to capital requirements of digital asset exchanges, brokers, and dealers to ensure sufficient fund, improve market confidence, strengthen investor protection, and allow additional flexibility.

The SEC is proposing to amend capital requirements of digital asset exchanges, brokers, and dealers (digital asset operators) as approved in principle by the SEC Board's Meeting No. 8/2565 dated 7 July 2022. The proposed amendments aim to ensure sufficient fund, improve market confidence, strengthen investor protection, and allow additional flexibility. The proposed rules include

**(1) Paid-up capital requirement:** The revision is intended to ensure adequate capital and reflect business commitment. The paid-up capital for asset-keeping exchanges, brokers, and dealers is raised from 50, 25, 5 billion Baht to 100, 50, and 50 million Baht, respectively.

**(2) Ongoing capital requirement (Net Capital: NC):** The proposed rule adopts risk-based capital structure to ensure enough financial resources for business continuation and compensation on losses or damages resulting from business activities. NC requirement is revisited to better reflect risks, this includes 100% NC of customers' asset in hot wallet, and a revised NC rate of customers' asset in cold wallet.

**(3) The proportion of customer's digital asset in custody:** The restricted proportion of customer's asset in hot wallet is uplifted in the case of custody size 1 billion Baht or smaller to improve practicality, while 100% NC of hot wallet is enforced promptly to ensure risk coverage.

**(4) Related regulations:** These includes the revision of rules and procedures applied when digital asset operators cannot meet NC minimum requirement, and the proposal to repeal capital requirements for an impractical type of digital asset operator.

The consultation paper is available at [https://www.sec.or.th/TH/Pages/PB\\_Detail.aspx?SECID=847](https://www.sec.or.th/TH/Pages/PB_Detail.aspx?SECID=847). Stakeholders and interested parties are welcome to give comments and suggestions via the website or email: [patima@sec.or.th](mailto:patima@sec.or.th) or [dusit@sec.or.th](mailto:dusit@sec.or.th). The public hearing ends on 12 December 2022.

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