

SEC Thailand’s public hearing on the draft regulation to prohibit the digital asset business operators to provide or involve with crypto deposit taking and lending services

The Securities and Exchange Commission, Thailand (“SEC”) is seeking public comments on the draft regulation to prohibit the digital asset business operators to provide or involve with crypto saving (deposit taking) and lending services. The proposed regulation aims to provide greater protection to investors, reduce associated risks, and prevent misunderstandings that deposit taking & lending services are supervised the same as regulated digital asset businesses.

Under the draft regulation, the digital asset business operators will be forbidden to undertake the following activities:

- (1) Accepting deposits of digital assets from the customers and lend, invest, stake or employ such digital assets.
- (2) Accepting deposits of digital assets from the customers and pay the customers regular interests or other types of benefits from their own source of fund, unless those activities are in accordance with the sale promotion rules.
- (3) Advertising, persuading or any other acts in the manner of supporting the deposit taking & lending services under (1) and (2) of other service providers.

However, the prohibition will not cover such activities as follows: (1) the transfer of digital assets by customer’s instruction, (2) the staking of digital assets for blockchain consensus mechanism, (3) the distribution of the digital assets that the digital asset business operators receive from blockchain hard fork or soft fork and the airdrop from token issuers, (4) the dissemination of general information or knowledge on decentralised finance, and (5) the activities which are in the part of regular businesses of the digital asset business operators.

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: kanjanachat@sec.or.th or thanapatk@sec.or.th.

The public hearing ends on 7 April 2023.