



Guidelines for Driving the Capital Market 2025 - 2027



Fundraising



Securities Trading



Financial Well-Being



Sustainability



Digital Capital Market



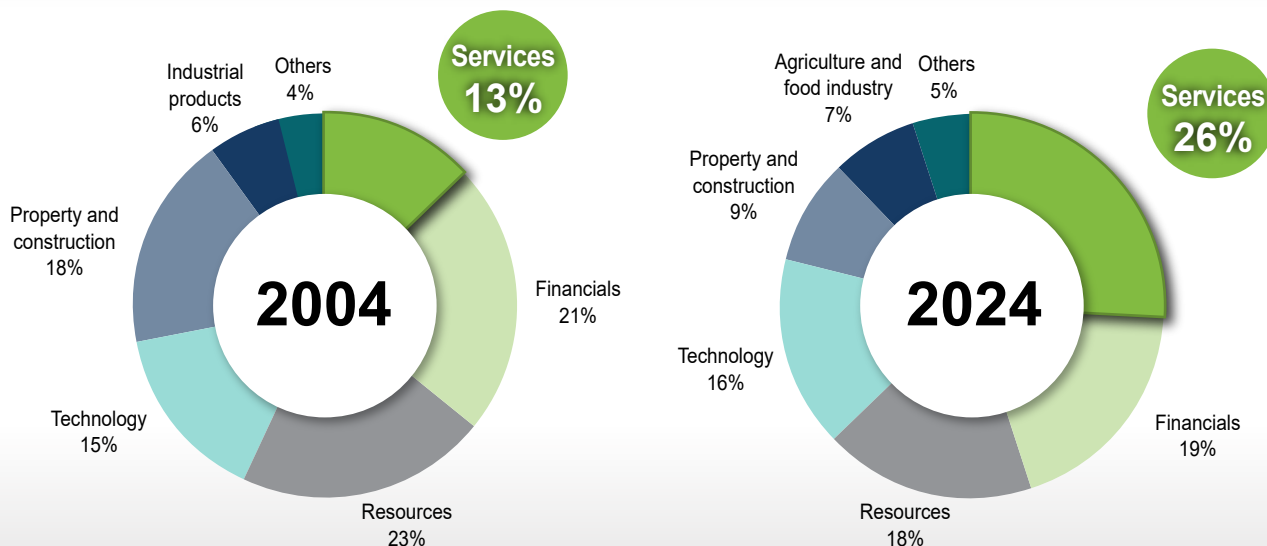


Fundraising

Facts and Figures

Growing service sectors on SET, reflecting Thailand's target industries

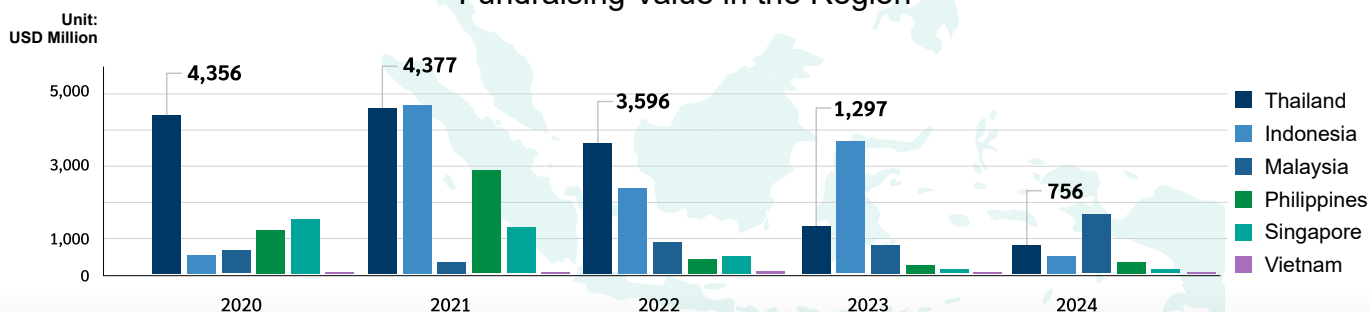
SET Market Capitalization Categorized by Industry Groups



Source: SET

Over the past five years, fundraising in Thailand has declined significantly, mirroring the trend across the region.

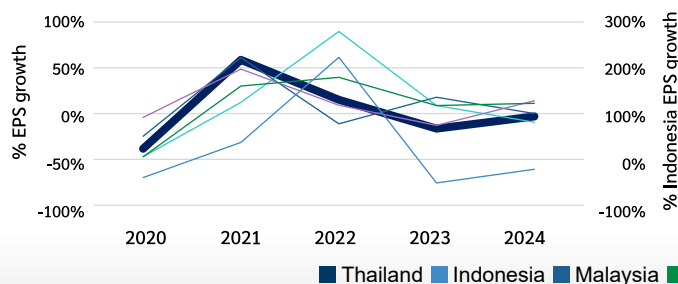
Fundraising Value in the Region



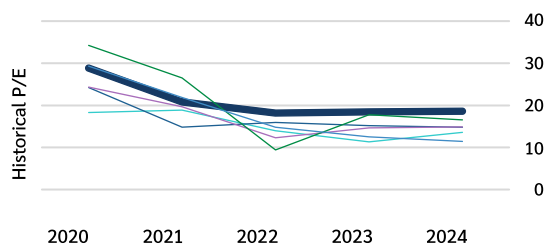
Source: Deloitte

SET has become less attractive, following the same trend as regional markets

EPS Growth



P/E Ratio



Note: Indonesia(JCI) (RHS)

Source: Bloomberg

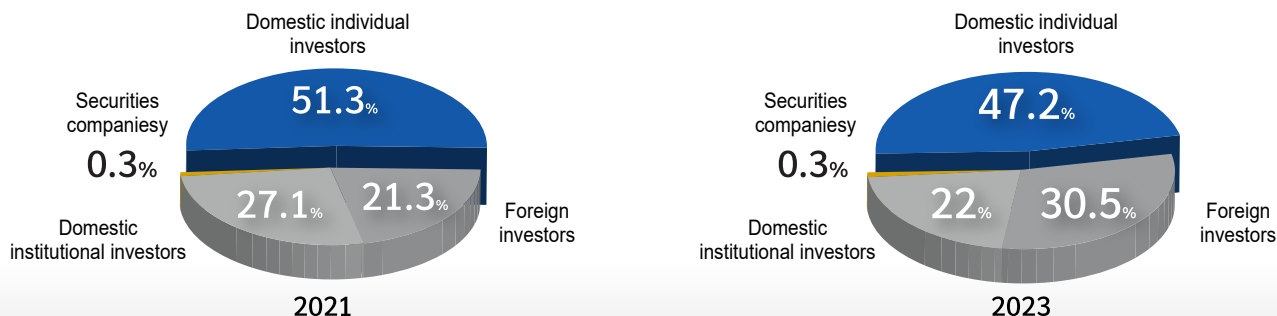


Fundraising

Facts and Figures

Shareholding of domestic individual investors has declined

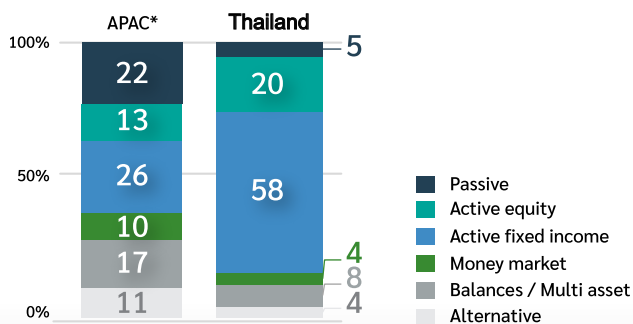
Shareholding Proportion by Investor Types Based on Market Capitalization



Source: SET

Domestic investors' investments are concentrated in fixed income at 58%, unlike in APAC, where investments are more diversified

Investment Diversification Ratio of Investors

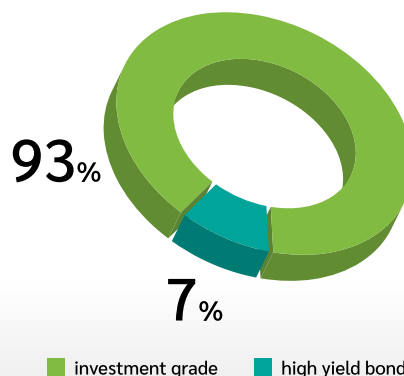


*Asia-Pacific Countries

Source: McKinsey & Company (2022)

93% of debt securities are investment grade

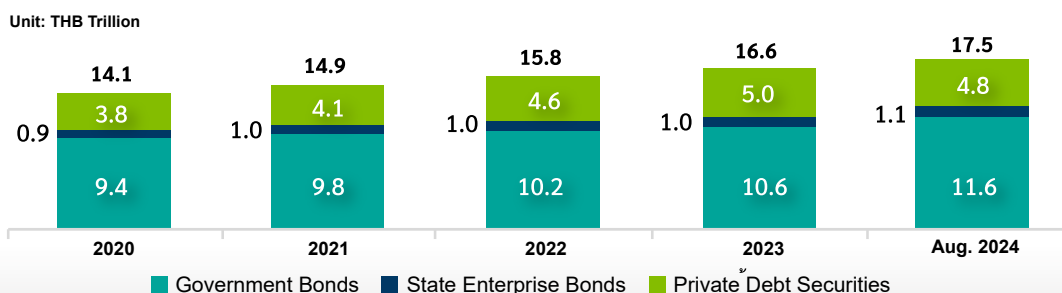
Outstanding Value of Corporate debt securities Categorized by Credit Rating



Source: SEC Thailand (Nov 2024)

Outstanding Value of Debt Securities Has Grown by 23% in Five Years

Outstanding Values of Government Bonds and Corporate bonds



Source: SEC Thailand



Fundraising

Challenges



Fraud issues within listed companies persist and the Three Lines of Defense mechanism of market professionals remains weak.



Stock exchange has become less attractive, the same trend across the region, with more demands for new growth.

Measures Implemented



Strict measures imposed on listed companies and bond issuers, including the disclosure of information and the roles of company directors and audit committees.



Inspection and operating improvement of professionals in the capital market.

Action Plan for 2025 – 2027

“Building Trust and Confidence and Supporting the Creation of Sustainable Value”



Evaluate the effectiveness of the implemented measures while maintaining a balance between regulation and fundraising costs.



Enhance the internal audit of listed companies and strengthen the oversight of financial advisors and auditors.



Enhance disclosure of information reflecting value creation (Corporate Value-Up Program), including the sustainable development of listed companies.

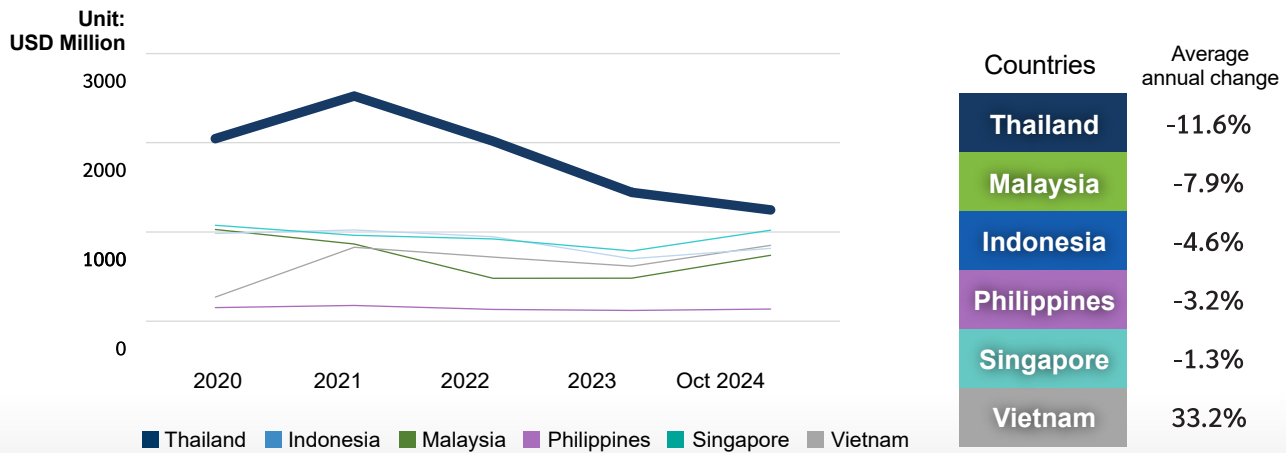


Securities Trading

Facts and Figures

Thailand's average stock trading value has declined the most in five years

Average Daily Trading Values

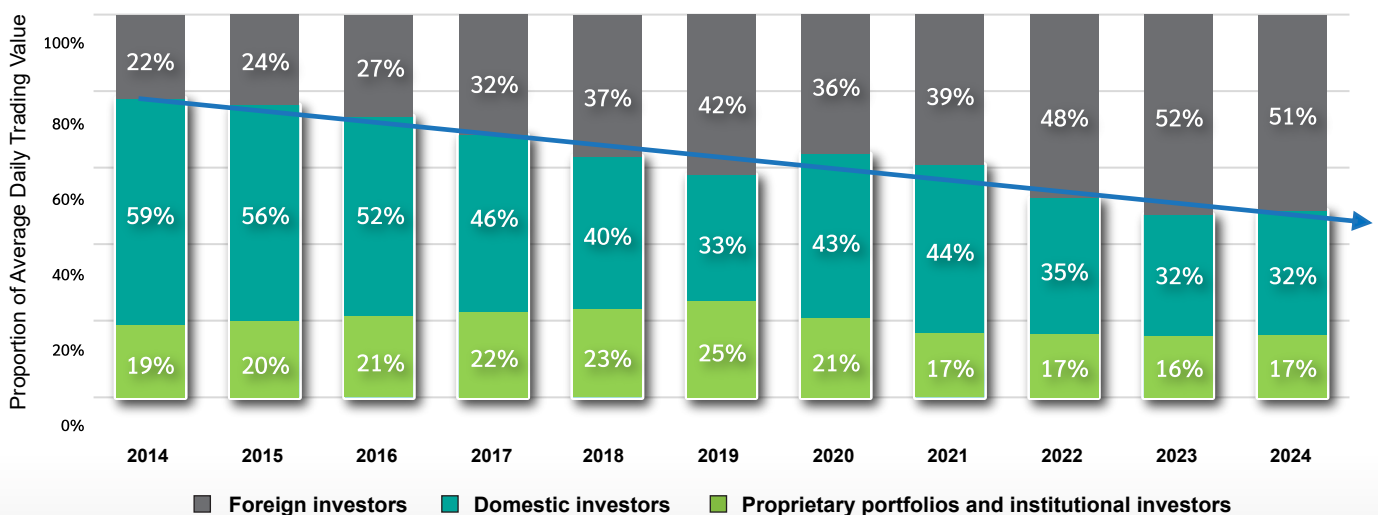


Source: World Federation of Exchange (WFE)

Over the past 10 years, the trading value of domestic investors has significantly declined, impacting securities companies' revenues



Proportion of Average Daily Trading Values by Investor Types



Source: SET

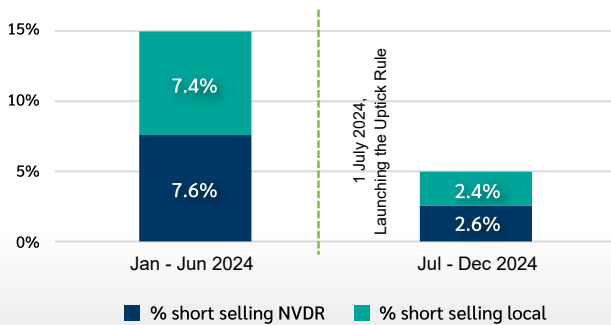


Securities Trading

Facts and Figures

Short selling has declined after the implementation of the uptick rule

Proportion of Short Selling Values

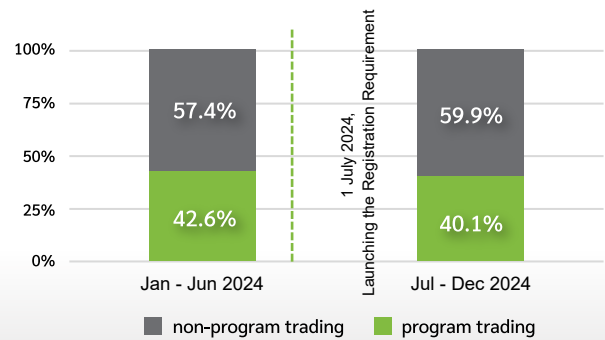


Source: SET

Program trading has declined after the registration requirement



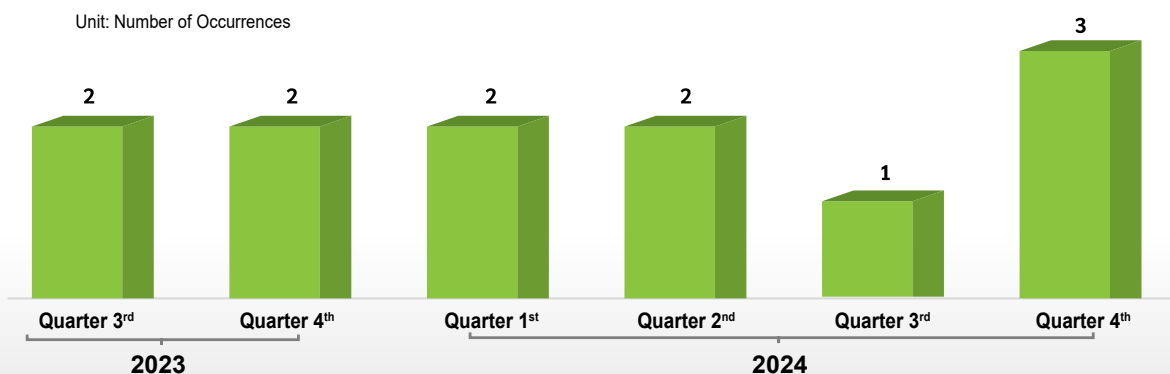
Proportion of Program Trading Values



Source: SET

Cyber threats occur periodically but do not have a widespread impact and remain at a manageable level

Number of Cyber Threat Cases in the Capital Market



Source: SEC Thailand

Challenges



The proportion of short selling and program trading is growing in line with global trends.



Trading value has declined but remains among the top in the region.



There are challenges regarding access to trading data and inter-security company data.

Measures Implemented



Measures to manage unusual share price volatility and inappropriate trading behaviors.



Measures to upgrade the roles of The Stock Exchange as a self-regulatory organization (SRO).

Action Plan for 2025 – 2027

“Collaborating with market participants to suppress inappropriate practices”



Evaluate the effectiveness of the implemented measures while ensuring a balance between investor protection and the promotion of market liquidity.



Enhance data quality and improve the efficiency of business operators in preventing misconduct, such as through a securities bureau for providing collateralized securities information, and provision of responsible advice.



Collaborate with the stock exchange to enhance law enforcement.



Enhance the capability of business operators in responding to cyber threats (cyber resilience).

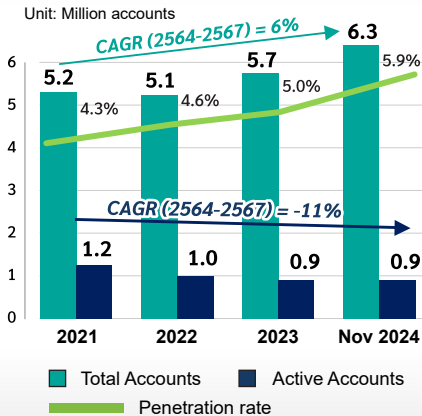


Financial Well-being

Facts and Figures

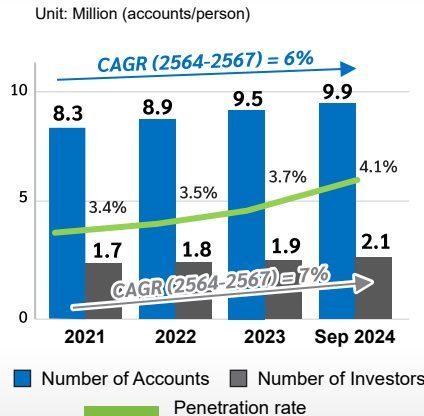
The penetration rate of mutual funds and corporate bonds has grown continuously but the number of active stock trading accounts has declined

Number of Stock Trading Accounts

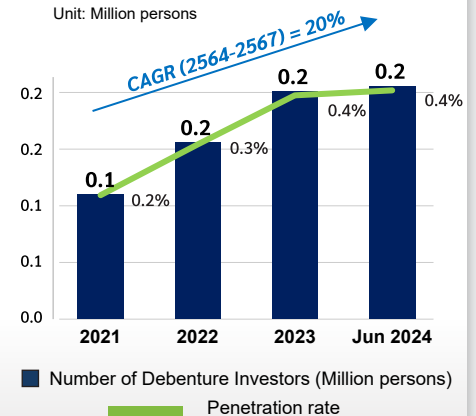


CAGR (Compound Annual Growth Rate)
Source: SET and SEC Thailand

Number of Accounts and Investors of Mutual Funds

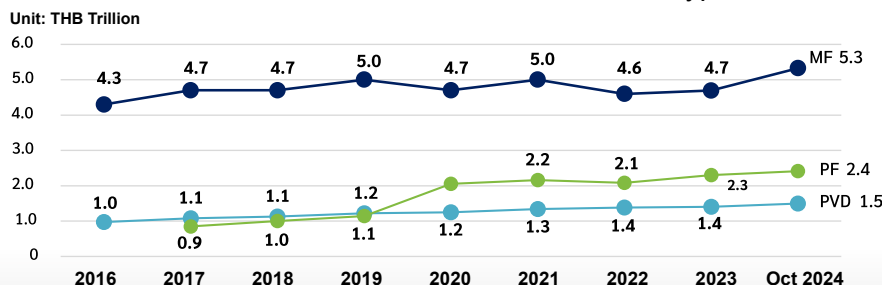


Number of Debenture holders



Investments through mutual funds continue to grow, with private funds (PF) experiencing high growth and expanding retail services

Market Value of Investment in Each Type of Fund



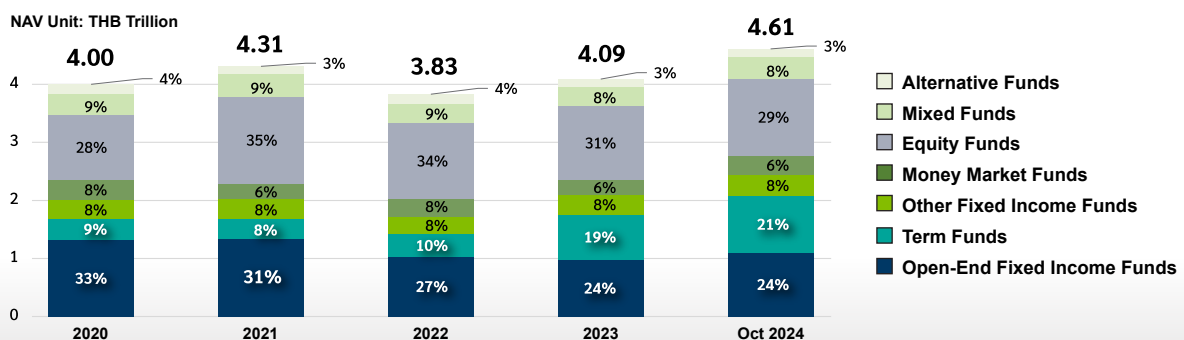
CAGR*
6%

19%
7%

CAGR Compound Annual Growth Rate
Source: SEC Thailand

More diversified investment policies of mutual funds

Net Asset Values of Mutual Funds Categorized by Investment Policies



Source: SEC Thailand

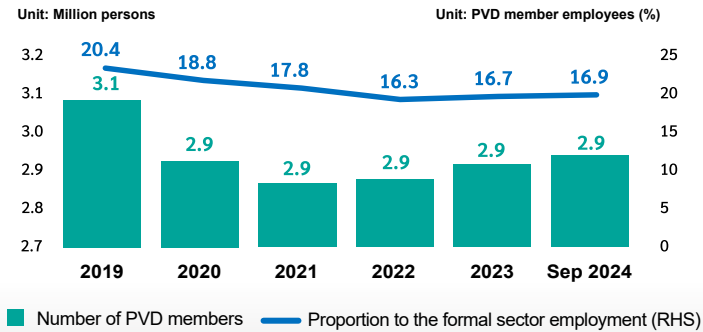


Financial Well-being

Facts and Figures

Provident funds (PVD) has significant growth potential, especially in listed companies

Number of PVD members



Source: SEC Thailand

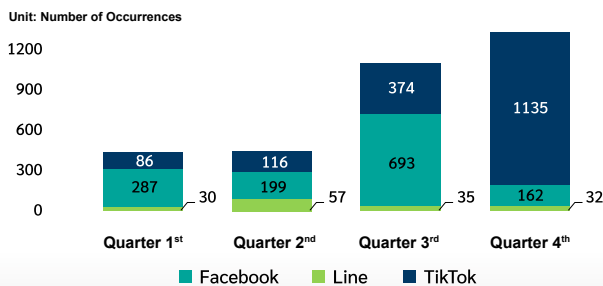
Number of PVD members Being Listed Company Employees, As of 2023

Company Size	Number of Listed Companies	Total Number of employees (persons)	Number of PVD members (persons)	PVD members (%)
S	113	20,666	2,998	15%
M	264	96,727	31,304	32%
L	424	1,676,333	805,697	48%
Total	801	1,793,726	839,999	47%

Source: SET

Online investment scams continue to increase

Number of Investment Scam Report Cases through the SEC Hotline



Source: SEC Thailand (2024)

47%

of Gen Z

uses social media to seek investment information.

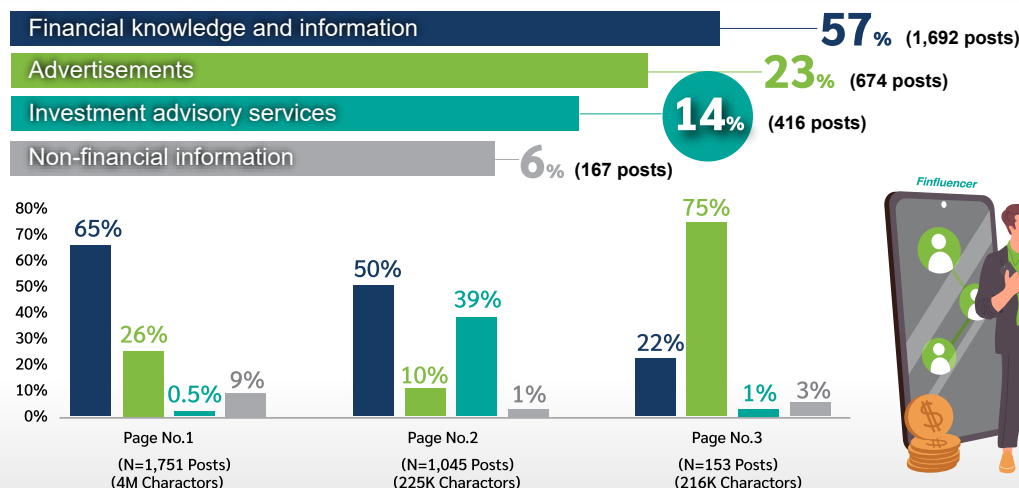
Finfluencer

play a role in investment decisions among Gen Z
(Thai Finfluencers have a total of 16.9 million followers)

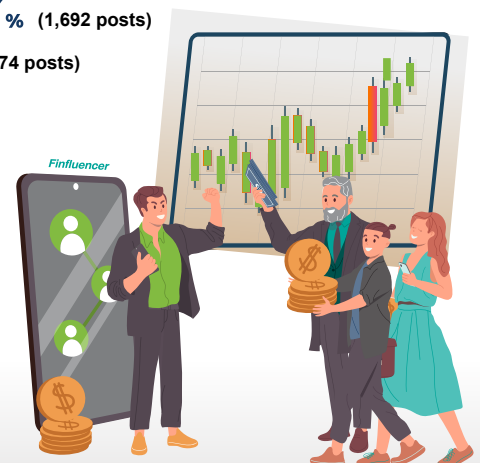
Source: SEC Research and Data Department (As of November 2024)

Random samples of three major social media platforms found investment advisory services

Proportion of Posts Categorized by Types of Content, as of November 2024



Source: SEC Thailand





Financial Well-being

Challenges



Financial services/products do not yet meet the needs of investors, and access to investments still has limitations.



Investment scams and frauds have become more diverse.



Investors still lack knowledge, with an increasing reliance on information from social media, and financial influencers play a role in decision-making.



Investments are insufficient to support retirement, and savings through PVD are still low. Only 47% of employees of listed companies are PVD members.

Measures Implemented



Regulations to support a diverse range of exchange-traded funds (ETFs) in terms of strategies and investment policies.



Empowering investors through the Investment Scam Hotline.



Using social listening to define communication strategies for educating investors.



Amending the PVD Act to increase flexibility in savings and expand the number of PVD members.

Action Plan for 2025 – 2027

"Increasing access to investments through various investment tools, while establishing regulatory mechanisms and enhancing investors' active awareness of investment scams"



Study an approach for developing Thai Individual Investment Accounts (TIIA) for long-term investment.



Enhance retail investors' access to investment, e.g., small-lot shares/fractional DR.



Restructure the governance framework for investment management businesses (MF, PF, PVD) in alignment with respective businesses.



Encourage listed companies to increase the number of employees participating in PVD.



Upgrade service provision of the Anti-investment Scam Center.



Provide age-appropriate education for different groups and elevate investors' financial literacy to make them become smart investors who understand risks, know their rights, and avoid falling victims to fraud.



Build partnerships with influencers to provide education and ensure appropriate levels of risk.

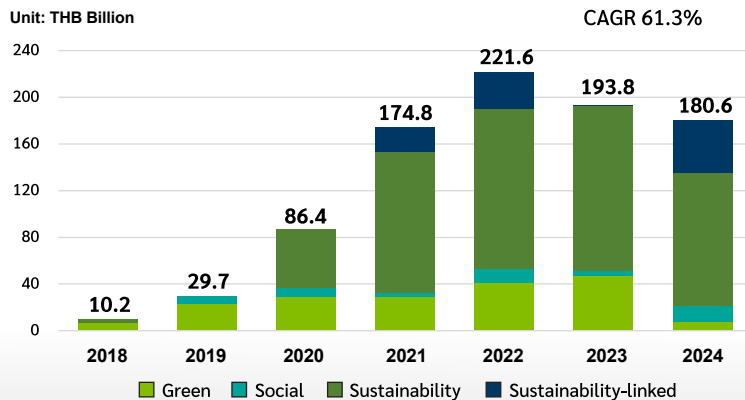


Sustainability

Facts and Figures

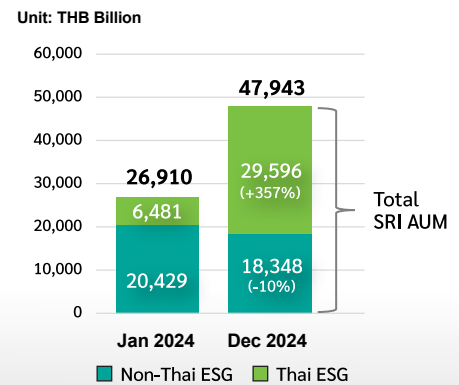
Sustainability-themed bonds and funds have high growth rate

Issuance Value of Sustainability-themed Bonds since the regulations were established.



*CAGR (Compound Annual Growth Rate)
Sources: ThaiBMA and SEC Thailand

Net Asset Value of Thai ESG funds



Source: SEC Thailand

Thai listed companies have strengths in the global trend of sustainable development

Number of Listed Companies on Thailand's and International Sustainability Index



Driving the sustainable development of listed companies through disclosure of information according to international standards

Action Plan on Information Disclosure under ISSB

Effective years



Source: SEC Thailand (2024)



Sustainability

Challenges



Listed companies are required to comply with various standards, which come with costs and burdens.



Sustainable products make up a small proportion but have potential for further growth.



There are few external appraisers and related professionals, and they require further development.

Measures Implemented



Launching the ESG Product Platform.



Promoting ESG in Practice among business operators.



Enhancing information disclosure in line with the International Sustainability Standards Board (ISSB)

Action Plan for 2025 – 2027

"Enhancing sustainability disclosure to meet international standards and supporting the reduction of greenhouse gas emissions"



Issue ISSB-based sustainability disclosure rules for listed companies according to the roadmap.



Enhance the disclosure of sustainability-themed funds and portfolio management according to sustainability principles.



Develop an ecosystem to support voluntary carbon credit trading (voluntary carbon market)



Encourage intermediaries to use sustainability factors in analysis and advisory service.



Digital Capital Market

Facts and Figures

Digital assets under supervision

Amending the governing law to align the regulations with activities and to promote investment tokens



Cryptocurrency

An electronic unit created as a medium of exchange for goods, services, other digital products or any other products.



Investment token

An electronic unit created to define the rights for investment participation, such as rights to revenue sharing or profits from investment (similar to securities). (To amend the Securities and Exchange Act (SEA) to accommodate the transition of investment token supervision under the SEA).



Utility token

An electronic unit created to define the right to acquire goods or services or other specific rights.

The Total Number of Business Operators is **21**

D	1 company
IA	2 companies
FM	2 companies
Ex&B	9 companies (4 companies are EX only)
B&D	9 companies (4 companies are B only)
Custodian	Custodian 1 company (business not yet started)



Client assets

6.9 billion Baht



Number of clients

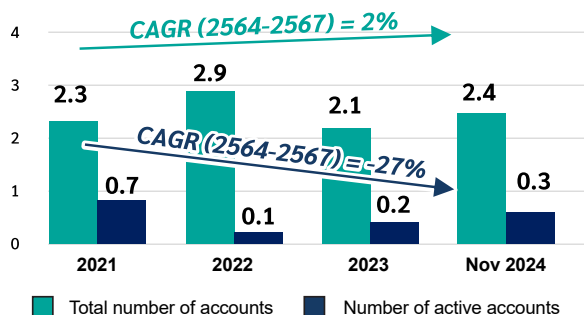
2.2 million accounts

Source: SEC Thailand (2024)

Fundraising through investment tokens still has significant growth potential

Number of Active Accounts

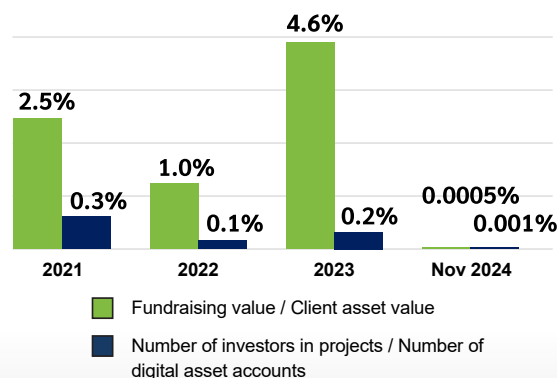
Unit: Million accounts



Note: Since November 2023, Zipmex accounts have been excluded due to license revocation and service suspension

*CAGR (Compound Annual Growth Rate)
Source: SEC Thailand

Proportion of Investment Token Fundraising



Source: SEC Thailand



Digital Capital Market

Facts and Figures

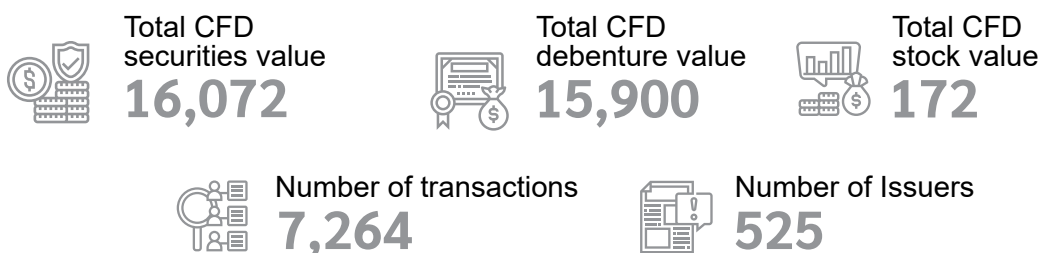
Issues leading to the transition to a digital capital market



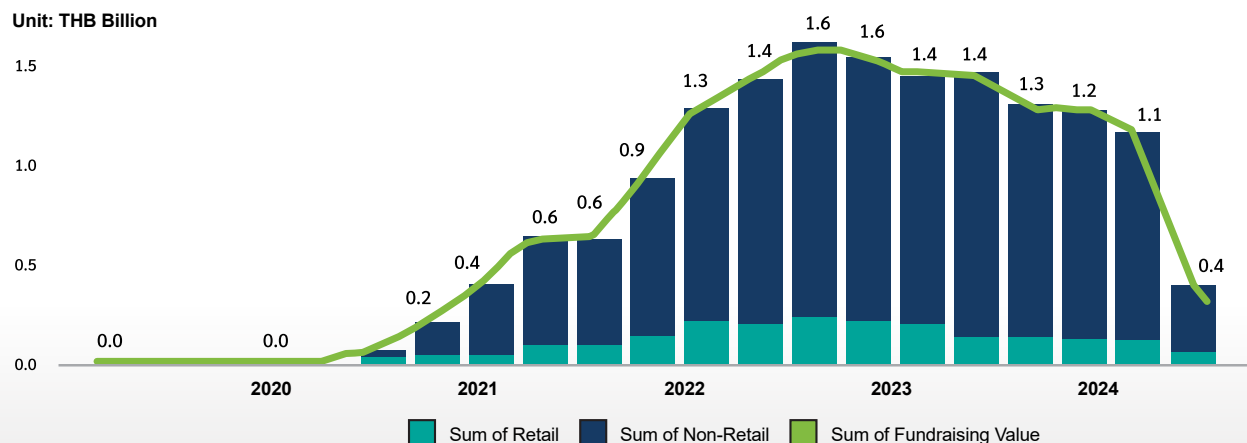
Debt crowdfunding is a key fundraising mechanism for small and medium-sized businesses

Quarterly Fundraising Values Categorized by Investor Types

Unit: THB Million



Unit: THB Billion



Source: SEC Thailand



Digital Capital Market

Challenges



Infrastructure: Non-standard formats. Some processes are not yet digital and incur high costs.



Data: Limited transfer of information among business operators for the benefit of investors.



Digital assets: Investment tokens are still not widely popular. Investing through digital currencies must balance with investor protection considerations.

Measures Implemented



Issuing regulations to support a variety of investment tokens and enhance the oversight of business operators to build confidence.



Promoting legal amendments to accommodate the conversion of assets into digital forms (Tokenized securities).



Revising the standard forms for investment account opening to support data portability or transfer of information.

Action Plan for 2025 – 2027

"Utilizing technology in regulation and development of infrastructure in terms of systems, laws, and the readiness of relevant parties to accommodate a digital capital market"



Develop a 100% comprehensive digital capital market infrastructure, both in primary and secondary markets.



Utilize data and technology to enhance regulation and inspection.



Issue regulations to support electronic securities.



Promote the role of securities service providers to strengthen the ecosystem of investment tokens.



Prepare for a smooth transition of the regulation of investment tokens under the Securities and Exchange Act.



Develop mechanisms for investor data exchange to allow easy account opening and access to investments (easy on-boarding), and systems to aggregate an overview of investor portfolios in the capital market and financial sector.



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The Securities and Exchange Commission, Thailand.



Guidelines for Driving
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Graph information