

TOWARDS SUSTAINABILITY



ABOUT THIS REPORT

This 2019 Annual Report is about policies, strategies and performance of the SEC. We aim to supervise and develop the Thai capital market to become the essential mechanism driving sustainable economy and determined to perform duty with knowledge, responsibilities and governance.

Annual Report 2019

The Securities and Exchange Commission, Thailand

TOWARDS SUSTAINABILITY

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Introduction



Message from the Chairman



“We managed to achieve the intended outcomes thanks to the operating guidelines, a clear-cut and efficient implementation as well as the staff’s dedicated contributions, and essentially the cooperation of market participants.”

Over the past year, the capital market faced inevitable impacts of a rapidly changing environment. It came in various forms of emerging developments and challenges such as the financial technology disruption, the growing environmental, social, governance (ESG)-oriented business trend, the international affairs influencing business directions, the aging society, investors’ search for high-yield investments amid the continuing low-yield curves, and the governmental policy on the development of local economy and SMEs growth. Given these evolving trends that transformed the industry landscape, the SEC as well as capital market participants initiated strategic adjustments and fostered close collaboration to ensure readiness for handling the ever-changing market landscape.

The capital market is one of the important channels for long-term investment in support of post-retirement well-being, and thus offers an efficient solution for reducing the national budgeting burden with respect to the elderly welfare. Nevertheless, most Thais still have little access to the capital market or few choices of investment, and may be unable to make investment decisions suitable for their financial goals in order to build financial stability. Additionally, the capital market has become a major fundraising venue for the business sector. The SEC envisions that it will continue to grow sustainably and support fundraising of businesses with good corporate governance and innovations with added value for the economy and the society, especially SMEs and startups. Such drive toward sustainable

development of the capital market will not only enhance national competitiveness but also present a fund mobilization venue to support economic development of neighboring countries and subsequently generate mutual benefits from concurrent economic growth.

On digital front, the SEC supported the use of technology as it was essential to the development of market infrastructures and related procedures of a fully digitalized capital market to ensure good services and more convenience. A major challenge in this regard was creating in-depth understanding of new technologies such as blockchain, artificial intelligence and smart contract, as well as the ability to manage and optimize data usage so that benefits can be gained while related IT risks can be managed effectively.

Given the contexts and the market landscape above, in 2019 the SEC expedited the implementation plan in accordance with the four core strategies, namely (1) to create opportunities for effective fundraising, a core mechanism for supporting national economic growth, (2) to enhance efficiency and competitiveness through the improvement of the digital infrastructures to promote fully digitalized processes and ensure better services and more convenience, (3) to support the provision of appropriate investment advice and financial planning services to enhance the opportunity of the general public to access investment services, in other words, to democratize financial access, and (4) to ensure forward-looking supervision in line with future trends while reducing the business sectors’ burdens and amending the Securities and Exchange Act B.E. 2535 (1992) to enhance the efficiency of market supervision suitable to the current market contexts and future trends.

It was quite a challenge to ensure effective policy making and execute the implementation plan amid the evolving landscape over the past year. Nevertheless, we managed to achieve the intended outcomes thanks to the operating guidelines, a clear-cut and efficient implementation as well as the staff’s dedicated contributions, and essentially the cooperation of market participants. The SEC would like to express our sincere appreciation to all parties who have contributed to the policy making and implementation of the capital market development plan. We truly hope that our mutual cooperation and support will result in a more robust capital market that will benefit the country and the people for years to come.

Voravidh Champeeratana
Chairman

Securities and Exchange Commission

Message from the Secretary-General



“The SEC teamwork ensured continuation of the implementation plan and materialized further possibilities presented in the SEC Strategic Plan. We took into consideration fair treatment for all stakeholders, democratized market access, market competitiveness, and promoting of regional connectivity.”

In 2019, the SEC was carrying out its mandates to achieve the goals laid out in the SEC Strategic Plan 2019-2021. When I joined the organization on May 2, I began working with executives and staff in the SEC teamwork that synergized the expertise of the management and staff at all levels not only to ensure continuation of the implementation plan but also to materialize further possibilities presented in the SEC Strategic Plan. In so doing, we took into consideration fair treatment for all stakeholders, democratized market access, market competitiveness, and promoting of regional connectivity. We exceeded our expectations in achieving the intended outcomes with the aim of supporting the robust and sustainable growth of the national economy. Throughout the year, our SEC team performed the roles and duties as specified in the SEC policies and in alignment with the National Strategy, the National Economic and Social Development Plan as well as the Securities and Exchange Act (No.6) B.E. 2562 (2019), which has taken effect since 17 April 2019. The highlights of our work include the followings:

Facilitating access to efficient and convenient fundraising tools for small and medium-sized enterprises (SMEs): We created opportunities for SMEs, startups as well as social enterprises to raise fund in the capital market based on their readiness and capabilities. In addition, we launched the SEC Provincial Caravan Initiative to expand the SEC educational outreach to cover wider target groups, and created a public sector network to support the joint efforts for growth.

Developing a sustainable capital market: The SEC in cooperation with 12 capital market organizations launched the Market Governance Promotion Initiative in Celebration of His Majesty the King’s Coronation. The initiative invited all sectors in the capital market to join the collective commitment to responsible business conduct in line with the environmental, social and governance (ESG) criteria in order to drive the Thai capital market towards sustainability. We also participated in the United Nations’ efforts on respect for human rights by endorsing the United Nations Guiding Principles on Business and Human Rights and disseminating the key information thereof to listed companies. Concurrently, we promoted securities offering that supports sustainability such as green bond, social bond and sustainability bond. In addition, the SEC encouraged the integration of sustainable responsibility to business operation according to different contexts of companies (ESG in process) and disclosure of the results of such effort in the annual report, which will take effect with the annual report of 2022 onwards.

Optimizing the use of technologies and innovations for capital market development: The SEC initiated the use of Distributed Ledger Technology (DLT) for infrastructure development to enhance the efficiency of capital market processes, increase convenience and reduce burdens on private sectors. In addition to helping business operators prepare for technological transformation and handle cyber threats, the SEC showcased Thailand’s digital technology projects at Singapore FinTech Festival 2019 to publicize national progresses in digital development to the international community and to enhance stronger confidence in the Thai capital market. The SEC also laid out the first SEC Digital Transformation Strategy in 2019.

Enhancing investor protection: The SEC joined the efforts to push forward key national measures for building investors' confidence in the mechanism for protecting minority investors. Our proactive move included volunteering to clarify to the World Bank's assessor, give information on current legal issues and minority shareholders protection. In addition, the SEC integrated work with related agencies, which resulted in Thailand's significant rise from the 15th to the 3rd rank in the area of protecting minority investors according to the Doing Business Report 2020 and the total overall rank at the 21st, rising from the 27th on the global chart. The SEC also facilitated investors' access to services and advice on self-protection against scams, opened the 24-hour Hotline and a special investor support team, endorsed investor education seminars regularly on various topics, for example, class action whereby investors can collectively exercise the right to claim a compensation for damage in the capital market and the Emergency Degree on Digital Asset Businesses. In addition, the SEC developed the SEC Check First and SEC Bond Check free applications to facilitate key data search and verification before making investment decisions.

Strengthening national competitiveness through international connectivity and international roles: Building international connectivity and cooperation in capital market development was another priority. The SEC also pushed forward product innovations that would link the Thai capital market to the ASEAN counterparts especially Cambodia, Laos, Myanmar and Vietnam or the CLMV group. In 2019, the SEC chaired the ASEAN Capital Markets Forum (ACMF) and spearheaded the development of the Roadmap for ASEAN Sustainable Capital Markets before passing on the chairmanship to the successor Vietnam. In addition, the SEC will be the host of the next IOSCO* Asia-Pacific Regional Committee (APRC). Also, the IOSCO Executive Committee has approved the appointment of the SEC as the official host of the IOSCO Annual Conference in 2022, as proposed. Such developments on the international front will increase the SEC's international roles and mark the celebration of the SEC's 30th Anniversary in 2022.

Effective supervision according to international standards: The SEC continued the efforts to enhance effective enforcement. Several proposed amendments to the laws enforced by the SEC, for example, the Securities and Exchange Act and the Emergency Decree on Digital Asset Businesses, are under consideration to accommodate the rapidly evolving market landscape.

With our firm determination to contribute to the Thai capital market, the SEC emphasizes both market development and investor protection, applying four core principles of Proactiveness, Promptness, Discretion and Cooperation in line with the core corporate values of Open-mindedness, Insightfulness, Cooperation and Integrity. Next, the SEC will expedite the implementation of the SEC Strategic Plan 2020-2022 in both supervisory and developmental aspects. In laying out a strategic plan, the SEC takes into consideration the changing dynamics with regard to the economy, the digital technology, the aging society and the sustainable development trend, in conjunction with the current market situations and the policy directions from the SEC Board. The SEC also stresses the importance of stakeholder engagement in setting goals and addressing strategic issues. We truly hope that our cooperation and determination to proceed the operation as well as the integration of efforts with all sectors will drive the strategic plan into fruition and enhance the sustainable growth, trust and recognition of the Thai capital market.



Ruenvadee Suwanmongkol
Secretary-General
Office of the Securities and Exchange Commission

*International Organization of Securities Commissions

| Mission

“To assure a conducive environment for a fair, efficient, dynamic and inclusive capital market.”

| Vision

“The SEC strives to enhance the benefits and well-being of people through being a trustworthy and proactive organization, collaborating with all stakeholders to build a sustainable capital market.”

About SEC

The Office of the Securities and Exchange Commission is a governmental agency established on 16 May 1992 by virtue of the Securities and Exchange Act B.E. 2535 (1992). It is empowered to promote, develop and supervise the capital market within the scope of duties specified by law.

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Revenues ▲

190

Million Baht

Expense ▲

175

Million Baht

Revenues and Expenses

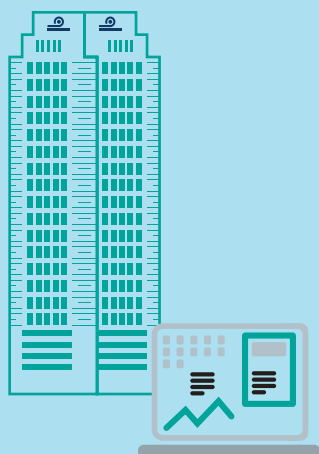
The SEC's sources of core incomes are the securities business operating fee, the registration statement filing fee, other fees, contribution from the Stock Exchange of Thailand, investment income and other incomes.

In 2019, the SEC earned the total income of 1,738 million baht, an increase of 190 million baht compared with the total income in 2018, mostly generated from the core incomes of filing fees and other fees. The total amount of expenses was 1,471 million baht, an increase of 175 million baht compared with the total expenses in 2018, incurred from the increasing expenses related to officers and employees.

Assets and Fund Balances

Apart from current assets and non-current assets – long-term investments, property, plant and equipment used for operation – the intangible assets are generated from computer program development and installment of computer software, from which the SEC will earn economic benefits for a period longer than one year.

The fund balances primarily consist of the initial capital, special reserve for capital market development, reserve for specific purposes and general reserve. In case of full reserve of funds, the remaining incomes will be submitted as state revenue. In 2019, the general reserve fell below the set amount of 4,107 million baht. More details are stated in the Notes to the Financial Statements, Item 4.12.



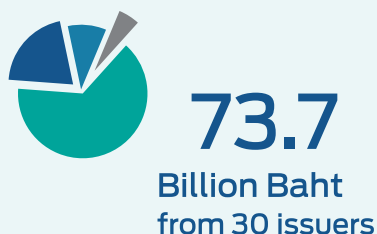
KEY FIGURES IN 2019

Listed Companies

725
Companies



IPO Offerings



Corporate Oversight

- Related Transactions/
Acquisition and Disposal
of Assets



36 Companies
1.03 Trillion Baht

- Business Takeovers



18 Companies
108 Billion Baht

Securities Companies

44
Companies

Limited Brokers,
Dealers and
Underwriters (LBDU)

37
Companies

Asset Management
Companies

26
Companies

Mutual Funds
(NAV)

4.67
Trillion Baht

Approved Investment
Consultants

83,138 Positions

*One person may hold
more than one position

Debt Offerings
(Domestic and
Foreign)

2.4
Trillion Baht

Futures
Contracts

209
Million Contracts



Criminal Complaints

43
Persons



Criminal Sanctions

Fines* **17.8**
Million Baht
from 18 Persons



Civil Sanctions

Monetary Penalty and
Disgorgement of Benefits*

859
Million Baht
from 48 Persons



*Submitted to Ministry of
Finance as public revenue



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Key Performances 2019



Overview of Key Performance under Four Strategic Goals

In 2019, the SEC continued its mission in various areas to achieve Thailand's 23 objectives under the National Strategy (2017 - 2036) and its Master Plan, the 12th National Economic and Social Development Plan (2017 - 2021), the policy statement of the Council of Ministers (25 July 2019), and the 3rd Capital Market Development Plan (2017 - 2021). Key performance results in accordance with the four strategic goals are as follows:

A. Ensuring investors' access to efficient financial planning advice

1. The public receives comprehensive investment advice

The SEC has initiated the "Five Steps to Investment with Confidence" Project in cooperation with the alliance from the public and private sectors and business operators in the capital market to provide the public with investment advisory services that are accessible, comprehensive and consistent with their demands, by undertaking the following tasks: (1) customer due diligence, (2) asset allocation plan, (3) investment according to the asset allocation plan, (4) investment portfolio monitoring and adjustment, and (5) reporting of customers' portfolio in support of long-term financial security. The project participants amounted to 108,358 significantly higher than the initial target of 30,000 investors. In addition, the SEC organized on-ground activities with investors at Money Expo and SET in the City to publicize and promote the project for the benefit of the public's investment planning.

2. Provident fund members are knowledgeable and have investment choices

The SEC has launched the Happy PVD Company Project to encourage employers with provident funds (PVD) to realize the importance of financial education and investment choices and put them into practice when preparing employees' readiness for adequate post-retirement living through savings and investment in PVD. Of all the 181 project participants, 35 percent companies offer employees' choices, higher than the initial target of 20 percent. On 16 October 2019, the SEC presented Happy PVD Company Certification to the project participants and additionally awarded 77 employers who offer PVD to 143,000 members, accounting for 47 percent of the total PVD members of all participating companies.



The SEC presents Happy PVD Company Awards to 77 employers for encouraging their PVD members to make a financial plan.

3. Investors have data and tools for comparative analyses

3.1 The SEC has set up a data management system in the form of machine-readable format that allows data to be read or processed by a computer directly so that business operators can access and use such data for comparative analysis when giving investment advice to investors:

- o Debt instruments: Preparing basic information on each class of debt instrument and providing debt offering information in July 2019, including information on key financial ratios of industries other than the financial sector; and
- o Mutual funds – Allowing business operators to access information and increasing the frequency of information disclosure, from every six months to every month, which includes information such as top five securities invested by each mutual fund and investment portfolios divided by types of securities, including fund expenses disclosed on the SEC's website.

3.2 The SEC, in cooperation with the Stock Exchange of Thailand (SET) and the Investment Analysts Association, has launched the securities research report project to provide investors with information and research reports covering more securities. The project aims to produce 100 quality research reports within three years (2019-2021). In 2019, 13 securities companies joined the project and published 40 research reports in full.



The SEC, the SET and the Investment Analysts Association launch the Securities Research Report Project to provide information for investors' decision making.

3.3 The SEC has launched the first version of SEC Bond Check mobile application to provide information on newly issued debt instruments in July 2019. The application provides information on debt instrument offerings during the past 10 years with details of the issuers categorized by industry, by company and by issue. The Thai Bond Market Association supports and submits the information, such as the return rates of debt instrument investments until maturity, to the SEC without causing excessive burdens to the issuers.

4. Obstacles of business operators are eliminated to support provision of better services to investors

4.1 The SEC has proposed an amendment to the relevant ministerial regulations to the Ministry of Finance to revise the licensing regime whereby equity intermediaries and private fund management business operators would be allowed to apply for a single license. In late 2019, the SEC prepared additional information, as requested by the Fiscal Policy Office, to be submitted for the Cabinet's consideration;

4.2 The SEC has issued regulations allowing securities companies to send trading orders according to the clients' predetermined asset allocation plans to support investors with tools that help with investment planning and efficient investment strategies. The regulations have become effective since 16 May 2019 and seven intermediaries have begun offering such services;

4.3 The SEC has amended the regulations governing the paid-up registered capital of securities companies to be in line with the scope and nature of their businesses. The regulations have become effective since 16 May 2019 and five intermediaries have revised their paid-up registered capital in accordance with the new regulations.

B. Funding opportunities for sustainable growth for the capital market

1. More efficient funding

The SEC and the Stock Exchange of Thailand (SET) jointly launched the One-Stop Service Project in September 2019 to create a synergy of work collaboration in providing efficient services and streamlining redundant processes. The project provides a one-stop service platform for listed companies and interested companies to access funding sources, seek fundraising advice and recommendation, and learn more about regulations and quality development, completely all in one place.



The SEC and the SET co-launch the One-Stop Service Project.

2. Enhanced quality of Thai and regional listed companies

2.1 The SEC encouraged listed companies to emphasize the importance of the Corporate Governance Code (CG Code) and apply it to their business operation. A survey showed 60.4 percent of the listed companies have disclosed their review and application of the CG Code in their organizations;

2.2 The members of the ASEAN Capital Markets Forum (ACMF) completed the Roadmap for ASEAN Sustainable Capital Markets earlier than the deadline. The ASEAN Finance Ministers' Meeting (AFMM) endorsed the concept of the roadmap and supported the implementation plan thereof. Additionally, ACMF members jointly agreed that the operational guidelines under the roadmap should be revised. The ACMF Secretary-General Meeting in October 2019 was resolved to acknowledge the progress and approved the framework for reviewing and preparing the action plans. The complete report on the review and preparation of the action plans under the roadmap is scheduled for submission in February 2020.



The SEC hosts the 31st ASEAN Capital Markets Forum (ACMF).

Anti-Corruption in the Thai Capital Market

Corruption has been a persistent problem in Thailand and has caused severe impacts on the national development. One of the indicators of such problematic circumstance is the Corruption Perceptions Index (CPI), announced by Transparency International (TI). In 2018, Thailand scored 36 points, or the 99th rank on the global scale, compared to 37 points and the 96th global rank in 2017. It is thus necessary for every sector, including the Thai capital market which plays an important role in driving the country's economy, to cooperate and resolve such problem together.

The SEC's mission is to supervise and develop the Thai capital market towards sustainable growth. In so doing, it is committed to creating a favorable ecosystem for developing a sustainable capital market in alignment with the 20-year National Strategy and the Sustainable Development Goals (SDGs) of the United Nations. Hence, the SEC has issued measures and encouraged business sectors in the capital market to give a priority to anti-corruption efforts, which include the followings:

- requiring listed companies and securities issuers to disclose their anti-corruption policies and measures, which contain information of investors' greater interest and investors expect companies to strictly implement such anti-corruption measures and disclose the progress in the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) and the Registration Statement for Securities Offering (Form 69-1);

- encouraging listed companies and securities business operators to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) so that they would be able to obtain knowledge and apply it to the development of work systems, operational procedures and personnel in line with international standards. This will enhance business credibility among investors and partners. Besides, the announcement of anti-corruption policy by a large number of private

companies has demonstrated the power of synergy in seriously fighting against corruption. The CAC initiative information is available at www.sec.or.th, divided into two levels of commitment, namely **the Declaration of the Intent to Join the CAC Initiative** and **the Certification as CAC Members** who have truly laid out and implemented their respective anti-corruption policy. As of 30 December 2019, listed companies and business operators had joined the CAC Initiative, with 456 companies declaring their intent and 397 companies certified as member. The Thai Institute of Directors (IOD) is the CAC Secretary;

- promoting the cooperation among asset management companies in establishing the "Thai CG Fund" with the policy to invest in securities of listed companies that comply with the environmental, social and corporate governance (ESG) principles. One of the criteria for selecting listed companies to invest in is the certification of CAC membership. As of 30 December 2019, 11 asset management companies had established CG funds with the total value of approximately 5,928 billion baht;

- requesting cooperation from securities companies to disclose listed companies' participation in the CAC Initiative in research reports and through investment consultants of securities companies;

- requesting cooperation from asset management companies to disclose their participation in the CAC Initiative in the fact sheet of prospectus of the mutual funds under their management; and

- giving financial aid to Anti-corruption Organization (Thailand) to support its proactive anti-corruption activities such as the Integrity Pact, Construction Sector Transparency Initiative, campaigns for the No Gift Policy, Active Youth Project and Watchdog Initiative, etc.

In addition, the SEC has joined committees and subcommittees appointed by the National Anti-Corruption Commission to integrate the cooperation of all sectors in pushing forward the mechanisms for prevention and suppression of corruption to ensure efficient operations. This is a key initiative that will propel the National Anti-Corruption Strategy Phase III (2017 – 2021) towards the achievement of objectives and goals. Specifically, the SEC has joined four committees, namely the Private Sector Integrity and Transparency Assessment Committee, the Governance Development and Promotion Committee, the NACC Subcommittee on Development and Promotion of Governance in State Enterprise and Private Sectors, and the National Anti-Corruption Strategy Phase III (2017–2021) – the 4th Task Force and the Development of Proactive Corruption Prevention System – the 4th Strategic Task Force.

Over the years, listed companies have increasingly placed more importance on corporate, social and environmental responsibility. The assessment on listed companies by various organizations, both local and international, in various areas, including the anti-corruption aspect posts a challenge for the SEC in promoting coordination with agencies to prevent redundancy in the assessment and prevent excessive burdens on listed companies. This will enable the anti-corruption efforts to move forward smoothly and efficiently, which will promote sustainable growth for the Thai capital market.

3. More use of investment governance code by institutional investors

The SEC has promoted the implementation of the Investment Governance Code (I Code) as compliance with I Code will build the credibility of institutional investors who manage investment portfolios of local and international clients. This will also create a favorable environment for corporate governance and responsible business operation of companies and businesses in the Thai capital market. All 26 asset management companies have declared the intent to participate in the I Code Project and have already published their I Code Policy on their website.

4. CLMV funding through the Thai capital market

4.1 On 17 September 2019, the SEC signed a memorandum of understanding (MOU) with the Securities and Exchange Commission of Cambodia (SECC) on mutual cooperation for capital market product development, including cross listing, dual listing and depository receipt (DR) offering. The MOU objective is also to push forward the securities offering that successfully supports linkage of Thai and Cambodian markets.



The SEC and the SECC sign an MOU to enhance mutual cross-funding cooperation.

4.2 In August 2019, the Thai – Lao Depository Receipt Working Group exchanged opinions and experience in promoting the cross offering of DR between the two

countries in a tangible way. Later in September 2019, the SEC and Myanmar's capital market regulator held a DR knowledge sharing session to enhance international cooperation.



The Thai-Lao working group discusses further collaboration for issuance and offering of depository receipts.



The SEC gives a lecture and shares knowledge on the issuance and offering of depository receipts with Myanmar's capital market regulator.

4.3 The SEC organized training sessions and hosted field trip visits for guests from neighboring countries on a continued basis. Key topics of interest and activities included the Train-the-Trainer Program, depository receipt study session, financial technology study session, Director Certificate Program, promotion of business startups, and asset valuation.



The SEC, in collaboration with the Thai Institute of Directors, develops and organizes the Train-the-Trainer Program to promote the development of corporate governance for related parties in the capital market of Lao People's Democratic Republic.



The Securities and Exchange Commission of Cambodia's executives and representatives of Cambodian securities companies join a depository receipt study session.

C. Creating market competitiveness through the improvement of procedures and digital infrastructures

1. Technology has been applied to enhance efficiency and develop relevant infrastructures and procedures in the capital market.

1.1 The regulations on initial coin offering (ICO) for private placement were issued and took effect in June 2019, and some ICOs have been approved;

1.2 Three ICO portals were granted an approval, namely SE Digital Co., Ltd., T-Box (Thailand) Co., Ltd. and Longroot (Thailand) Ltd.;

1.3 The SEC further studied regulations and suitability of securities to be traded on the Electronic Trading Platform (ETP) to prepare for an amendment to the governing ministerial regulations; and

1.4 A working group has been set up to review and consider amendment to the Law on Digital Asset Businesses to finalize the points before proposing a regulatory framework for offering of digital tokens with underlying assets.

2. The capital market is equipped with cybersecurity.

Overall, 65 percent of the business operators with medium or higher risks have been inspected, compared to the initial target of 50 percent. In addition, 85 percent of the business operators with medium level risk have conducted cybersecurity drills, higher than the initial target of 80 percent. In this regard, the following tasks have been performed:

2.1 producing manuals on (a) IT governance, (b) IT risk management and (c) Cloud Computing service;

2.2 laying out the Cyber Resilience Assessment Framework (CRAF) for business operators to conduct an annual self-assessment. The assessment results have to be submitted by the end of the first quarter of 2020 for the SEC's assessment of the overall capital market;

2.3 inspecting, assessing risks, and giving advice to eliminate the risks for business operators. In this regard,

the 10 inspected entities were securities companies, asset management companies and LBDU business operators;

2.4 organizing a capital market cyber drill in November 2019 to enhance the skills on response procedures, decision-making and mutual exchange of data. The drill helped to build strength and interorganizational cooperation as well as to enable stakeholders in the capital market to design suitable and effective cyber threat handling procedures; and



The Thai Capital Market CERT (TCM-CERT), a collaborative group consisting of the SEC, the SET, the Association of Thai Securities Companies, the Association of Investment Management Companies, and securities business operators, participated in the Capital Market Cyber Drill 2019.

2.5 jointly organizing a financial sector cybersecurity drill with the Bank of Thailand, the Office of Insurance Commission and the Thai Bankers' Association in November 2019 to ensure that financial institutions, securities businesses, insurance businesses and regulators will be well-prepared and ready to tackle cyber threats in case of any incident causing interconnected impacts. The results of the drill were taken into account in revising the cyber threat handling plan and making further preparations in related matters.

D. Future of supervision and less burdens on the private sector

1. Risk detection systems are in place.

1.1 setting a program for off-site monitoring of business operator operations;

- o Asset management companies: creating dashboards of corporate governance and conflicts of interest. The system can notify the inspector of data change to be used in timely monitoring;

- o Securities companies: developing a dashboard for detecting risks of securities companies by designing a statistical model that can reflect problems or identify signs of change or irregularities.

1.2 revising the financial technology risk monitoring

system by adjusting the systemic risk index in the digital asset group to be in timely consistence with technology;

1.3 laying out the automatic market risk monitoring system such as the debt instrument risk monitoring system, using Power BI program to display the outstanding amount, issuance and offering of debt instruments divided by types of instruments, types of offering, credit rating, industry, intermediaries, maturity period, place of offering and nationality of issuers. In addition, the system is used to monitor various aspects of risk such as the growth of risky debt instruments, complex instruments, concentration of issuers in a large-scale business group, changes in credit rating of issuers and instruments in different periods.

2. The Financial Sector Assessment Program (FSAP) based on the International Organization of Securities Commissions (IOSCO) standard showed better results.

The results of the SEC assessment based on the new standards showed significant progress and development as seen in the scores of Fully Implemented (FI) and Broadly Implemented (BI) in 35 out of 37 principles, compared with the 2008 assessment whereby the SEC received FI and BI scores in 18 out of 28 principles.



The announcement of the 2nd FSAP assessment results (2018 - 2019) shows effectiveness in the capital market supervision and the infrastructure of the clearing and settlement system in line with international standards.

3. Intermediaries have the culture of putting investors first.

3.1 Publishing the Board Governance and Culture Guideline for securities companies as well as publicizing and organizing seminars to communicate and enhance better understanding with directors of securities companies directly through both lectures and workshops, with the total of 84 participating directors;

3.2 Conducting on-site theme inspection on asset management companies to close the gap regarding issuance and offering for sale of mutual funds by taking

into account the needs and benefits of investors in accordance with governance principles. The results showed that the inspected companies had complied with the SEC guidelines for the issuance and offering for sale of mutual funds of asset management companies and had put in place a compliance unit to monitor the implementation of such guidelines. In addition, off-site monitoring was conducted on 23 asset management companies; the overall results showed that the companies had complied with the regulations and overseen such compliance as well;

3.3 Conducting on-site monitoring on limited brokers, dealers and underwriters (LBDU) of investment units. The results showed that three commercial banks, three LBDU business companies, and three insurance companies had lower risks and conducted business based on the culture of putting investors first. Further monitoring was conducted on two commercial banks regarding debt instrument offering in addition to mutual fund offering.

4. Ongoing law enforcement

4.1 Of all the cases brought forward from the previous year, 53 percent met the target and 15 percent underwent complete inspection and was processed in concurrent with other cases for the interest of litigation;

4.2 Of all the new cases, 62 percent underwent complete inspection. For the entire year, more than 40 cases were completed.

5. Preparedness for capital market risks

A Crisis Preparedness Working Group has been established, comprising the SEC, the Bank of Thailand, and the Office of Insurance Commission, to lay out mutual collaborative approaches during crises in the following cases: (1) having a relationship between parent company and subsidiary, and (2) having related party transactions such as cross investment and transactions or holding of identical or similar assets. Additionally, conclusion was made on the preventive mechanism on spread of risks in each line of work and problems that may be connected to or affect the line of work under other regulatory bodies to prevent widespread impacts as well as to develop a problem-solving framework for financial system crisis. The working group convened three meetings in 2019.

Securities Business Supervision

The key objective of securities business supervision is to ensure that securities companies and asset management companies operate business in compliance with the corporate governance principles and protect clients' best interest by putting investors first. Such regulated companies must also have effective work systems and risk management while their directors and executives must be qualified and do not have any prohibited characteristic. Compliance with the supervisory rules can contribute to the achievement of the intended outcomes of (1) quality investor services, (2) fairness, efficiency and transparency of the capital market, and (3) risk mitigation for the overall market system.

Key focus areas of securities company supervision

In 2019, the SEC gave more weight to the following work systems:

1. **Good governance oversight:** Raising awareness of company directors regarding their roles and responsibilities in overseeing business operation and promoting the Principle of Putting Investors First;
2. **Financial position and stability especially the Net Capital (NC) work system:** Monitoring and overseeing the efficiency of business operation, control and risk management, and ensuring that preventive measures and preparations were in place to support NC sensitive transactions;
3. **Know-Your-Client and Due-Diligence system:** Ensuring that companies give advice and services suitable for clients' needs, and to prevent exploitation of the capital market as a channel for committing an offense such as using a nominee's account to conduct unfair activities related to securities trading, etc.;
4. **Comprehensive, proper and appropriate advice on debt securities offering with sufficient information for decision making in line with client's needs and acceptable risk level:** Conducting theme inspection on the procedure for issuance and offering of debt securities to ensure that securities companies operate business efficiently under effective work systems;
5. **Custody of clients' assets:** Ensuring that securities companies have sufficient measures for overseeing clients' assets carefully and efficiently;
6. **Digitalization of client services and business operation:** Conducting theme inspection on securities companies' increasing use of technologies such as program trading to service clients to ensure that the companies have considered the risks towards

clients, companies and the overall market and managed the risks and control with care and efficiency;

7. **IT risk management and audit:** Conducting joint inspection with experts (co-sourcing) for two consecutive years to assess IT audit and management and cyber security to ensure that securities companies operate under IT security standards and handle cyber threats efficiently.

The supervisory results over the past year showed that most companies gave a priority to the work systems above and received acceptable assessment results. In case of work systems liable to legal violation, the SEC has already imposed sanctions. In case of deficiencies, the SEC ordered, reiterated and advised the companies to rectify and improve work systems and exercise more caution.

Key focus areas of supervision on asset management companies and fund supervisors

In 2019, the SEC emphasized the maintenance of business standards to protect the best interest of clients and enhance investors' confidence. The SEC conducted on-site inspection and off-site monitoring in the following key areas:

1. **Mutual fund offering for clients' best interest:** Disseminating a self-assessment questionnaire (SAQ) on the topic of product governance to asset management companies. The results showed that the SAQ participants were aware of the importance of catering to investors' needs and benefits in accordance with good governance principles, e.g., corporate structuring, the roles of company boards of directors and senior executives, fund development process, product testing to build the understanding of characteristics and risks imposed on target groups, intermediary selection procedure, communication about information and risks of mutual funds with target clients and the monitoring of product suitability. The SEC announced the assessment results to business operators in December 2019;
2. **Mutual fund and private fund management for clients' best interest:** In inspecting asset management companies, the SEC paid a special attention to the roles of the board of directors and senior executives in promoting the culture of putting investors first, product offering supervision, duty performance of compliance officers, risk management, internal audit and key work systems such as analysis and selection of products and investments, management of conflicts of interest, regulatory compliance and standards of business operation, etc. The overall inspection results showed

that the boards of directors and senior executives of asset management companies prioritized the aforesaid areas, and some had adopted the Investment Code (I Code) for institutional investors whereby more emphasis was given to the monitoring of invested securities and the exercising of the rights in all securities invested by the funds. Additionally, more companies began to incorporate the environmental, social and governance (ESG) criteria into the process of analysis, selection and quality review of securities;

3. IT risk management: The SEC cooperated with experts in assessing IT risks and cyber threats that could affect business operation and subsequently market confidence, cyber security and service continuity. The risk assessment results showed that most asset management companies had a low level of inherent risks and the inspection of business operation showed that asset management companies realized the importance of IT risk control while company boards of directors and senior executives gave an emphasis to supervision and risk monitoring to prevent impacts on business continuity. The SEC's risk assessment of asset management companies will be conducted on a continuing basis;

4. Promotion of engagement programs: The SEC encouraged business personnel to build the Putting Investors First culture to protect the best interest of clients. Among related initiatives are CEO Forum on Cyber Security and the Personal Data Protection Act on 30 August 2019 for directors and senior executives and Risk Manager Forum on 25 November 2019 to emphasize the importance of the roles and duties of risk managers in balancing fund managers' functions to ensure appropriate investment risk management caused by business operation.

Key focus areas in supervision of mutual fund and debt securities brokerage companies

In 2019, the SEC gave an emphasis to the supervision of business operators to ensure that they had standard work systems and personnel and readiness for providing investor services, as follows:

1. Intermediary inspection: The SEC inspected the operation of banks, life insurance companies and mutual fund brokerage companies and made on-site visits to provincial branches of banks with a record of high sales to assess their work systems on sales of mutual funds, debt securities and unit-linked life insurance. The objective of such inspection was to ensure that such business operators had work systems and personnel ready for providing services to investors

based on the principle of fair dealing whereby appropriate investment advice is given with accurate and timely information to serve investment goals in line with the acceptable risk level and investors' limitations;

2. IT risk assessment: The SEC conducted inspection with a team of experts (co-sourcing) continuously for two consecutive years to assess supervision and IT management as well as cyber security to ensure that business operators, especially those focusing on technology-based services, operated under IT security standards and had an efficient cyber threat handling procedure;

3. Development of investment consultant proficiency: The SEC produced and disseminated educating materials on regulations and investment products, including past service deficiencies to allow investment consultants to update information and enhance knowledge and understanding for providing suitable services to investors;

4. Supervisory cooperation: The SEC cooperated with the Bank of Thailand and the Office of Insurance Commission to increase the efficiency of supervising business operators in the categories of commercial bank and life insurance company. For example, standardization of supervisory rules to ensure equal treatment and sharing of information to ensure efficient supervision, etc.

Supervision of capital market business personnel

Regulated personnel include executives of securities companies and derivatives business operators, investment consultants and personnel approved by the SEC. During the past year, the SEC penalized executives for neglecting proper oversight. In case of investment consultants, the nature of most misconduct subject to consideration of penalty was due to failure to perform duties with loyalty and responsibility as a professional. For example, giving incomplete, incorrect information or advice to investors, accepting clients' assignment to trade securities for them or exploiting duty performance to commit dishonest acts or seek benefits from investors by, for example, luring clients to transfer money but failing to use the money to purchase investment units according to clients' instruction, and selling stocks to clients outside the stock exchange, etc. The SEC imposed sanctions and penalties according to the level of severity while educating capital market personnel to perform duties properly for the best interest of clients. Meanwhile, investors were advised to exercise discretion to ensure self-protection against frauds and scams.

Activity Highlights

1. The Market Governance Promotion Initiative in Celebration of HM the King's Coronation

The SEC, in cooperation with 12 capital market agencies, launched the Market Governance Promotion Initiative in Celebration of His Majesty the King's Coronation to encourage organizations and personnel in the capital market to make collective contribution for the country's best interest as a tangible expression of gratitude towards the kindness of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua (Rama X). The initiative aimed to promote sustainable development of the Thai capital market while the participants played their respective roles in alignment with the United Nations Sustainable Development Goals. A collaborative network was also built to support the participating organizations in generating tangible results. Additionally, the SEC introduced the Zero Waste on Vibhavadi-Rangsit Road Project whereby listed companies located on Vibhavadi-Rangsit Road were invited to adopt efficient waste management approaches and minimize the amount of non-recyclable waste. The Zero Waste project is a good example of social initiative that generates tangible results.



2. Democratized Market Access for Businesses of All Sizes

◆ The SEC Provincial Caravan Project

The SEC created opportunities for provincial business operators to access and benefit from the capital market. During the field visits to Khon Khen, Udon Thani and Chiang Mai provinces, the SEC organized seminars on fundraising channels in the capital market, the adoption of accounting standards in preparation for entering the capital market, and updates of new asset development such as digital assets. The SEC Provincial Caravan seminars attracted more than 530 interested business operators. Additionally, the SEC opened a fundraising clinic to give comprehensive advice to 16 interested business operators with good potential for growth.

Thanks to the SEC Provincial Caravan Project, the SEC gathered a wide range of information on the needs, obstacles and limitations related to fundraising sources for provincial business operators. This significant on-site information provides useful database for analyzing guidelines for furthering market access opportunities for business operators.



◆ Fundraising channels for SMEs and startups

- Appointing a working group for promotion of SMEs, startups, private equity, and venture capital, which integrated resources of all sectors involved to analyze issues and obstacles and set up guidelines for supporting and promoting SMEs' and startups' access to funding resources in the capital market;
- Organizing seminars and activities to provide knowledge and information on fundraising in the capital market to SMEs and startups in Bangkok and provinces, and cooperated with other organizations in holding educational seminars on fundraising;
- Allowing SMEs to offer securities for sale via private placement and public offering. In so doing, the SEC cooperated with the Stock Exchange of Thailand in arranging a secondary market for trading of SME shares, and explored other channels for investing in SMEs and startups, e.g., SME and startup funds.





◆ **Participation in the United Nations Annual Conference on UN Guiding Principles on Business and Human Rights and promotion of listed companies' business practice based on ESG criteria and respect for human rights to prevent business risk and build confidence in the Thai capital market**

The SEC attended the United Nations Annual Conference on Business and Human Rights at the UN Headquarters in Geneva, Switzerland, and delivered a presentation on the Thai capital market's development in line with the UN Guiding Principles on Business and Human Rights (UNGPs), particularly the operating performance of the SEC as a governmental agency, and the promotion of environmental, social and governance (ESG) criteria and respect for human rights in listed companies' operation to prevent business risk and build confidence in the Thai capital market.



3. Distributed Ledger Technology (DLT) Platform for Digital Infrastructure

The SEC introduced the Distributed Ledger Technology (DLT) platform for the digital infrastructure to support all transaction activities such as securities offering, investor services, securities trading in the primary and secondary markets, clearing and settlement, and post-trading services. The DLT streamlines redundant processes, increase efficiency, reduce costs, and facilitate market accessibility for both issuers and investors. The platform also enhances efficiency and transparency in business operation and the capital market at large, resulting in stronger market competitiveness and more effective enforcement.

In 2019, the SEC made significant progresses in building digital infrastructure, for example, a DLT pilot project for corporate bonds and a proposed amendment to Regulatory Sandbox rules to support the development and testing of the digital infrastructure.



4. Investor Protection

◆ In response to the discontinuation of a digital asset exchange, the SEC set up a special investor support team reachable via the 24-hour Hotline, the SEC website and email to prevent and suppress offenses related to digital assets under the Emergency Decree on Digital Asset Businesses. In September 2019, there were 453 persons contacting the center, 49 percent of which inquired about the procedures and criteria for withdrawal and transfer of assets as well as transfer of digital assets to another digital asset exchange. The SEC closely monitored the business discontinuation process to ensure that withdrawals, returns or transfers of digital assets proceeded according to the clients' instructions. (As of 30 September 2019, 90 percent of the clients' requests had been fulfilled). In this regard, the SEC also published an infographic presentation explaining the handling of clients' assets in case of business termination of digital asset exchange.



- ◆ In August 2019, the SEC launched the SEC Check First mobile application for investors and the general public to use as a fast and convenient search tool categorized by products, individuals and juristic persons operating business in the capital market upon the SEC approval. The application is designed for modern lifestyles with additional search option for the list of unlicensed persons whose names appear on the Investor Alert at the SEC website. Users can also send inquiries or tips promptly via the application. By the end of the year, SEC Check First had been downloaded by 102,481 users.



5. World Bank's Doing Business Report

Throughout the year, the SEC gave an importance to the World Bank's Ease of Doing Business assessment, which aims to measure the governmental sector's capability of facilitating business operation. With our determination to develop a conducive environment for business operation, especially in protection of minority shareholders, the SEC made a significant progress in the Doing Business 2020 Survey by rising to the 3th rank, up 12 spots, of the Minority Shareholders Protection Indicator, out of the total 190 countries worldwide. The rank improvement was the result of the SEC's initiative to propose a teleconference with the World Bank's assessor to further clarify the SEC's response to the World Bank's Doing Business Survey. The higher rank is expected to attract more investors to Thailand while the assessment itself offers the Thai capital market a good opportunity to learn, improve and set out supervisory guidelines that are more in line with international standards.



6. Memorandums of Understanding with Multiple Organizations to Promote Synergy of Efforts

- ◆ The SEC signed bilateral memorandums of understanding with nine public and private organizations to enhance cooperation in promoting the use of digital technology to support timely and efficient digital transformation of the Thai capital market. The signatories were (1) the Ministry of Digital Economy and Society, (2) the Digital Government Development Agency (public organization), (3) the Electronic Transactions Development Agency (public organization), (4) the Digital Economy Promotion Agency, (5) King Mongkut's Institute of Technology Ladkrabang, (6) CMKL University, (7) ASEAN Chief Information Officer Association, (8) the Thailand Information Security Association, and (9) the Information Systems Audit and Control Association.



- ◆ The SEC and the National Human Rights Commission of Thailand signed a memorandum of understanding confirming the joint Declaration of Intent to promote and support raising awareness and building knowledge of listed companies and regulated business operators regarding business practice that respects human rights.

Businesses are encouraged to apply the United Nations Guiding Principles on Business and Human Rights (UNGPs), which are widely recognized by the global community, to their business operation as deemed appropriate in order to achieve the Sustainable Development Goals without leaving anyone behind.

◆ The SEC and the Central Institute of Forensic Science signed a memorandum of understanding to increase cooperation, assistance and support for investigation of forensic evidence to ensure effective enforcement.



◆ The SEC signed two bilateral memorandums of understanding with the Anti-Money Laundering Office and the Department of Special Investigation to enhance collaboration and efficiency of legal enforcement and suppression of offenses in the capital market.



◆ The SEC and the Cambodian capital market regulator signed a memorandum of understanding for joint development of capital market products to push forward the possibility for securities offering that connects the Thai and Cambodian capital markets in a more tangible way. The MOU can also inspire further cooperation in capital market development and promote the role of the Thai capital market as the regional financing hub in line with the 20-year National Strategy.

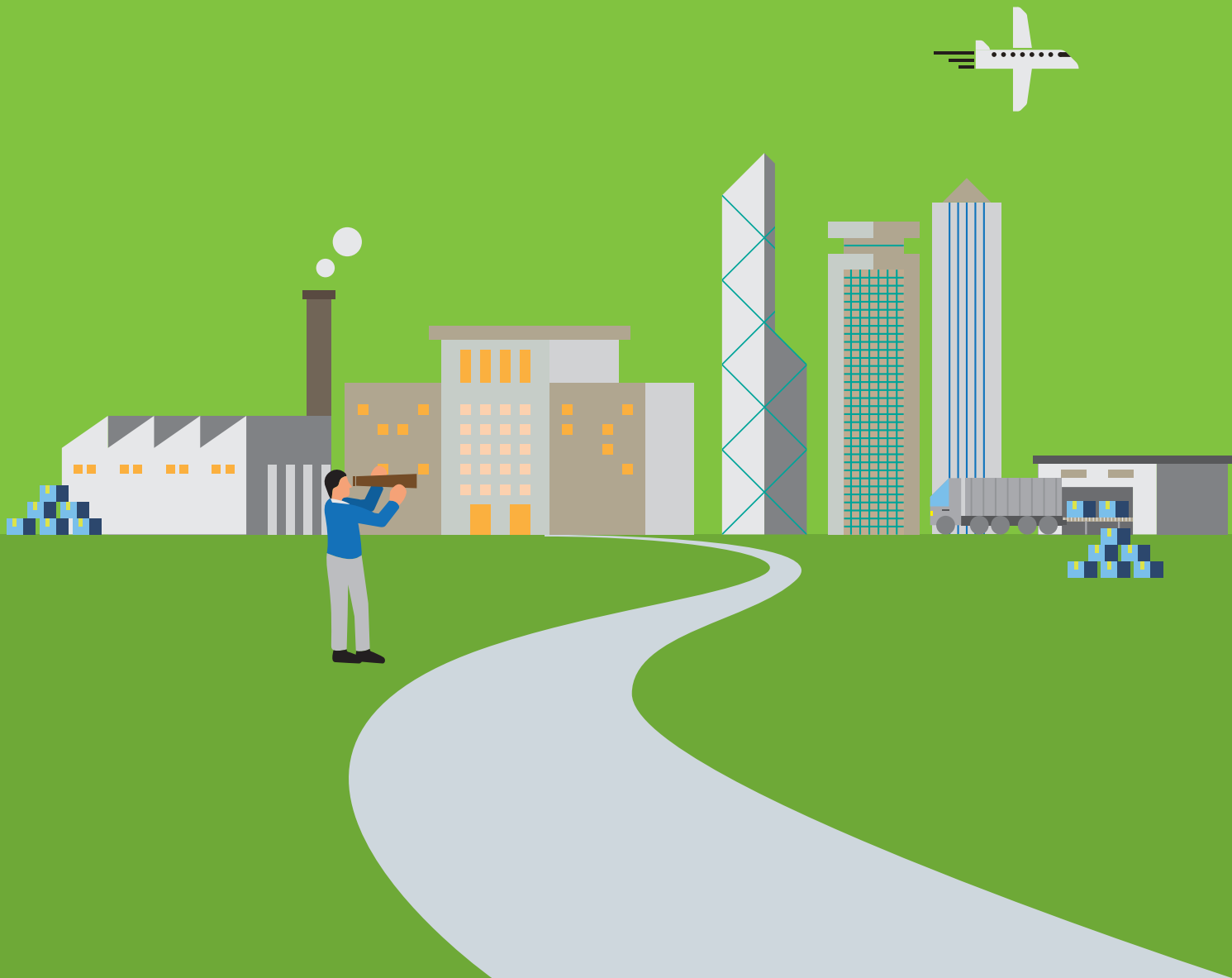


◆ The SEC and the Department of Industrial Promotion, Ministry of Industry, signed a memorandum of understanding to support small and medium-sized enterprises in the industrial sector in accessing funding sources in the capital market, in line with the mission of both agencies regarding promotion, support and development of SME.



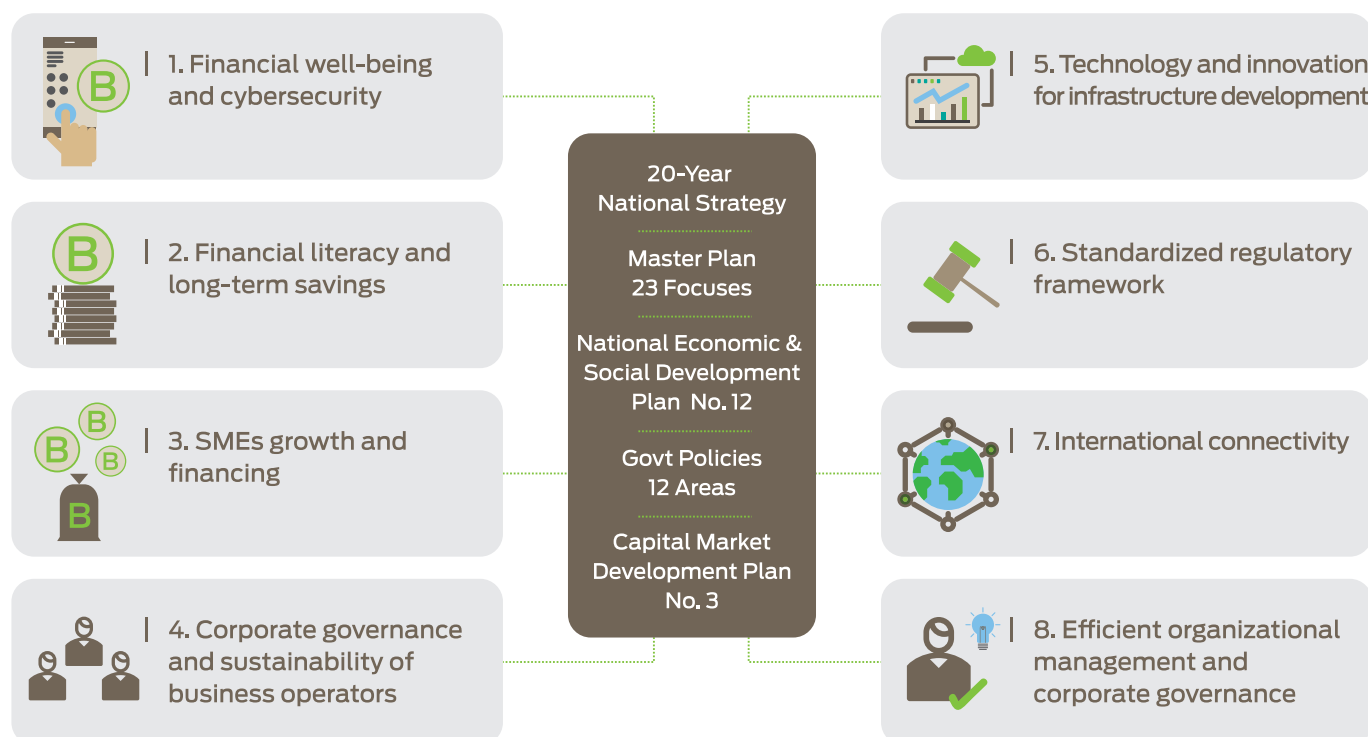
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SEC Strategic Plan 2020 – 2022



SEC Strategic Plan 2020 – 2022

The SEC has laid out the Strategic Plan 2020 – 2022 by taking into consideration the changing dynamic and the involvement of SEC Board, Capital Market Supervisory Board, executives and employees of the SEC as well as stakeholders in the capital market. The strategic plan has been developed to align with the objectives of the 20-Year National Strategy (2018 - 2037) and its Master Plan, the 12th National Economic and Social Development Plan (2017 - 2021), the policy statement of the Council of Ministers announced in July 2019, and the 3rd Capital Market Development Plan (2017 - 2021). The strategic plan also takes into account eight core strategies in pursuit of the following four goals:



The Four Strategic Goals

A. Sustainable capital market

Capital market provides a key mechanism for businesses to embed Environmental Social and Governance (ESG) concerns into their business operation and disclose information based on standards. This will drive capital allocation to economic activities considering social, environmental, and governance aspects.

B. Financial inclusion, reduction of inequality

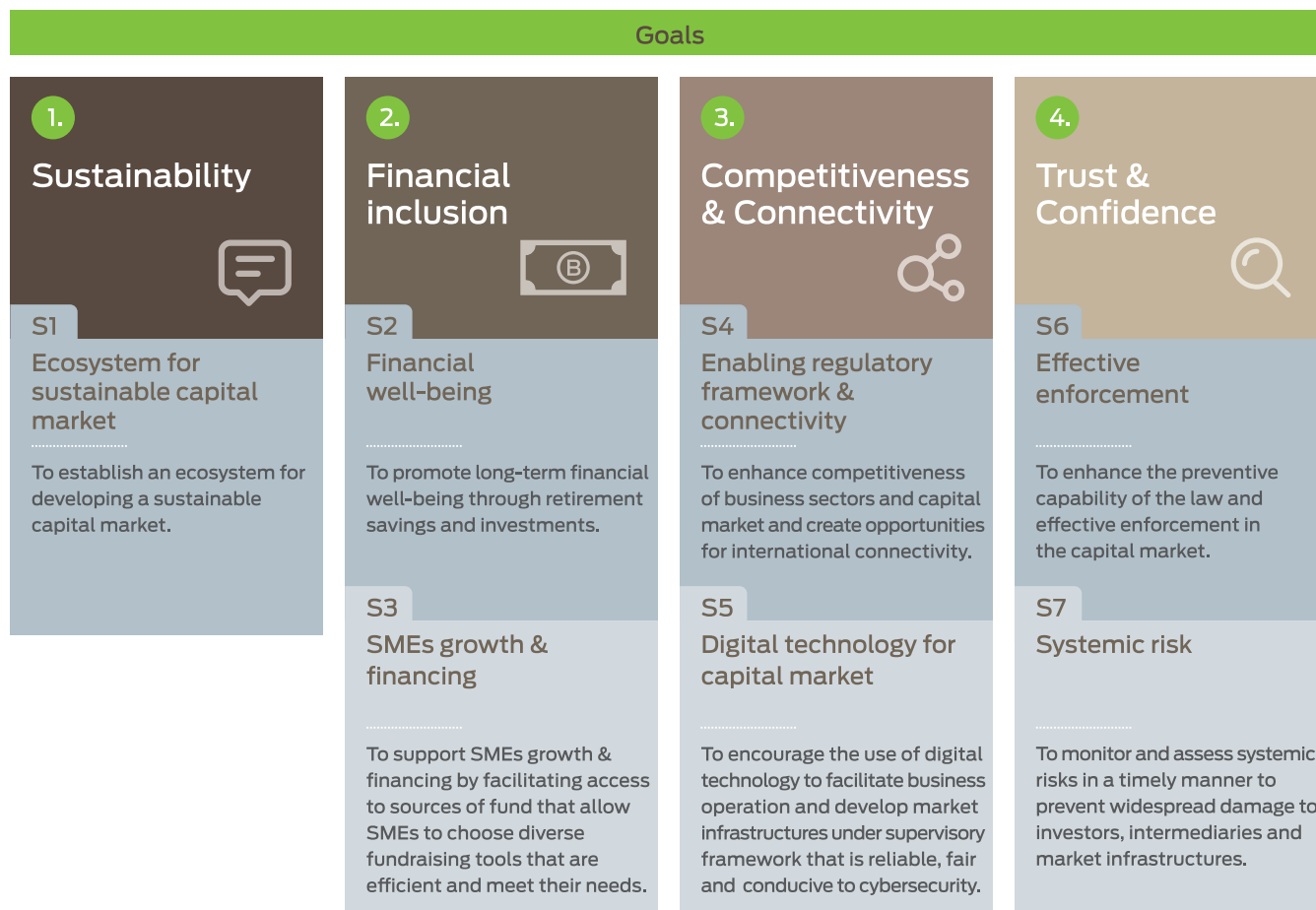
Capital market helps to reduce the country's inequality issue and create financial inclusion whereby people and business sectors can access financial services and funding sources. Specifically, the public can utilize capital market as a source of long-term investments for retirement while SMEs can have access to appropriate and sustainable sources of fund.

C. Competitiveness, connectivity and digital

Capital market provides an environment enabling market participants to compete on a level playing field, to develop international connectivity and to leverage digital technology to enhance business operation. Capital market infrastructure is also developed to enhance efficiency and transparency and to reduce operating costs of market participants while capital market supervision is fair, reliable and responsive to cyber resilience.

D. Trust & Confidence

Investors' trust and confidence in the capital market can be built and retained by SEC's ability to prevent, deter and take legal action against emerging misconducts. SEC is also able to assess systemic risks promptly to prevent damage and limit risk contagious effects on investors, intermediaries and capital market infrastructure.



Each of the four goals is supported by the following strategies:

A. Sustainable capital market



Strategy 1: To establish an ecosystem for developing a sustainable capital market.

Developmental Direction

SEC realizes the importance of building an ecosystem to promote capital market system in which sustainability is the key goal and creating a positive impact on the overall society through (1) emphasizing the benefits of ESG integration in business operation as well as ESG

risks to issuers, (2) creating investors' awareness of ESG issues that will consequently affect business performance and return on investment by ensuring availability of disclosure standards, reliable assessors and sources of ESG-related information for investment decision making, and (3) laying out a blueprint as a driving force with clear direction. To achieve such objectives, SEC has laid out operational directions and key action plans:

Key Action Plans and Projects 2020 - 2022

1.1 To encourage and offer attractive measures for issuers to integrate ESG issues into business practices and risk management process, and to disclose the outcome of ESG practices on 'One Report' in conjunction with raising issuers' awareness of ESG issues that may affect company's reputations, image, costs, value of assets, business performance and sustainable growth;

1.2 To develop fundraising tools to promote sustainability by issuing regulations related to disclosure for ESG REIT/infrastructure fund and conducting study on alternative fundraising instruments to accommodate eco-friendly business or ESG fundraising;

1.3 To introduce ESG assessors and cooperate with relevant agencies to stipulate appraisal standards or criteria for facilitating and reducing burdens on issuers;




1.4 To encourage the establishment of an exchange or a comprehensive information center where information

on ESG-related securities (equity, bond, mutual fund) is publicized to global investors;

1.5 To promote investors' choices in the following manners : (1) asset management companies to invest and issue/offer ESG funds, (2) listed companies including SEC to select provident fund (PVD) manager based on ESG criteria, and (3) institutional investors to increase engagement with listed companies in which they have invested, to ensure that listed companies have progressively integrated ESG and human rights concepts in their business practices according to I Code;

1.6 To cooperate with domestic and international organizations to develop a national roadmap concerning sustainability-related issues in the financial sector, including the capital market, and the issue of human rights in business operation, to push forward concrete implementation.

B. Financial inclusion, reduction of inequality

Intended outcomes	Financial inclusion		
S2 Financial well-being To promote long-term financial well-being through sufficient retirement savings and investments.	PVD investment 	Financial literacy 	Mutual funds and suitable products 
S3 SME growth & financing To facilitate access to sources of fund that allow SMEs to choose diverse fundraising tools that are efficient and meet their needs.	Identify and address fund access issues 	Diverse fundraising channels 	

Strategy 2: To promote long-term financial well-being of Thai people through sufficient retirement savings and investments

Developmental Direction

SEC emphasizes the importance of financial literacy by raising awareness of continual long-term savings and investment behavior among target population, both in Bangkok and provincial areas, via appropriate channels.

Furthermore, SEC supports measures that encourage long-term investments through PVD by cooperating with relevant organizations.

Key Action Plans and Projects 2020 - 2022

2.1 To promote investment through PVD:

- Collaborating with the Ministry of Labor in incentivizing employers to provide their employees with PVD and to increase employees' rate of entry into PVD system;

- Collaborating with the Ministry of Finance in amending the laws to accommodate the National Pension Fund and the use of PVD system to support sufficient savings and investment for post-retirement living;

2.2 To promote financial literacy for long-term savings and scam prevention by selecting target groups, communicating via appropriate channels and covering wider areas in Bangkok and provinces.

2.3 To issue measures for promoting long-term investment through various means to support investors in making informed decisions by allowing simplified disclosure, optimizing technologies that enable more efficient access to the capital market, making information available to the industry in an open API format and providing standard categorization of funds to facilitate reliable fund comparison.

Strategy 3: To support SMEs growth & financing by facilitating access to sources of fund that allow SMEs to choose diverse fundraising tools that are efficient and meet their needs.

Developmental Direction

SEC recognizes the importance of supporting the governmental policy and trusts that the capital market can be a vital mechanism for developing SMEs. Thus, SEC has set out a direction for developing SMEs capability of choosing effective and suitable tools for their needs,

as well as creating tools and environments that are diverse and suitable for the contexts and demands of SMEs.

Key Action Plans and Projects 2020-2022






3.1 To study and identify issues related to capital access that SMEs encounter and take the study results into account when considering amendments to related regulations to mitigate obstacles in coordination with related organizations;

3.2 To repeal regulations that hinder SMEs access to fundraising tools:

- Issuing rules to support private placement fundraising by creating channels for SMEs to offer equities and convertible debentures to investors directly and to offer equities to employees as an incentive to work for SMEs;
- Encouraging the establishment of platform / exchange as a venue for meeting and trading of SMEs' securities;
- Studying and pushing forward creation of different channels or tools for investing in SMEs to increase SMEs opportunities to access sources of capital such as funds or trusts.

In addition, there are other supportive measures such as 'Fintech for SMEs' wherein a central platform will be built to provide information for SMEs to select suitable innovations including Fintech, to facilitate business operation such as accounting application.

C. Competitiveness, connectivity and digital technology

Intended outcomes	Competitiveness & connectivity		
S4 Enabling regulatory framework & connectivity To build an ecosystem that enhances business sectors' competitiveness and international connectivity.	Amendment to Securities Law - Audit firm penalty - Enforcement efficiency 	Regulatory amendment to facilitate business sectors/ licensing scheme 	Connectivity - UN, IOSCO - Major markets, CLMV 
S5 Digital technology for capital market To leverage digital technology to enhance business operation and market infrastructure under regulatory framework that ensures confidence, fairness and cybersecurity.	Efficiency & better access - Infrastructure - Single form 	- Review suitability of Digital Asset Businesses Law - Supervision of technology using business operators - Cyber resilience 	

Strategy 4: To enhance competitiveness by enabling regulatory framework that supports standardized regulations, facilitates business sectors and creates opportunities from international connectivity.

Developmental Direction

In strengthening the competitiveness of the Thai capital market, SEC emphasizes three main areas, namely (1) legal reform to enable effective supervision in response to the growing digitalized capital market, (2) regulatory amendment to streamline rules and eliminate redundancy, which will facilitate operation of business sectors and reduce unnecessary costs, and (3) promotion of connectivity with international capital markets to enhance Thailand's competitive edge in the global market.

Key Action Plans and Projects 2020-2022

4.1 To study and consider directions towards legal enhancement to ensure consistency, appropriateness and efficiency of SEC's supervision and law enforcement;

4.2 To amend regulations in support of business sectors' operation by conducting a regulatory guillotine project to streamline procedures and/or document filing requirements to facilitate and reduce unnecessary costs for business sectors;

4.3 To amend regulations on securities business licenses in consistent with the changing landscape and international standards while supporting self-adjustment of business operators in line with digital technology and fair competition;

4.4 To create opportunities from international connectivity:

- **Playing a proactive role on global forums** by hosting conferences and seminars for exchange of views, experiences and knowledge with members of the International Organization of Securities Commissions (IOSCO), and establishing coalition with other international organizations such as the United Nations to encourage adoption of the UN Sustainable Development Goals (UN SDGs) among businesses in the Thai capital market;

- **Enhancing connectivity with major markets** by encouraging review or creation of cooperation between the Thai capital market and financial hubs as well as other major markets within the region and beyond to promote connectivity of capital market products and services, increase the value and recognition of the Thai capital market among global investors;

- **Pushing forward the role of the Thai capital market as CLMV springboard** by building cooperation with neighboring countries to launch the issuance and

offering of financial products and services among CLMV capital markets such as cross-listing and depository receipt (DR). SEC also supports capacity building for neighboring countries to promote mutual sustainable growth in the region.

Strategy 5: To optimize digital technology to increase effectiveness of the capital market and ensure reliable supervision.

Developmental Direction

SEC encourages the use of digital technologies to improve and develop infrastructures that accommodate trading of financial products in the capital market, from the beginning to the end of the process, to increase effectiveness and transparency as well as enable investors and businesses to access capital market more conveniently at lower costs. SEC has also laid out a direction to improve its supervision under the changing market landscape to maintain stakeholders' confidence. This includes reviewing supervision of digital assets and securities in digital forms to ensure effectiveness, appropriateness and timeliness as well as seeking suitable approaches for supervising digital technology-based business operators. In addition to issuing practical guidelines, SEC monitors business operators to ensure their compliance with cybersecurity framework.

Key Action Plans and Projects 2020-2022

5.1 To develop digital infrastructures of the capital market that cover the whole process, from issuance and offering of securities and trading to clearing and settlement, by laying out a master blueprint, amending regulations related to digital infrastructure sandbox, and procuring operators in the initial stage. A pilot platform for debt securities will be developed subsequently and followed by another platform and relevant regulations to accommodate mutual funds and shares of SMEs;

5.2 To leverage technology to deliver better access to capital market by amending regulations to accommodate the use of technology in the KYC process (e-KYC) and encouraging securities companies to participate in the National Digital ID project. The SEC also aims to issue regulations related to the use of "single form" for securities transactions to facilitate standardized filing of customer profiles and increase investors' convenience of opening an account without requiring them to provide similar information repeatedly when using services of different intermediaries. This efforts will subsequently extend to the development of a sharing platform system;

5.3 To review the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018) to ensure its sufficiency and suitability for the current circumstance;






5.4 To Explore potential methods for supervising technology-using business operators (e.g. AI/HFT) to ensure fairness in the capital market;

5.5 To enhance cyber resilience in IT audit and cyber exercise to encourage business operators in

the capital market to put in place IT system and readiness for handling cyber threats in line with international standards.

Additionally, there are other initiatives to raise investors' awareness of associated risks and to build their capacity of guarding off exploitation, using various tools such as educational video clips on digital asset knowledge.

D. Trust and Confidence

Intended outcomes	Trust & Confidence				
S6 Effective enforcement To enhance the preventive capability of the law and effective enforcement in the capital market.	Investor awareness of self-protection against scams 	E-enforcement 	Efficiency of criminal/civil enforcement 	Class action/remedy mechanism 	Offsite system Cyber war team 
S7 Systemic risk To monitor and assess systemic risks in a timely manner to prevent widespread damage to investors, intermediaries and market infrastructures.	Monitoring and timely assessment of systemic risk 		Emergency plan and stress test exercise with other regulators 		

Strategy 6: To enhance the preventive capability of the law and effective enforcement in the capital market.

Developmental Direction

SEC prioritizes the proceedings of prevention and law enforcement throughout the whole process and seizes the opportunity to leverage technologies on investor education and detection of anomalies in listed companies and business operators in the capital market. SEC also recognizes the importance of having different measures of law enforcement, including criminal and civil proceedings, to be consistent with the current circumstances and to increase efficiency in terms of proportionate sanctions, immediate response and effective deterrence. In addition, SEC aims to develop a remedy mechanism for persons suffering from violations committed under SEC's regulatory purview as well as to promote market force

to suppress such violations. In this respect, SEC has laid out an operational direction focusing on identifying the issue, enforcing the law, prompt case closing and learning from experiences.

Key Action Plans and Projects 2020-2022

6.1 To raise investors' awareness of self-protection against scams is the first step of preventive measures. The SEC uses multiple channels and platforms, both traditional and digital media, to educate investors. Also, educational tools are developed to support investors' decision making and provide information related to the SEC's supervision of business operators in the capital market;

6.2 To develop e-enforcement by (1) developing or improving existing software to accommodate digital asset trading surveillance, (2) exploring feasibility and

cost-effectiveness of developing corporate surveillance system to detect anomalies in financial statements, operating results and suspicious transactions of listed companies, and (3) exploring feasibility and cost-effectiveness of introducing software/machine for identifying behaviors and proving and collecting evidence;

6.3 To review the criteria for selecting criminal/civil enforcement to optimize enforcement efficiency;

6.4 To review legal proceedings prior to prosecution under the study project on efficiency and procedure of law enforcement (also under Strategy 4);

6.5 To promote the use of class action and establish an investor remediation fund for illegal activities in violation of the laws enforced by the SEC.

In addition, there are other proactive actions towards achieving the intended outcome, for example, (1) ongoing off-site system improvement to detect and respond to risks associated with intermediaries' operation promptly and properly, (2) forming a cyber war team to suppress violations of laws from the start, and (3) providing knowledge/database to relevant parties (e.g. courts, prosecutors and court experts).

Strategy 7: To monitor and assess systemic risks in a timely manner to prevent widespread damage and limit contagious impact on investors, intermediaries and market infrastructures.

Developmental Direction

SEC emphasizes the importance of monitoring the changing circumstances and systemic risks in the capital market in all aspects through data utilization, systemic risk analyzing tools, and crisis management plan.

Key Action Plans and Projects 2020-2022

7.1 To monitor and analyze systemic risks in the capital market:

- Developing database that contains necessary information for monitoring and assessing systemic risks, formulating systemic risk indicators, and assessing potential impacts under different scenarios in uncertain and volatile environments;
- Conducting scenario stress test on securities companies and asset management companies;
- Establishing risk monitoring system for debt securities market that covers all aspects and keeping the information up-to-date and automated to enable analysis and presentation to the management.

7.2 To prepare an emergency plan for crisis management that connects business operators in the capital markets with other regulatory agencies by establishing cooperative integration, developing an action plan and jointly conducting stress test.

The full version of the SEC Strategic Plan 2020-2022 is available at www.sec.or.th.

Strong Organization Strategy 2020 - 2022



The SEC has laid out the **Strong Organization Strategy** to support the pursuit of the four strategic goals in alignment with the National Strategy as well as market directions and significant external trends that could present both opportunities and challenges towards the mission and vision of the SEC. Concurrently, this is an attempt to enhance the capacity of pursuing the SEC mission in a sustainable and efficient manner.

The key attributes for enhancing the strength of the organization are Delegation, Empowerment, Communication, Integration, Development and Engagement (DECIDE). They have become the foundation of the organizational development strategy in five areas as follows:

(1) Governance and corporate values: Cultivate four corporate values, namely “Open-mindedness, Insight, Cooperation and Integrity” among employees, with an emphasis on open-mindedness and integrated cooperation with stakeholders. Employees are given opportunities to showcase their achievements and take on key responsibilities. In addition, the SEC incorporates the ESG principles into the work processes and promotes CSR activities on a continued basis;

(2) Human resource competency: Focus on the development of human resource competency to build core skills such as digital capability, and support operation in key areas such as making succession plans for executives, etc.;

(3) Work efficiency: Enhance work efficiency and provide convenient and fast services for the public. Reduce burdens and increase transparency and fairness through the use of technology. Promote research and development in support of key policies and risk alerts;

(4) Data and infrastructures: Become a data-driven regulator who uses data and information to make decisions on the operation and risk management. To serve this purpose, preparations are made to ensure integration, connectivity and security of data and infrastructures;

(5) Stakeholders' engagement and demands: Develop the operation that caters for the public's and stakeholders' demands with a focus on promoting stakeholders' engagement, integrating cooperation with other organizations and expanding the service channels to cover and reach all sectors.

4

Corporate Governance



SEC Board



Mr. Voravidh Champeeratana
Chairman

Appointed

September 15, 2015 – April 28, 2016
(the first term)
April 29, 2016 (the second term)

Experience and contributions

Mr. Voravidh Champeeratana obtained a BBA (Management) and an MPA (Public Administration) from the University of Manila. He was also accorded Honorary Doctorate in Public Administration (Fiscal Management) from Udon Thani Rajabhat University. Prior to taking office as Chairman of the SEC Board, he served in several key positions, including Budget Director of Bureau of the Budget, Member of the Commission for Judicial Service, Chairman of Krungthai Bank Plc., Chairman of the Commission of Thailand Institute of Scientific and Technological Research, Chairman of the State Railway of Thailand, Member of the Commission of Mass Rapid Transit Authority of Thailand, Member of the Commission of Sports Authority of Thailand and Member of the Council of National Institute of Development Administration (NIDA).

Other roles:

He is now Member of the Committee for Examination of Draft Laws and Draft Auxiliary Regulations Proposed to the Cabinet – Third Group (Independent Agencies and State Enterprises), Member of the Foundation of Princess Mother's Medical Volunteer (PMMV) and Committee Chairman of Audit Evaluation Committee for the Office of the Prime Minister.



Mr. Prasong Poontaneat
Permanent Secretary, Ministry of Finance
Commissioner

Appointed

May 10, 2018

Experience and contributions

Mr. Prasong Poontaneat obtained a Bachelor of Laws, a Bachelor of Business Administration in Accounting, a Master of Business Administration (Organization Management) and a Doctoral in Public Administration. Before taking office as Permanent Secretary of the Ministry of Finance, he held various key positions, including Director-General of the Revenue Department, Director-General of the Customs Department, Director-General of the State Enterprise Policy Office and Inspector General of the Ministry of Finance.



Mr. Boonyarit Kalayanamit
Permanent Secretary, Ministry of Commerce
Commissioner

Appointed

October 1, 2018

Experience and contributions

Mr. Boonyarit Kalayanamit obtained a Bachelor of Science in Business Administration from Kasetsart University and a Master of Arts in Economics from Western Michigan University. Prior to taking office as Permanent Secretary of the Ministry of Commerce, he held various key positions, including Director-General of the Department of Internal Trade, Director-General of the Department of International Trade Negotiations, Thai Ambassador to the Permanent Representative World Trade Organization in Geneva and Inspector General of the Ministry of Commerce.



Mr. Veerathai Santiprabhob
Governor, Bank of Thailand
Commissioner

Appointed

October 1, 2015

Experience and contributions

Mr. Veerathai Santiprabhob obtained a Bachelor's Degree in Economics (1st Class Honors) from Thammasat University, Master's and Doctorate Degrees in the same field from Harvard University. He has extensive experiences in academia, public sector and international organizations. He was a senior executive of Siam Commercial Bank Plc. and the Stock Exchange of Thailand. He had also served as an Advisor of Thailand Development Research Institute as well as on the boards of many leading listed companies.

Other roles

His current posts include Member of the National Economic and Social Development Board, Member of the Office of Insurance Commission, Member of the Board and Treasurer of Royal Initiative Discovery Foundation, Member of the Board of Mae Fah Luang Foundation under Royal Patronage and Member of Chiang Mai University Council.



Mr. Sarawut Benjakul
Commissioner

Appointed

May 11, 2015 - May 10, 2019
(the first term)
May 11, 2019 (the second term)

Experience and contributions

Mr. Sarawut Benjakul obtained an LLB (Honors) from Ramkhamhaeng University, Barrister at Law from the Institute of Legal Education, Thai Bar Association, Master of Laws in Commercial Law from University of Bristol, Master of Laws in International Legal Studies from the American University and Master of Laws from Howard University. He has versatile experiences in laws and served in several key positions, including Secretary-General of the Institute of Legal Education Thai Bar Association, Chairman of the Board of State Railway of Thailand, Chief Judge of Sakonnakorn Juvenile and Family Court, Chief Judge of Office of the President of the Supreme Court and Deputy Secretary of General Office of the Judicial Affairs.

Other roles

At present, he also serves in the positions as Secretary-General of Office of the Judiciary, Member of the Commission for Judicial Service, Independent Director of Airport of Thailand Plc., Expert Member (Monetary and Banking), the Special Case Committee, Department of Special Investigation, Ministry of Justice, Chairman of the Council of Mahasarakham University, Honorary Member, the Council of King Mongkut's Institute of Technology Ladkrabang, Chairman of the Transaction Committee of the Anti-Money Laundering Office, and Board of Directors, the Metropolitan Electricity Authority



Mr. Yokporn Tantisawetrat
Commissioner

Appointed

January 23, 2016 - November 3, 2016
(the first term)
November 4, 2016 (the second term)

Experience and contributions

Mr. Yokporn Tantisawetrat obtained a Bachelor's Degree in Economics from Chulalongkorn University and a Master's Degree in the same field from Thammasat University. He held various positions, including Senior Executive Vice President, Chief Executive Office and Risk Officer of Siam Commercial Bank Plc., Director of SCB Securities Co., Ltd., Director of Vinasiam Bank (Vietnam), Director of Thai Rating and Information Services Co., Ltd., Director of TRIS Rating Co., Ltd.

Other roles

Currently, he is Chairman of Audit Committee and Director of Banpu Power Plc., Director of TMB Bank Plc. and Independent Director of AP (Thailand) Plc.



Mr. Viput Ongsakul
Commissioner

Appointed
September 24, 2018

Experience and contributions

Mr. Viput Ongsakul obtained a Bachelor's Degree in Engineering from Chulalongkorn University, Master's and Doctorate Degrees in Industrial Engineering from Texas Tech University. He was an Assistant President for Quality Assurance, National Institute of Development Administration (NIDA), Member of Academic Council, Suratthani Rajabhat University.

Other roles

His current key posts include Dean of NIDA Business School, National Institute of Development Administration (NIDA) and Board Member of Monitoring and Evaluation of the President, Suratthani Rajabhat University.



Mr. Subhak Siwaraksa
Commissioner

Appointed
May 8, 2019

Experience and contributions

Mr. Subhak Siwaraksa holds a BA in English Literature and Economics from Georgetown University, an MA in Law and Diplomacy from Fletcher School of Law and Diplomacy, Tufts University, and a PhD in Economics from University of Pennsylvania, USA. Prior to this appointment, he held various positions, including Governor and Member of the Audit Committee and the Corporate Governance and Social Responsibilities Committee of the Stock Exchange of Thailand, CEO and President of CIMB Thai Bank Plc. and TMB Bank Plc., and Director of Export-Import Bank of Thailand.

Other roles

He also serves as Director and Member of the Audit Committee of Samitivej Plc., Chairman of Jardine Matheson (Thailand) Ltd., Monetary Policy Committee Member of the Bank of Thailand, Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member of Thai Wah Public Co., Ltd.



Mr. Prasan Chuaphanich
Commissioner

Appointed
May 11, 2019

Experience and contributions

Mr. Prasan Chuaphanich obtained a Bachelor of Accounting (2nd Class Honors) and a Diploma in Accounting from Chulalongkorn University, Certified Public Accountant from Ivey School of Business, University of Western Ontario, Canada. He also attended the Executive Management Program and Leading Professional Services Firms from Harvard Business School, Boston, USA. Prior to this appointment, he was a Council Member, IFRS Advisory Council, IFRS Foundation, London, United Kingdom, President of the Federation of Accounting Professions under the Royal Patronage of His Majesty the King, Member of the Sub-committee on Reform of International Economy and Other Economic Matters, the National Reform Council.

Other roles

He is also Chairman of the Board of Thai Institute of Directors Association, Expert Member (Accounting) of the Office of Insurance Commission, Expert Member (Accounting) of the Committee on Dumping and Subsidy of the Ministry of Commerce, Independent Director and Chairman of the Audit Committee of Siam Commercial Bank Plc. and PTT Global Chemical Plc. and Independent Director and Audit Committee of Advance Info Service Plc.



Mrs. Nuntawan Sakuntanaga
Commissioner

Appointed
May 11, 2019

Experience and contributions

Mrs. Nuntawan Sakuntanaga obtained a Bachelor of Accountancy from Chulalongkorn University, an MBA from University of Wisconsin at Madison, USA. Prior to this appointment, she was Permanent Secretary of the Ministry of Commerce. She had also served as Director-General of the Department of Internal Trade, the Department of Intellectual Property, the Department of International Trade Promotion and the Department of Trade Negotiations, the Ministry of Commerce.

Other roles

She is also an Independent Director and Member of the Audit Committee of PTT Plc., Independent Director and Chairman of the Corporate Governance Committee of Asset World Corp Plc., and Chairman of the Gem and Jewelry Institute of Thailand.



Miss Ruenvadee Suwanmongkol
SEC Secretary-General
Commissioner and Secretary

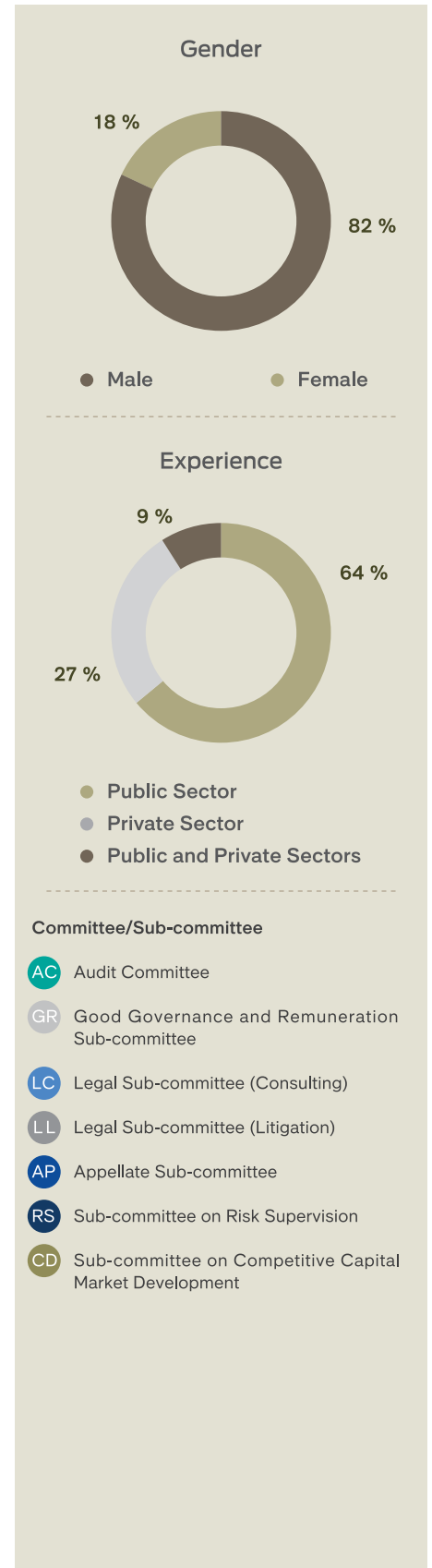
Appointed
May 1, 2019

Experience and contributions

Miss Ruenvadee Suwanmongkol obtained an LLB (1st Class Honors and Gold Medal) from Chulalongkorn University, Barrister at Law from the Institute of Legal Education Thai Bar Association, an LLM (International Law) from Harvard Law School, Cambridge Massachusetts, and an MBA from Walter A. Haas School of Business, University of California at Berkeley. Prior to this appointment, she held several positions, including Director-General of the Legal Execution Department, Director-General of the Probation Department, Inspector of the Ministry of Justice, Director of the Legal Division of the Office of Permanent Secretary of the Ministry of Justice and Independent Director of IRPC Plc.

Other roles

She also holds other posts, including Director of the Bank for Agriculture and Agricultural Cooperatives, Director of Dhanarak Asset Development Co., Ltd., Director of the Law Reform Committee and Chair of the Sub-committee on Research and Development of Public Sector Management, the Office of the Council of State, the Civil Service Sub-Commission on Driving Government Officials' Digital Skills, Office of the Civil Service Commission and Director of the Women for Peace Foundation.



Capital Market Supervisory Board



Miss Ruenvadee Suwanmongkol
SEC Secretary-General
Chairman

Appointed
May 1, 2019

Experience and contributions

Miss Ruenvadee Suwanmongkol obtained an LLB (1st Class Honors and Gold Medal) from Chulalongkorn University, Barrister at Law from the Institute of Legal Education Thai Bar Association, an LLM (International Law) from Harvard Law School, Cambridge Massachusetts, and an MBA from Walter A. Haas School of Business, University of California at Berkeley. Prior to this appointment, she held several positions, including Director-General of the Legal Execution Department, Director-General of the Probation Department, Inspector of the Ministry of Justice, Director of the Legal Division of the Office of Permanent Secretary of the Ministry of Justice and Independent Director of IRPC Plc.

Other roles

She also holds other posts, including Director of the Bank for Agriculture and Agricultural Cooperatives, Director of Dhanarak Asset Development Co., Ltd., Director of the Law Reform Committee and Chair of the Sub-committee on Research and Development of Public Sector Management, the Office of the Council of State, the Civil Service Sub-Commission on Driving Government Officials' Digital Skills, the Office of the Civil Service Commission and Director of the Women for Peace Foundation.



Mrs. Sirivipa Supantanet
SEC Deputy Secretary-General
Board Member

Appointed
June 12, 2019

Experience and contributions

Mrs. Sirivipa Supantanet obtained a Bachelor of Accountancy from Chulalongkorn University and an MBA (Finance) from Western Michigan University. Prior to this appointment, she was Assistant Secretary-General and had served as Director of the Corporate Finance-Equity and Infrastructure Department, the Corporate Finance-Equity Product Department, the Corporate Governance Department, and the Market Supervision Department, and Senior Assistant Director of the Broker-Dealer Supervision Department. Before joining SEC, she was Analyst of the Financial Institution Monitoring and Analysis Department, the Bank of Thailand.



Mr. Lavaron Sangsnit
Director-General, Fiscal Policy Office
Board Member

Appointed
October 1, 2018

Experience and contributions

Mr. Lavaron Sangsnit obtained a Bachelor's Degree in Economics from Chulalongkorn University and a Master's Degree in Economic Policy and Planning from Northeastern University. He had served in significant positions, including Inspector General of Ministry of Finance, Advisor of Financial Policy, Deputy Director General of the Fiscal Policy Office, Director of Bureau of Financial Policy and Financial Institutions.

Other roles

Currently, he is a Spokesperson of the Ministry of Finance, Board Member of Bank of Thailand, Member of the Financial Institutions Policy Committee, Bank of Thailand, Chairperson of the Board Member of Deposit Protection Agency, Board Member of Tobacco Authority of Thailand, Chairperson of the Risk Management Committee of Krungthai Asset Management and Chairperson of the Executive Committee of Aeronautical Radio of Thailand Ltd.



Mrs. Pornanong Budsaratragoon
Board Member

Appointed

April 8, 2014 – July 24, 2018
(the first term)
July 25, 2018 (the second term)

Experience and contributions

Mrs. Pornanong Budsaratragoon obtained a BBA in Quantitative Analysis from Chulalongkorn University, an MBA in Management Information System from University of Dallas and a DBA in Finance from Chulalongkorn University. Her previous posts include Chairman of the Audit Committee and the Committee of the Agricultural Futures Exchange of Thailand.

Other roles

At present, she serves as Head of the Banking and Finance Department and Chairman of the Committee of Master of Science Program in Corporate Governance, Faculty of Commerce and Accountancy, Chulalongkorn University, Expert Member of the Working Group on Knowledge Requirements and Investment Consultant Curriculum, Member of the Working Group on Examination and Assessment Standards, the Stock Exchange of Thailand, Member of the Institute Council Thai-Nichi Institute of Technology, the Office of the Higher Education Commission, Expert member, Sub-committee for the Power Development Fund Management (on working capital), the Office of the Energy Regulatory Commission and Sub-committee for Investment, the National Savings Fund.



Mrs. Saranya Chindavanig
Board Member

Appointed

January 18, 2016

Experience and contributions

Mrs. Saranya Chindavanig obtained a BBA in Accounting from Thammasat University, an MBA from Eastern Michigan University. She had served in significant positions, including Advisor of the Thai Listed Companies Association, Advisor of the Thai Institute of Directors Association, Audit Committee Member of Thai Wacoal Plc. and Zen Corporation Group Co., Ltd., Director of Corporate Finance Department and Accounting Supervision Department of the Securities and Exchange Commission.

Other roles

Currently, she is Chairman of the Sub-committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies, Chairman of the Sub-committee on Consideration of Regulations on Business Takeovers, Member of the Sub-committee on Consideration of Regulations on Supervision of Business and Market Intermediaries.



Mr. Ekachai Chongvisal
Board Member

Appointed

January 18, 2016

Experience and contributions

Mr. Ekachai Chongvisal obtained a Bachelor's Degree in Engineering (Honors) from Chulalongkorn University, an MBA in Finance with Beta Gamma Sigma (honor society) from Indiana University, Bloomington. He held various positions, including Chief Executive Officer and Director of the Association of Investment Management Companies, Member of the Capital Market Committee of the Bank of Thailand, Independent Director of the Thai Bond Market Association, Director of Fitch Rating (Thailand) Co., Ltd., Director of TISCO Asset Management Co., Ltd., Director of SCB Asset Management Co., Ltd. and Director of Home Product Plc.

Other roles

He is now Chairman of the Sub-committee on Consideration of Regulations on Property Funds, Infrastructure Funds and Real Estate Investment Trusts, Chairman of the Sub-committee on Consideration of Regulations on Asset Management and Chairman of the Committee of Disciplinary Personnel in the Capital Market Business.



Mr. Ayuth Krishnamara
Board Member

Appointed
July 25, 2018

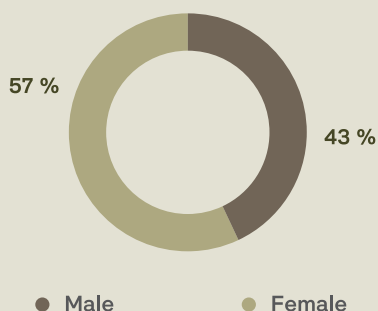
Experience and contributions

Mr. Ayuth Krishnamara obtained a BSC in Chemical Engineering from Lehigh University, Bethlehem, an MBA from Pepperdine University, Los Angeles. He held various positions in Bangkok Bank Public Company Limited, including Member of the Risk Management Committee and Secretary, Executive Vice President in charge of Accounting and Finance Division and Manager of Risk Management Division. In other organizations, he was a Director of Bualuang Ventures Limited, Director of the Asian Bankers Association (ABA), Vice Chairman of BBL Asset Management Co., Ltd., Chairman of Basel Club and IFRS Club of Thai Bankers Association and Chairman of Thai Forex Club of Thai Bankers Association.

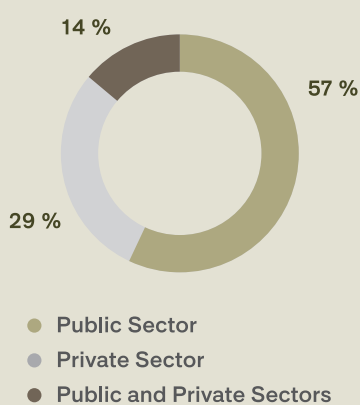
Other roles

He is now Chairman of the Sub-committee on Consideration of Regulations on Sales Conduct and Provision of Investment Advice, Member of the Sub-committee on Consideration of Regulations on Property Funds, Infrastructure Funds and Real Estate Investment Trusts and Member of the Sub-committee on Consideration of Regulation on Issuance and Offering of Debt Securities, Derivatives and Structured Products. He also recently appointed as External Specialist on Financial Institution and its Financial Group's Risk Management Standard, Bank of Thailand and Quality Assurance Review Panel, the Securities and Exchange Commission

Gender



Experience



Executive Officers



01 | **Miss Ruenvadee Suwanmongkol**
SEC Secretary-General

02 | **Mrs. Sirivipa Supantanet**
Deputy Secretary-General

03 | **Mrs. Paralee Sukonthaman**
Deputy Secretary-General

04 | **Mrs. Waratchya Srimachand**
Deputy Secretary-General

05 | **Mr. Sakkarin Ruamrangsri**
Assistant Secretary-General

06 | **Mrs. Nataya Niyamanusorn**
Assistant Secretary-General

07 | **Mrs. Charuphan Intararoong**
Assistant Secretary-General

08 | **Mrs. Praoporn Senanarong**
Assistant Secretary-General

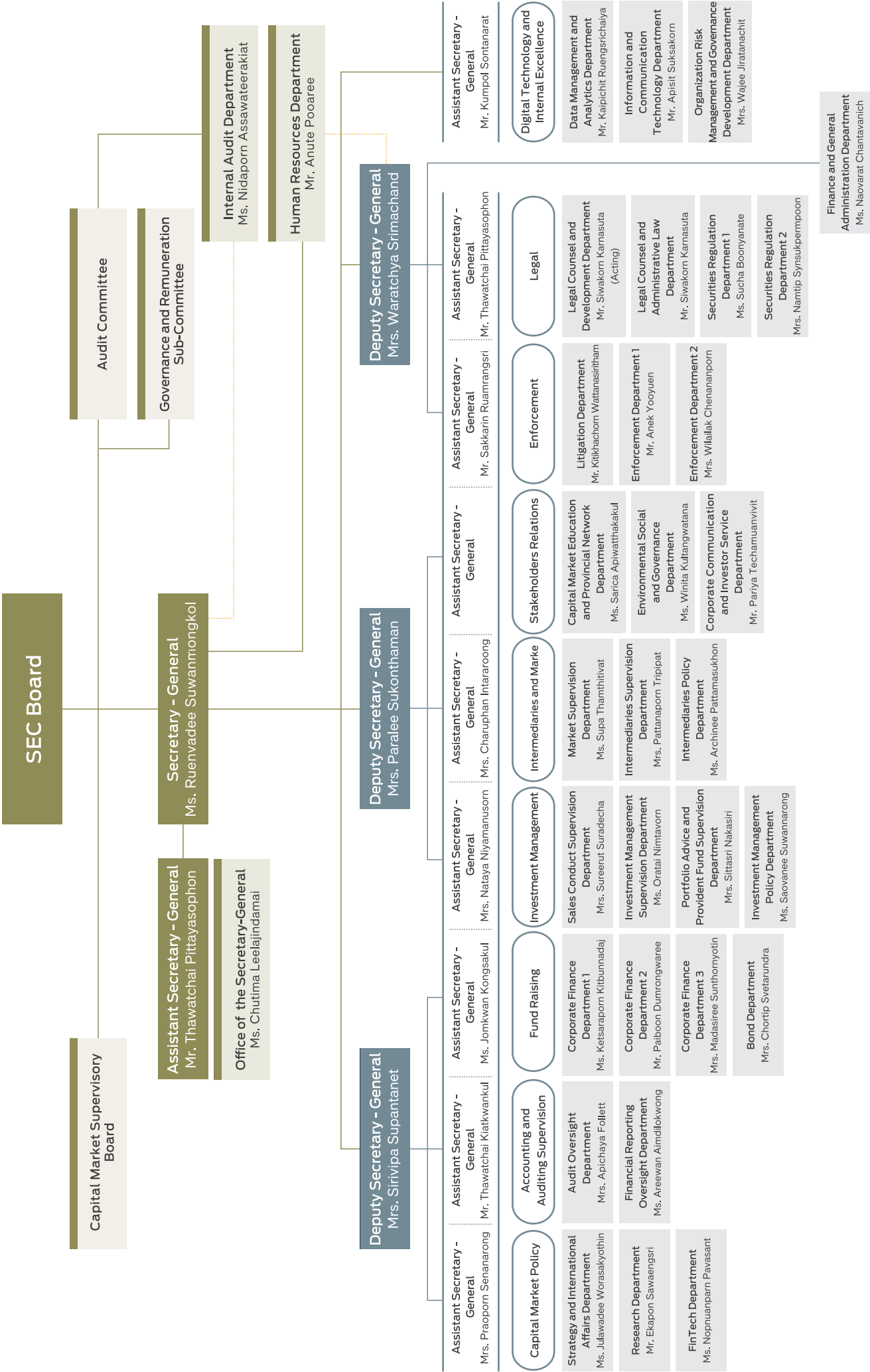
09 | **Mr. Thawatchai Kiatkwankul**
Assistant Secretary-General

10 | **Mr. Kumpol Sontanarat**
Assistant Secretary-General

11 | **Mr. Thawatchai Pittayasophon**
Assistant Secretary-General

12 | **Miss Jomkwan Kongsakul**
Assistant Secretary-General

As of 31 December 2019



Formation and Roles of the Boards and Committees

1. Board Structure

Pursuant to the Securities and Exchange Act B.E. 2535 (1992), the SEC comprises two boards, namely:

- **The SEC Board** is entrusted with policymaking for overall market supervision and development including appointment of various sub-committees to support the operation of the SEC Board.

- **The Capital Market Supervisory Board (CMSB)** is in charge of issuance of rules, regulations and orders pertaining to securities offering and business undertaking in the capital market, appoints sub-committees to support CMSB's work and reports the performance to the SEC Board.

The SEC Office operates in accordance with policies assigned by the SEC Board and the CMSB with the Secretary-General as the highest chief executive.

1.1 SEC Board

The SEC Board structure as stipulated in the Securities and Exchange Act consists of (1) Chairman appointed by the Cabinet (2) Three ex-officio members comprising the Permanent Secretary of the Ministry of Finance, the Permanent Secretary of the Ministry of Commerce and the Governor of the Bank of Thailand (3) Four to six expert members by the nomination of the Selection Committee and appointed by the Minister of Finance, at least one each in the legal, accounting and finance fields and (4) the Secretary-General of the SEC as board member and secretary. The Chairman, the expert members and the Secretary-General shall hold the office for a four-year term and may be re-appointed, but not more than two consecutive terms.

1.2 Capital Market Supervisory Board (CMSB)

The CMSB as stipulated in the Securities and Exchange Act consists of (1) the Secretary-General as Chairman (2) the Deputy Secretary-General appointed by the Secretary-General (3) the Director-General of the Fiscal Policy Office or the appointed Deputy Director-General, and (4) not more than four expert members appointed by the Minister of Finance upon the Selection Committee's recommendation. At least two of the expert members must have experiences managing listed company or securities company. The expert members' term in office is four years and shall not hold the office for more than two consecutive terms.

2. Check and Balance Mechanism

To support operation of the SEC Board to ensure transparency, fairness and integrity, the SEC Board has appointed committees and sub-committees to be important mechanism of check and balance.

2.1 Audit Committee

Audit Committee is responsible for supervising and reviewing of the SEC management in accordance with the Securities and Exchange Act, other laws related to the capital market, other applicable laws and regulations and the SEC governance, including code of ethics and anti-corruption policy. The Audit Committee also provides independent recommendations on good governance, risk management and internal control. This is to ensure the SEC operation is appropriate, efficient and effective.

The Securities and Exchange Act stipulates that the Audit Committee consists of not less than three but not more than five members. Of this total, at least two members must be expert members of the SEC Board and appointed members shall be competent or have experiences in accounting, finance, law or capital market. The term of office for the Audit Committee shall be as follows:

(1) Audit Committee that is SEC Board including expert member shall have term of office that is identical to their terms on the SEC Board.

(2) The others excluding SEC Board shall hold office for a term of four years and may be re-appointed, but not more than two consecutive terms.

2.2 Good Governance and Remuneration Sub-committee

The Good Governance and Remuneration Sub-committee's duty is to suggest policy and guidelines for development of good governance of the organization, including guidelines or criteria for the nomination, remuneration and evaluation of the SEC Board, the CMSB, the Sub-committee and the Secretary-General. The Sub-committee consists of four members from the SEC Board, each holding the office for a two-year term.

3. Assessment on Duty Performance of the SEC Board and the CMSB

The SEC Board and the CMSB conduct annual assessment, on group and individual levels, to review their respective duty performances and improve further development under good governance principles. In 2019, the recommendations of the external assessor were taken into consideration to lay out guidelines for promoting and supporting duty performance of the SEC Board, ranging from data management, board development and management, risk management and management of Secretary-General's performance and succession plan.

4. Ongoing Board Development

The SEC Board and the CMSB emphasize the importance of sufficient inputs on new developments and technological implementation in the capital market. In the previous year, the SEC began using an e-meeting system for the holding of meetings to facilitate systematic information access of board members. In addition, the SEC invited board and committee members to participate in SEC events and activities both locally and internationally. For example, knowledge sharing at the 31st ASEAN Capital Markets Chairs' Meeting in Phuket province, Thailand showcase at Singapore FinTech Festival Expo 2019 and participation in the SEC's seminars and knowledge sharing sessions, including the Capital Market Governance Promotion Initiative in celebration of HM the King's coronation and the SEC Capital Market Symposium 2019, etc. In addition, the SEC invited experts in various fields to share knowledge on topics of interest at the time such as the Cybersecurity Act B.E. 2562 (2019), Big Data for the Thai capital market and Distributed Ledger Technology in the Capital Market. This sharing of opinions and experiences allowed the SEC Board and the CMSB to lay out policies and directions for supervision and development of the capital market more efficiently.

5. Revision of the Selection Process of CMSB Expert Members and Secretary-General Qualifications

In 2019, the Securities and Exchange Act B.E. 2535 (1992) was amended, specifying that the SEC Board propose a list of experts for the Selection Committee's consideration of the CMSB expert members, as opposed to the previous criteria whereby the SEC Board Chairman and Secretary-General jointly proposed such list. In addition, the amendment specifies more clearly that the Secretary-General's qualifications include having knowledge, capability and expertise on capital market, economics or banking and finance.

6. The Meeting Attendance of the Boards and Sub-committees

The SEC Board holds meeting at least once a month according to the pre-scheduled annual meeting calendar. The Secretary-General presents draft meeting agendas to the Chairman for approval. Once approved, the meeting agenda will be submitted to the SEC Board for consideration not less than seven days prior to the meeting. In order to make careful and prudent decision, the SEC Board may ask for additional information from the board's secretary.

In the meeting, the Chairman of the SEC Board shall chair the meeting. In case the Chairman is unable to attend the meeting, the Permanent Secretary of the Ministry of Finance shall assume the duties of chairing the meeting.

The members attending the meeting shall not be less than half to constitute a quorum. Members of management may attend the meeting on relevant topics. Any member of the SEC Board having conflicts of interest in any agenda item is required to declare such conflict and thus shall be excluded from participating in the consideration of such item agenda.

In this respect, the meetings of the CMSB, the Audit Committee and the appointed Sub-committees follow similar guidelines.

Details of the meetings of each Board and the Sub-committees for the year 2019 are as follows:

6.1 SEC Board

Position	Name	Total Attendance/ No. of Meetings				Remarks
		SEC Board	Audit Committee	Appellate Sub-committee	Good Governance and Remuneration Sub-committee	
Chairman	Mr. Voravidh Champeeratana	12/12	-	-	-	
Ex-officio Members	Permanent Secretary of the Ministry of Finance					
	- Mr. Prasong Poontaneat	11/12	-	-	-	Mr. Yuttana Yimgarund attended the meeting on behalf of Mr. Prasong Poontaneat at the 3 rd meeting.
	Permanent Secretary of the Ministry of Commerce					
	- Mr. Boonyarit Kalayanamit	8/12	-	-	-	
	Governor of the Bank of Thailand					
	- Mr. Veerathai Santiprabhob	12/12	-	-	-	Mr. Ronadol Numnonda attended the meeting on behalf of Mr. Veerathai Santiprabhob at the 4 th meeting.
Expert Members	Mr. Sarawut Benjakul	12/12	6/6	-	2/3	
	Mr. Yokporn Tantisawetrat	11/12	12/12	4/4	2/3	
	Mr. Viput Ongsakul	12/12	12/12	-	3/3	
	Mr. Subhak Siwaraksa	6/8	-	2/3	-	Holding office from May 8, 2019
	Mr. Prasan Chuaphanich	7/7	6/6	-	1/3	Holding office from May 11, 2019
	Mrs. Nuntawan Sakuntanaga	6/7	-	3/3	1/3	Holding office from May 11, 2019
Member and Secretary	SEC Secretary-General					
	- Mr. Rapee Sucharitakul	4/4	-	-	-	Holding office until April 30, 2019
	- Miss Ruenvadee Suwanmongkol	8/8	-	-	-	Holding office from May 1, 2019

6.2 Capital Market Supervisory Board

Position	Name	Total attendance/ No. of meetings		Remarks
Chairman	SEC Secretary-General			
	- Mr. Rapee Sucharitakul		6/6	
	- Miss Ruenvadee Suwanmongkol		8/8	
Ex-officio Members	SEC Deputy Secretary-General			
	- Mrs. Tipsuda Thavaramara		5/6	
	- Mrs. Sirivipa Supantanet		8/8	
	Director General, Fiscal Policy Office			
	- Mr. Lavaron Sangsanit		11/14	Mr. Attapol Attaworadej attended the meeting on behalf of Mr. Lavaron Sangsanit at the 6 th meeting.

6.2 Capital Market Supervisory Board (Continued)

Position	Name	Total attendance/ No. of meetings	Remarks
Expert	Mrs. Pornanong Budsaratragoon	13/14	
Members	Mrs. Saranya Chindavanig	13/14	
	Mr. Ekachai Chongvisal	14/14	
	Mr. Ayuth Krishnamara	14/14	

7. Remuneration of the Boards and Executives

7.1 Details of the remuneration of the boards and sub-committees

The Securities and Exchanges Act contains provisions that the SEC Board and the sub-committees appointed

by the SEC Board shall receive compensation as specified by the Minister of Finance. The CMSB and the sub-committees appointed by the CMSB shall receive compensation as specified by the SEC Board. The details of the remuneration are as follows:

Remuneration of Boards and Committees

Remuneration	Unit: Baht									
	SEC Board		Capital Market Supervisory Board (CMSB)		Audit Committee		Legal Sub-committee/ Good Governance and Remuneration Sub-committee/ Appellate Sub-committee		Draft Notification Sub-committee / Other Sub-committees	
	Chair	Member	Chair	Member	Chair	Member	Chair	Member	Chair	Member
Monthly stipend ^{1/}	56,250	45,000	50,000	40,000	56,250	45,000	-	-	-	-
Attendance fee/ meeting ^{1/}	31,250	25,000	25,000	20,000	-	-	15,000	12,000	5,000	4,000
Additional monthly remuneration paid to expert members of the CMSB who fall under the prescribed condition ^{2/}	-	-	-	140,000	-	-	-	-	-	-

หมายเหตุ^{1/} According to the Ministry of Finance's letter No. Gor Kor 1007/3874 on the Improvement of the Remuneration of the SEC Board and the Sub-committees Appointed by the SEC Board, effective from February 27, 2017.

^{2/} The prescribed condition means being an expert member who has been affected by the restriction of working in any company or organization under the supervision of the SEC, such in which case an expert member must be able to perform additional work under the prescribed conditions.

Remuneration of the SEC Board in 2019

Unit: Baht

Name	Position	Remuneration			Total
		SEC Board	Audit Committee	Other Sub-committees	
Mr. Voravidh Champeeratana	Chairman	1,050,000.00	-	-	1,050,000.00
Mr. Prasong Poontaneat	Member	790,000.00	-	15,000.00	805,000.00
Mr. Boonyarit Kalayanamit	Member	740,000.00	-	-	740,000.00
Mr. Veerathai Santiprabhob	Member	815,000.00	-	12,000.00	827,000.00
Mr. Sarawut Benjakul	Member	840,000.00	246,000.00	132,000.00	1,218,000.00
Mr. Yokporn Tantisawetrat	Member	815,000.00	675,000.00	99,000.00	1,589,000.00
Mr. Viput Ongsakul	Member	840,000.00	540,000.00	48,000.00	1,428,000.00
Mr. Subhak Siwaraksa	Member	499,838.71	-	84,000.00	583,838.71
Mr. Prasan Chuaphanich	Member	475,483.87	294,000.00	27,000.00	796,483.87
Mrs. Nuntawan Sakuntanaga	Member	450,483.87	-	69,000.00	519,483.87
Mr. Rapee Sucharitakul	Member and Secretary	280,000.00	-	-	280,000.00
Miss Ruenvadee Suwanmongkol	Member and Secretary	560,000.00	-	-	560,000.00

Remuneration of the Capital Market Supervisory Board (CMSB) in 2019

Unit: Baht

Name	Position	Remuneration			Total
		Capital Market Supervisory Board (CMSB)	Other Sub-committees	Additional Remuneration	
Mr. Rapee Sucharitakul	Chairman	350,000.00	-	-	350,000.00
Miss Ruenvadee Suwanmongkol	Chairman	600,000.00	-	-	600,000.00
Mrs. Tipsuda Thavaramara	Member	260,000.00	-	-	260,000.00
Mrs. Sirivipa Supantanet	Member	480,000.00	-	-	480,000.00
Mr. Lavaron Sangsanit	Member	700,000.00	-	-	700,000.00
Mrs. Pornanong Budsaratragoon	Member	740,000.00	49,000.00	1,680,000.00	2,469,000.00
Mrs. Saranya Chindavanig	Member	740,000.00	9,000.00	1,680,000.00	2,429,000.00
Mr. Ekachai Chongvisal	Member	760,000.00	75,000.00	1,680,000.00	2,515,000.00
Mr. Ayuth Krishnamara	Member	760,000.00	4,000.00	1,680,000.00	2,480,000.00

7.2 Detail of the remuneration of the management

In 2019, the SEC management consisting of Secretary-General, Deputy Secretary-Generals, Senior Assistant Secretary-General and Assistant Secretary-Generals, altogether twelve persons, received compensations, for example, salaries, provident fund, car allowance and

medical expenses totaling 96,886,428.69 baht.

7.3 Remuneration of auditor

The remuneration of the auditor for the audit of the financial statements for the year 2019 was 800,000 baht.

SEC Governance

SEC is committed to agile transformation towards becoming a regulatory agency that is fully aware of changes and adaptive to the fast-evolving environment. The progresses over the year are as follows:

Strategy 1: To support employees in their work performance to ensure flexibility and agile adaptability with the focus on key performance effectiveness:

1. Creating a positive mindset that is constantly adaptive to changes through various activities and projects, i.e.:

- E-learning courses via Microsoft Teams to promote the use of digital tools and platforms in fostering a collaborative working culture;

- The Voice for Better Working Life and Better SEC Project to gather employees' comments and suggestions categorized by age groups regarding personal career goals, obstacles and solution guidelines. The response data were taken into consideration in improving working guidelines suitable for each age group of the personnel. SEC Secretary-General closely participated in the activities of the project which attracted 80 percent of the SEC workforce and comprehensively reflected the majority's viewpoints;

- Sports events to promote cross-departmental teamwork and skill improvement to strengthen employees' multiple skills;

- The annual staff outing under the theme, "Together We Move Forward," to promote the SEC core values of Proactiveness, Promptness, Prudence and Collaboration. A large number of employees took part in the event, resulting in the growing awareness of proactive approach and more opportunities to voice their views and join various group activities.

2. Applying the Regulatory Impact Assessment (RIA) and the Design Thinking process into the consideration of every important measure, organizing communication activities to enhance understanding, and encouraging employees to apply a new analytical process to the creation of measures and operating guidelines for suitable response to the needs of stakeholders. Meanwhile, SEC was in the process of revising the operating guidelines in accordance with the Act on Legislative Drafting and Evaluation of Law B.E. 2562 (2019);

3. Implementing a key performance management system in support of agile organization to effectively achieve the objectives under the SEC Strategic Plan and Mission, and encouraging the employees to create and adjust approaches towards the goals with flexibility and agility.

Strategy 2: To establish a digital infrastructure and data management to reduce burdens and enhance supervision for the benefits of stakeholders:

1. Implementing the Enterprise Architecture (EA) Initiatives in the following areas:

- Project Management applied to major and large-scale projects to ensure achievement of the specified goals;

- Change Management applied to support digital transformation, promote employees' digital knowledgeability and capability to facilitate work performance, and set up the digital transformation-leading teams;

- Knowledge Management applied to the making of online training courses available to employees anytime anywhere. The first e-learning courses attracted 100% attendance, and the competency development courses would continue in conjunction with other interesting courses to promote further learning;

- Data Warehouse established to provide sufficient information for decision making, risk monitoring and information disclosure for the benefits of data users.

2. Adopting digital services and work processes and launching the Enterprise Information Management (EIM) Project, which involves adjustment of service provision methods, more online channels, and digital work processes;

3. Enhancing cyber resilience on par with international standards with specified goals. The action plan has been laid out and in the process of implementation to achieve the goals;

4. Improving the management of important and personal data. The Data Management Policy has been laid out and the action plan thereof is in the drafting process. In addition, a contingency plan for data leakage has been prepared to ensure important and personal data security and compliance with related laws and regulations.

Strategy 3: To recruit and develop human resources competency to sufficiently support the organizational directions:

1. Assigning middle management officers (assistant director level) to be a personal advisor to new employees. The self-assessment of assistant directors functioning as advisor showed satisfactory results;

2. Recruiting personnel for strategic positions in support of key organizational directions through the following activities / events:

- SEC Career Day: an open house event to publicize the SEC organization and invite interested persons to apply for digital technology-related job positions. The event attracted 121 visitors and 41 job applicants;
- Regular events such as Cyber Boot Camp, Career Opportunity Day, which will continue throughout 2020 in the form of proactive approach to target universities;
- Contract employment for digital strategy-related officers to suit the target groups and the nature of work;



SEC hosts an open house to introduce the roles and scope of work of the Digital Technology and Internal Excellence Division to potential candidates for SEC employment.

3. Improving employees' digital literacy and competency to increase the use of digital technology for enhancing work performance in the following manners:

- Monthly digital literacy development sessions for every employee such as building awareness on cybersecurity, training courses on infographic presentation, design thinking and user experience, etc. These training activities were well received by SEC staff;
- Preparation for the Digital Transformation for Executives Program in Singapore. (The program is scheduled for launch in January 2020);
- Online training courses on digital competency development conveniently accessible to employees according to their topics of interest;
- SEC Hackathon Project first launched to develop employees' digital competency and encourage them to apply their acquired knowledge and skills to create innovative work processes. The project attracted 84 contestants from all employee levels and more than 300 participants. Many projects presented at the Hackathon have been further improved for real use.



SEC Hackathon Project supports contestants' creation of innovative work processes.

Strategy 4: To establish an organizational infrastructure for sustainable development:

1. Implementing the external assessor's suggestion of committee appointment continuously in accordance with the guidelines approved by the SEC Board at the Monthly Meeting No. 7/2019 on 4 July 2019 in the topics of (1) engagement in strategy formulation and strategic guidance to SEC, (2) information management concerning type and quality of information brought up for consideration, and (3) development of the Board to keep abreast of new challenges that could impact the capital market. Key actions in this regard include:

- Initiating the use of an e-meeting system for SEC Board meetings and an e-platform for notifying important news in a timely manner;
- Organizing activities to provide Board members with an in-depth understanding of relevant matters;
- Encouraging Board members to attend meetings with stakeholders or other regulatory agencies, for example, meeting with representatives of foreign regulators at the ASEAN Capital Markets Forum, and attending seminars or related training courses such as Singapore FinTech Festival Expo 2019;
- Holding orientation sessions on the roles of SEC, the strategic plan and important information on capital market for new Board members;
- Informing Board members of the comments and suggestions of stakeholders or key obstacles arising from the issuance of rules and regulations.

2. Upgrading the SEC website based on User Experience (UX). The results of a user experience survey showed that the visitors who read through the whole page increased to 64 percent and the user satisfaction score was 3.65 out of 5. There were 1,197 survey respondents (as of 30 October 2019). In addition, 92 percent (or 2,582 persons) of the total respondents participating in the end-of-page survey viewed that the web contents were useful.

3. Increasing channels for investors' convenient access:

- Live chat for inquiries via the SEC website;
- Help Center Hotline 1207 (available 24 hours/day and 7 days/week) for inquiries, suggestions and complaints;
- E-mail-based contingency plan to support Help Center operation.

4. Implementing action plans in accordance with the SEC Anti-corruption Policy:

- Self-evaluation as member of Thailand's Private Sector Collective Coalition Against Corruption (CAC), using the Self-Evaluation Tool for Countering Bribery. The evaluation is conducted every three years, and so far SEC has passed the evaluation in all 71 areas;

- Ongoing No Gift Policy whereby all parties are requested not to give gifts to executives and officers on any occasions and festivities;

- Participation in the Integrity and Transparency Assessment (ITA) organized by the Office of the National Anti-Corruption Commission for the first time. ITA is a compulsory assessment for all governmental agencies in accordance with the Cabinet's meeting resolution on 3 January 2018 with the objective of improving transparency and preventing corruption and wrongful acts in line with the Master Plan under the National Strategy regarding anti-corruption and suppression of wrongful acts (2018-2037). SEC received an average score of 89.99, thus belonging to the A-Graded Group. The assessment results show that the majority of SEC workforce have confidence in the organization's transparency, work standards and commitment to public interest. Likewise, the public and service users have confidence in SEC's operation that complies with standards, processes and specified deadlines. SEC also provides information straightforwardly without compromising the public interest with nepotism. In addition, no bribery has been found and systems of excellence have been established for disclosure of up-to-date information to the public;

- Voluntary participation in the 9th Integrity Awards Project organized by the National Anti-Corruption Commission in September 2019 to demonstrate SEC's commitment to transparency, integrity and good governance;

- Joining the Anti-Corruption Day 2019 under the theme, "Together We Volunteer to Fight Anti-Corruption," to promote synergy of power among Thai people in all sectors, dedication and cooperation in volunteering to fight against corruption according to individuals' roles and contexts;



- Joining the 2019 International Anti-Corruption Day (Thailand) under the theme, "Zero Tolerance: Thai People against Corruption," to demonstrate the commitment to fighting corruption and raise an awareness of severe danger of corruption that casts negative impacts to the country at large.



- Issuing internal measures to promote transparency and prevent corruption in the following areas:

- o Disclosure of public information;
- o Stakeholder engagement;
- o Procurement transparency;
- o Examination of judgement;
- o Prevention of conflicts of personal and public interest;
- o Prevention of Bribery;
- o Handling of complaints against corruption.

Further information is available at www.sec.or.th



Human Resources Management

1. Policies and Guidelines for Human Resources Management

Key principles

SEC has laid out key principles for human resources management as follow:

1. **Fairness and Equality:** SEC emphasizes morality and fair treatment towards every employee in terms of employment, promotion, remunerations, and prevention against unfair activities at all levels;

2. **Integrity:** SEC ensures that employees at all levels perform duties with integrity mainly for the benefits of the public and the country;

3. **Respect for Individual Employees:** SEC stresses the importance and acceptance of differences in opinions, beliefs and living principles of all employees, and takes such differences into consideration when laying out rules and regulations and solution guidelines. This also includes respectful interaction and emphasis on self-respect as individual;

4. **Quality of Life:** SEC emphasizes and promotes better quality of life of employees with a full awareness that good quality of life can influence employees' work efficiency and motivation. Good quality of life includes work satisfaction, a work-life balance, manageable work stress and a variety of assignments to reduce monotonous repetition;

5. **Good Working Environment:** SEC creates a safe and convenient working environment and a satisfying workplace.

2. Human Resources Development

In strengthening the competency and knowledgeability of executives and employees in the areas of management and digital transformation, SEC has organized human resources development sessions as follows:

1. Digital competency and skills: SEC aims to provide employees with digital knowledge and skills that are adequate and consistent with the organization's directions and goals. Digital training courses and supportive working environment help employees adjust to the changing working environment, communicate and cooperate with others, and prevent cyber threats. Activities include:

1.1 Organizing training sessions to raise employees' awareness of digital disruption by inviting speakers from leading organizations to share knowledge and experiences and promoting a better understanding and application of advanced technologies and innovative presentation skills to actual work performance;

1.2 Promoting training for the employees in the fields of information technology audit, cyber security and IT innovation-related work such as financial technology, ICO, STO and Blockchain, etc.. In the area of data analytics, SEC accepts certification of working standards, i.e., CISA (Certified Information Systems Auditor), CISM (Certified Information Security Manager), and CISSP (Certified Information Systems Security Professional).

2. Staff orientation: SEC offers orientation sessions to provide new employees with fundamental capital market knowledge and corporate culture, as follows:

2.1 **Capital market knowledge:** SEC has developed fundamental online courses for new employees suitable for learning styles of new generations;

2.2 **Self-adjustment to corporate culture:** SEC has organized activities to promote the corporate values of Open-mindedness, Insight, Cooperation and Integrity and cultivated work ethics for public interest.

3. Support for training and workshops, field visits, and secondment programs with international organizations: SEC aims to expand the perspectives of international work standards and promote employees' implementation to real-life work performance at leading organizations, as follows:

3.1 Participating in a secondment program for an officer of the Strategy and International Affairs Department to be an advisor to the IOSCO General Secretariat for two years in Madrid, Spain;

3.2 Delegating an officer of the Audit Oversight Department to work at the IT Audit Unit of KPMG Management & Risk Consulting Sdn. Bhd. in Malaysia;

3.3 Assigning employees from various departments to gather capital market knowledge and create networks with foreign regulators including IOSCO, US SEC, MAS, APEC and CFTC.

4. Revision to methods of human resources development: In 2019, SEC has revised the methods of human resources development by (1) increasing the use of technology, (2) replacing offline classroom learning with online courses available to all employees anytime anywhere via multiple devices and platforms, for example, mobile phone, tablet and laptop, (3) promoting employees' digital awareness and competency to prepare their readiness for work performance in the digital age, (5) supporting employees' learning through sharing of knowledge and experiences, and (6) encouraging supervisors to play more roles in directly developing employees' skills in the forms of coaching and on-the-job training so that employees will be able to learn fast, adapt to changes, and share knowledge and

experiences among themselves. This is to achieve the ultimate goal of promoting continuous development of employees' potential and skills. The human resources development over the year yielded the following results:

4.1 The online learning hours of all employees totaled 346.5 hours;

4.2 The total learning hours classified by employee levels:

- (1) Administrative assistant level = 956 hours;
- (2) Officer level = 7,208 hours
- (3) Director level = 5,309 hours
- (4) Management level = 915 hours

3. Corporate culture, Employees' Engagement, and Promotion of Patriotism, Religion and Loyalty to the Monarchy:

SEC organizes various activities to promote employees' engagement in representing corporate culture, promoting good personnel relationship, and cultivating patriotism, religion and loyalty to the monarchy on a regular basis, as follows:

1. Activities promoting corporate values with an emphasis on integrity, morality and work ethics to build public confidence in SEC, for example, two lectures on the Ethical Standard Act by the Office of Civil Service Commission advisor Mr. Pirun Pienlumlert, to emphasize the importance of work performance with integrity, morality and ethics to build public confidence.



2. Activities cultivating and promoting patriotism, religion and loyalty to the Monarchy. SEC, as a public sector agency, held activities to protect and maintain sovereignty and security of the nation, preserve religions, national arts and culture, and enhanced the establishment of Monarchy as the soul of the nation, as follows:

2.1 Special lectures and educational tours to Bangkok National Museum to learn about the national history, royal contribution of the Monarchy and Thai ancestors from the past to the present via art objects, antiques, fine arts, architecture from the Rattanakosin Era and others, and other key educational media created and maintained by the National Museum and the Department of Fine Arts.



2.2 SEC organized merit making activities to celebrate the auspicious occasions of the Birthday Anniversaries of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua, Her Majesty Queen Sirikit the Queen Mother, and Her Majesty Queen Suthida Bajrasudhabimalalakshana.



SEC celebrates the auspicious occasion of the Birthday Anniversary of Her Majesty Queen Suthida Bajrasudhabimalalakshana. Activities include a ceremony to express good wishes and food and alms offerings to Buddhist monks.

2.3 SEC performed ceremonies of merit making and food and alms offering to Buddhist monks to commemorate the Birthday Anniversary and the passing of His Majesty King Bhumibol Adulyadej the Great.



SEC performs a ceremony for the auspicious occasion of the Birthday Anniversary of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua. Activities include presenting good wishes, taking the oath of allegiance, and making merits and offering food and alms to Buddhist monks.



SEC celebrates the auspicious occasion of the Birthday Anniversary of Her Majesty Queen Sirikit the Queen Mother. Activities include a ceremony to express good wishes and food and alms offerings to Buddhist monks.



3. Sports and Exercise Events. SEC organized activities to promote employees' awareness of the importance of physical exercise for the benefit of strong health and good quality of life. Activities included the Fit & Firm 90 Days Challenge and Sports Day, which helped to foster good relationship among SEC Board members, executives and staff.



4. Social activities

SEC encouraged its staff to engage in social activities not only by doing good deeds for public interest on various occasions, but also supporting the missions of other public agencies and participating in voluntary services for the underprivileged and vulnerable groups in society to be financially independent by making an honest living and to be proud of their own capability. Such social activities include the followings:

4.1 Hiring professional masseuses with visual disabilities to alleviate office syndrome of SEC employees twice a week for three consecutive years;

4.2 Supporting Social Health Enterprise (SHE) Baan Kueng Vithi by organizing massage sessions to relieve office syndrome of SEC employees based on the principles of sports science. Founded by cardiologist Poonchai Chitanuntavitaya, SHE organizes stress relieving massage training for former woman prisoners to be able to earn a living on their own.



4.3 Supporting and encouraging SEC employees to offer lunch meals, donate money and objects to Rachawadee Home for Persons with Disabilities Protection and Development (for girls), Nonthaburi Province, whose mission is to take care of girls with intellectual and mental disabilities.



4.4 Continuing the annual tradition of blood donation for the Red Cross Thailand on special occasions.



5. Employee Performance Management System

SEC uses Performance Management System to evaluate employees' work performance, giving a considerable weight to work quality, goal achievement, improvement of efficiency and work processes, teamwork development, feedback and coaching, and behaviors in compliance with the corporate values.

6. Remuneration Policy

SEC remuneration policy takes into consideration the appropriateness in terms of knowledge, competency, fairness and performance outcome of each employee.

The remunerations consist of (1) basic monthly salary based on the levels of job position, experiences and complexity of assignments as well as the local market situation in accordance with the principle of fairness within and outside the SEC organization, (2) other kinds of remunerations according to the nature of work such as professional allowance and annual reward, and (3) welfare and other benefits, i.e., medical expenses for employees and their family members, tuition fees for children, transportation expenses, and communication expenses, etc.

7. Human Resources

Human Resources Statistics	2019	2018
1. Total number of full-time employees (person)	645	634
• Male	211	206
• Female	434	428
2. Employees classified by sex (%)		
• Male	33	32
• Female	67	68
3. Employees classified by types of contract (%)		
• Full-time employees	89	89
• Permanent workers	8	7
• Temporary workers	-	-
• Outsourced	3	4
4. Employees classified by levels (person)		
• Administrative assistants	57	59
• Officers	396	394
• Assistant directors	148	138
• Directors	32	31
• Management	11	11
5. Employees classified by levels (%)		
• Administrative assistants	9	9
• Officers	61	62
• Assistant directors	23	22
• Directors	5	5
• Management	2	2

Organizational Sustainability Development

Policies and Objectives of Sustainability Management

The capital market plays an important role to the national economic and social systems. It is a fundraising venue for both public and private sectors, enhances the balance of the financial system in propelling the economic system, and generates employment and income distribution. The capital market is also a savings and investment channel for the public.

It is evident that to grow sustainably, the capital market and market participants must not ignore the benefits for and impacts on stakeholders, society and the environment. Therefore, the operational strategy must be far-reaching and inclusive to achieve the goal of sustainable development of the capital market.

The SEC has an important role to supervise and promote market participants' operation that takes into consideration the interest of stakeholders, society and the environment. Similarly, the SEC is committed to supervision based on the principles of good corporate governance and responsibility to stakeholders in all sectors. This includes the regard to rights, recognition and fair treatment of staffers and employers and respect for human rights in concurrent with the development and improvement of environmentally friendly work processes and the establishment of protocol for business operators. In this regard, the SEC supports and promotes operation of directors, executives, staffers and employees by taking into consideration the balanced benefits in all areas to pursue sustainable future for the SEC organization and the capital market.

(1) Organizational Development

The SEC is committed to building corporate excellence that accommodates active adjustment, effective solution and responsiveness to change. Supervisory infrastructures have been established in support of timely transformation, implementation of flexible approaches and achievement of intended outcomes. In pursuing the said objectives, SEC propels organizational developments in four major areas as follows:

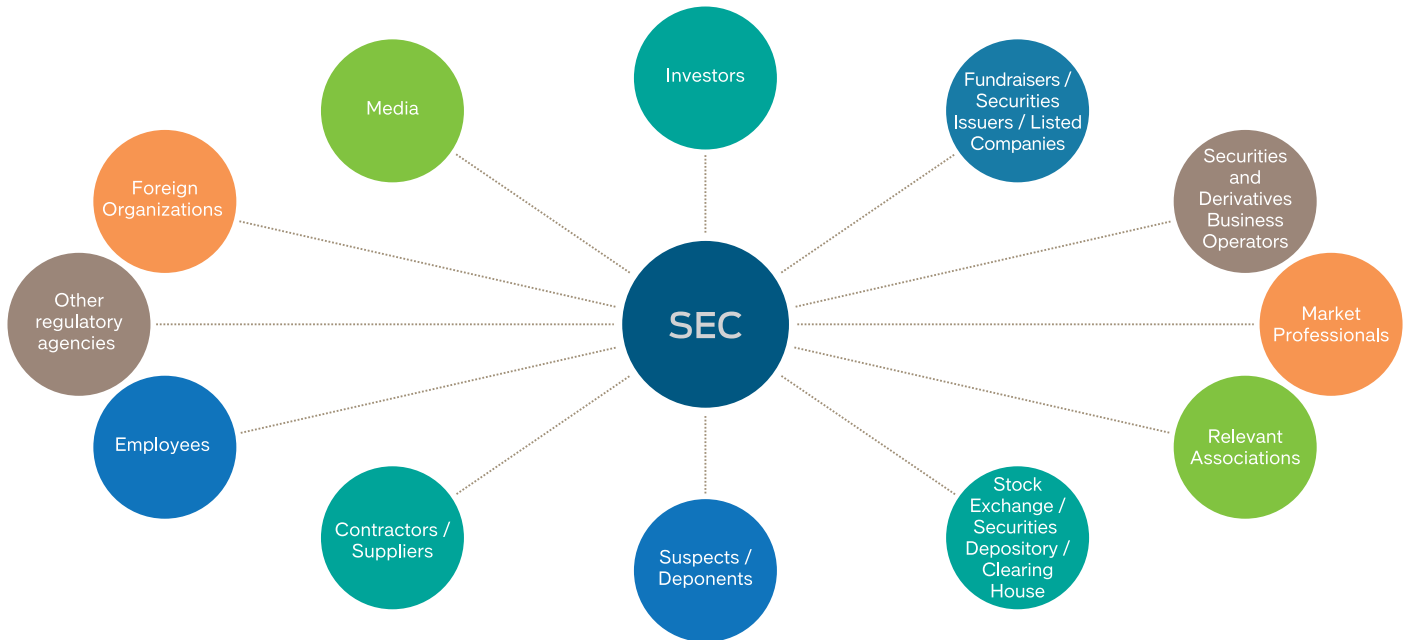
- **Enhancing flexibility, agile transformation and intended outcomes:** The SEC promotes work principles that focus on proactiveness, agility, cautiousness and cooperation. Activities are organized to cultivate corporate values of proactive operation and cooperative integration with other organizations. In addition, design thinking process is implemented on a regular basis to enhance the understanding and issuance of key measures to better address stakeholders' needs;

- **Building digital infrastructures and database:** The SEC develops digital infrastructures and builds database to reduce burdens and ensure supervision that responds to stakeholders' needs more effectively. The SEC has restructured work processes and improved service provision systems, created key work systems, and applied data to the supervision and risk monitoring. SEC has also elevated digital security towards cyber resilience, and built readiness for compliance with digital laws and protection of key information and personal data;

- **Developing human resources in support of corporate directions:** The SEC has implemented proactive approaches to staff recruitment and included contract-based employment in some cases to fill in positions in digital technology and other fields in lack of staff. Moreover, the management-level executives have taken proficiency development courses on digital transformation leadership while the staff has participated in digital capability development via various formats, from classroom lectures to onsite workshops and online training courses to promote continuous learning of the staff;

- **Increasing public service convenience:** The SEC has expanded various service channels for the public and extended service hours in key service areas. In addition, stakeholders' surveys are conducted periodically to take comments and suggestions into consideration for future service improvement.

(2) Meeting the Demands and Managing the Impacts on Stakeholders



1. Investors

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Confident investment in the capital market, diverse product choices suitable for personal demands. • Knowledge and advice on investment and value adding asset management. • Accurate, complete and timely information. • Complaint channels in case of having problems. 	<ul style="list-style-type: none"> • Study and develop investment products that offer returns with risk level suitable for each group of investors. • Enforce and amend regulations on work procedures and inspection in timely response to situations. • Provide investment education via various media platforms, both traditional and online, that match investors' lifestyles, organize on-ground investor events, require dissemination of product fact sheets to facilitate investors' decision making. • Open 24-hour SEC Help Center as a contact point for investors, 7 days a week. 	<ul style="list-style-type: none"> • The capital market shall meet the public's investment expectations with reasonable costs. • The capital market and market participants shall build confidence in the capital market.

2. Fundraisers / Securities Issuers / Listed Companies

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Fundraising methods and channels suitable for respective needs and business environments with reasonable costs. • Knowledge and advice on fundraising. • Speedy consideration of securities offering applications. • Regulations without excessive burdens. • Having knowledge and understanding of regulators' expectations. • Opportunity to share opinions or be informed of new regulations before they become effective. 	<ul style="list-style-type: none"> • Specify concise yet cautious and succinct procedures for consideration of securities offering applications. • Conduct public/stakeholder hearings prior to issuing or amending regulations. • Give advice on proper compliance with rules and regulations. • Review regulations and streamline unnecessary, burdensome requirements. • Hold regular meetings with relevant associations to update and exchange opinions. 	<ul style="list-style-type: none"> • The capital market shall be a funding source accessible for all types and sizes of business and in all areas, while maintaining market confidence and preventing unsuitable companies from public fundraising. • Listed companies shall operate under good corporate governance for the benefit of shareholders, while considering the impacts on the society, the environment and stakeholders. • Securities issuers shall disclose full, accurate and timely information for the benefit of investors' decision making.

3. Securities and Derivatives Business Operators

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Fair and equitable competition. • Reduction of unnecessary costs to enhance efficient competitiveness. • Regulators are aware of and understand business directions shifting in line with changing environments. • Having knowledge and understanding of regulators' expectations. • Opportunity to share opinions or be informed of new regulations before they become effective. 	<ul style="list-style-type: none"> • Study foreign business trends to lay out directions for Thai securities businesses in collaboration with relevant associations. • Hold quarterly meetings with relevant associations to exchange information and opinions. • Review regulations to be in line with situations and streamline requirements that cause unnecessary burdens. • Conduct public/stakeholder hearings prior to issuing or amending regulations. • Clarify new regulations to ensure the understanding of the intention thereof and proper compliance. • Organize training sessions for company officials regularly. • Communicate and clarify the inspection procedure. 	<ul style="list-style-type: none"> • Businesses shall have stability in operating and providing good services to clients, while managing all core risks to prevent damage to investors and the overall market system. • Businesses shall compete creatively and fairly and cooperate to develop the industry towards sustainable growth. • Regulations shall be issued with flexibility and without obstacles to business operation.

4. Market Professionals (Auditors, Financial Advisors, Asset Appraisers, Credit Rating Agencies)

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Ability to comply with regulations properly to ensure a speedy process of applying for a license or approval. • Regulations are practical and written in an intelligible language, with manuals or guidelines for proper compliance. • Opportunity to share opinions or be informed of new regulations before they become effective. 	<ul style="list-style-type: none"> • Conduct public/stakeholder hearings before issuing or amending regulations. • Clarify new regulations to ensure the understanding of the intention thereof and proper compliance. • Closely and continuously cooperate to acknowledge problems and give advice in support of prompt solutions. • Organize training sessions regularly. 	<ul style="list-style-type: none"> • Market professionals shall play a key role in screening, giving advice and ensuring disclosure of accurate information to investors. Therefore, they have to be knowledgeable and apply their knowledge and capability to the full extent, while performing assignments under ethical standards and taking professional responsibilities.

5. Relevant Associations

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Support for its role as the member representative in enhancing understanding and voicing the needs and opinions to regulators. • Support for activities of associations. 	<ul style="list-style-type: none"> • Hold joint quarterly meetings. • Support associations' activities in terms of personnel, data and budget (as the case may be). • Participate in relationship enhancing activities. 	<ul style="list-style-type: none"> • Work shall be in close collaboration to meet mutual goals. • Convenience shall be rendered including a center to gather members' views and opinions.

6. Stock Exchange / Securities Depository / Clearing House

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Adjustment to competition in the rapidly changing environments. • Support for duty performance of self-regulatory organizations (SRO). • Channels for discussion and monitoring of progress in the areas that are important to the action plan and operation, speedy consideration and granting of approval. 	<ul style="list-style-type: none"> • Support and encourage useful initiatives. • Organize joint quarterly meetings to notify progresses in key projects and share information and opinions beneficial to the development of the capital market. • Emphasize the importance of the work collaboration timeframe. • Encourage senior executives to join discussions closely and regularly. 	<ul style="list-style-type: none"> • The securities trading system, the settlement system, and the clearing system shall be stable and reliable. • Work shall be in close collaboration and discussion to meet mutual goals.

7. Suspects / Deponents

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Fair and understanding treatment. • Knowledge on the causes of suspicion or deposition. 	<ul style="list-style-type: none"> • Ensure polite and friendly communication, explain the suspicious matters for clear. • Notify the rights and legal outcomes and provide complaint channels in case of dissatisfying treatment. • Clarify the procedures and methods of conduct in advance. 	<ul style="list-style-type: none"> • Fair treatment shall be in accordance with the principles for respecting human rights. • Preventive measures shall be implemented through dissemination of knowledge and warnings to prevent commission of offenses.

8. Contractors / Suppliers

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Equal opportunity for product / service pitching. • General disclosure of clear details and conditions of assignments/ projects. • Fair contract conditions. • Punctual payment. 	<ul style="list-style-type: none"> • Specify purchasing and procurement procedures that are transparent and in compliance with the law. • Disclose details of big purchasing / procurement projects on the SEC website for public information. • Consider and make decisions based on reasonable information, record such consideration clearly and make such record available for inspection. • Have a procedure for accepting completed work and specify the payment period according to general standards. 	<ul style="list-style-type: none"> • The purchasing and procurement procedures shall be transparent and comply with the rules and the guidelines under the Law on Purchasing and Procurement.

9. Employees

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Engagement in the development and creation of values for the country's economic and social systems. • Knowledge and skill development. • Remunerations and welfare. • Security and career path. • Safety and assistance in case of performing risky assignments. • A work-life balance. 	<ul style="list-style-type: none"> • Give assignments and opportunities to create valuable work. • Conduct employee engagement surveys. • Conduct surveys on remuneration rates and industry welfare with organizations with similar nature of work. • Provide knowledge to employees according to their work groups, and develop work skills according to the levels of work responsibilities, including providing knowledge on current situations regularly. • Promote technology-based communication and knowledge sharing, and produce a work manual. • Set up a security system that is safe and cautious and specify risk allowances for specific groups of employees. • Support partial expenses for the Sports and Recreation Club, and open a space for employees to join after-work activities. 	<ul style="list-style-type: none"> • The principles of fairness and equality shall be observed, while the opportunity and the equal right to enter the employment system shall be ensured. • The principle of proficiency, which is a key factor of recruitment, shall be used to recruit and maintain the workforce, and to create opportunities for progress and development of core competency of employees at SEC. • The principle of key performance indicators shall be used and, since they are the goal of work, clear and fair performance evaluation is required to support the determination of remunerations.

10. Other regulatory agencies (Ex., the Government, the Ministry of Finance, the Bank of Thailand, the Office of Insurance Commission and Agencies related to Judicial Administrative Procedure, etc.)

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Mutual cooperation in the forms of information sharing and work collaboration to ensure the efficiency of the supervision and development of the capital market and the role of the capital market in the economic system. 	<ul style="list-style-type: none"> • Organize conferences / seminars to share opinions in the matters under joint cooperation in accordance with the strategies and the government's policies. • Organize training sessions for organizations of mutual collaboration in various areas such as enforcement procedure. 	<ul style="list-style-type: none"> • Integrated cooperation shall be promoted since the successful capital market development requires synergy of cooperation with relevant organizations.

11. Foreign Organizations (Ex., IOSCO, the World Bank, the Asian Development Bank, Foreign Capital Market Regulators, Standard Setting and Oversight Agencies over Such Areas as Accounting Standards, etc.)

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • Confidence in the regulatory systems and the development of capital market in line with international standards. • Exchange of experiences in supervising and developing the capital markets, including investor education initiatives of foreign regulators. 	<ul style="list-style-type: none"> • Study and monitor the movements of the guidelines and supervisory standards and capital market development acceptable in the international community, as well as analyze, assess and consider adapting them for use in the Thai capital market. • Participate in questionnaire surveys of other organizations regarding operation and development in various areas, and attend conferences and seminars in various occasions. 	<ul style="list-style-type: none"> • Key operational standards shall be in line with international counterparts to increase sustainable competitiveness and to position the Thai capital market as an attractive long-term investment venue for global investors.

12. Media

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> • News and information related to the SEC mission and supervision of the capital market contain accurate and clear details. 	<ul style="list-style-type: none"> • Hold press conferences and meet-the-press events periodically and additional educational sessions in case of news subjects that require further study for the media's better understanding and specific knowledge. 	<ul style="list-style-type: none"> • The media members shall be treated politely and equally as colleague.

(3) Risk Governance

Risk Management Policy and Framework

The SEC manages two core risks systematically, i.e., **capital market risk** and **enterprise risk**. The risk

management policy and framework are approved by the SEC Board. The SEC’s Risk Governance Structure is as follows:



In 2019, the SEC Board enhanced risk oversight through the Risk Oversight Committee (ROC), which consisted of representatives from the SEC Board, the Secretary-General and risk management experts. As a result, the oversight of two core risks was integrated and became more efficient while the SEC’s compliance with the approved risk management policy and framework was ensured. In this regard, the Risk Management Committee (RMC), comprising senior executives, implemented the approved risk management policy and framework and monitored the progress in enterprise risk management to ensure sufficiency and appropriateness while making regular adjustments in line with changing environments.

1. Enterprise Risk Management

In 2019, to reinforce commitment to risk management, the SEC laid out the statement of direction for enterprise risk management, as follows: “To ensure that the supervision of the Thai capital market is efficient, transparent, fair and reliable in compliance with the corporate mission and vision, the SEC must be insightful of changes, proactive and responsive to issues promptly and effectively without causing excessive burdens to establish a sustainable organization in which all sectors have confidence.”

To achieve the objectives of the aforesaid statement, the SEC gives a priority to risk management – the foundation for driving forward the organizational development – in eight areas, as follows:



Corporate governance: Operating with transparency, fairness, integrity without corruption and conflicts of interest



Strategy: Implementing strategies in response to the needs of stakeholders and the country and in compliance with the strategic objectives



Personnel: Having sufficient and competent personnel to support organizational directions



Work process: Ensuring efficiency and continuity without redundancy or excessive burdens



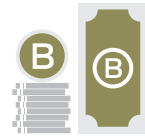
Technology: Facilitating convenience, reducing internal and external costs, and managing cyber risk



Data: Providing data readiness for policy decision making and data-driven regulation while ensuring data security and personal data protection



Law/Regulation: Complying with the governing laws and regulations, including monitoring and complying with newly issued laws



Financial position: Having sufficient financial stability and liquidity in support of continuous operation

In managing enterprise risk, the SEC applies the international standard COSO Enterprise Risk Management – Integrated framework (2004) and reviews enterprise risk annually or upon occurrence of critical events. In addition, the SEC takes into consideration the study and information gathered from global trends, supervisory guidelines of foreign regulators, interviews with representatives from the SEC Board and senior executives, including the results of the Control Self-Assessment (CSA). This is to comprehensively identify enterprise risk issues, assess risk level and lay out a risk management plan for each issue. In this regard, resources were allocated in response to the severity and urgency of each risk.

In addition, the SEC monitors progress in risk management on a continuing basis and reports the progress to the Risk Management Committee (RMC), which comprises senior executives, on a monthly basis, to the Risk Oversight Committee (ROC) on a quarterly basis, and to the SEC Board at least twice a year or upon occurrence of critical events.

2. Capital Market Risk Management

The SEC gives an importance to monitoring and managing capital market risk to build confidence and reduce potential systemic risk. The SEC, therefore, has to maintain a balance between the acceptable risk level and the expectations of stakeholders. In this regard, risk management and operational continuity are necessary parts of the organization and must be conducted efficiently. Risks of high and very high levels that may affect the capital market have to be managed in a timely manner and on a continuing basis. There are several processes involved including comprehensive and timely identification of risks, assessment of the likelihood and impacts of the events and management of acceptable risks. In any case, the appropriateness of the costs and possible results must be considered concurrently, and the risks must be monitored and reported regularly. Additionally, the SEC has made preparations for the implementation of the contingency plan in response to capital market crisis and cooperated with other organizations to ensure efficiency of the cross-agency cooperative mechanism and information sharing. Also, a closely cooperative working plan has been laid out for this purpose.

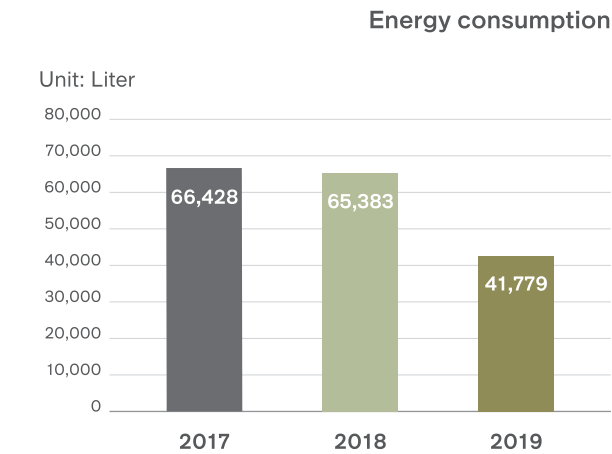
(4) Environmental and Social Sustainability Development

• Environment

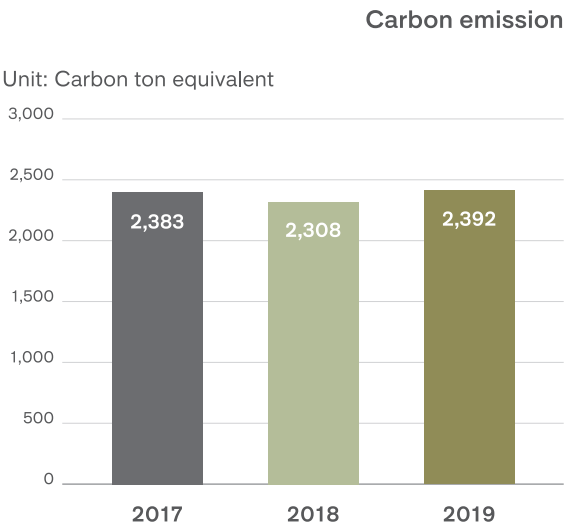
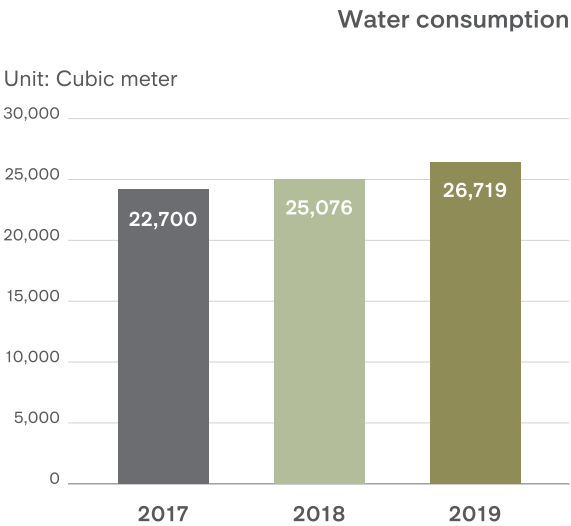
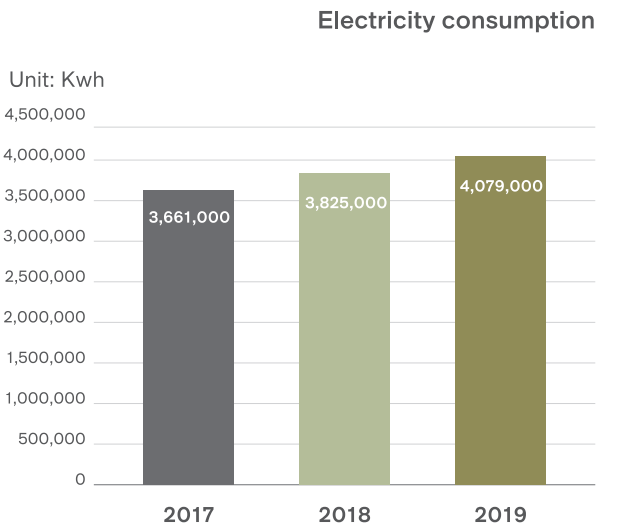
The SEC is committed to mitigating environmental impacts in several areas to promote and support the development of environmental sustainability. In 2019, key actions were taken in the following areas:

1. Greenhouse gas management: The SEC applied for a registration of carbon footprint reporting and certification of low-carbon organization with Thailand Greenhouse Gas Management Public Organization (TGO). Since 2015, the SEC has produced the carbon emission report and participated in carbon offsetting activities to reduce carbon emission and buy carbon credit in support of carbon neutral every year. In 2019, the SEC was awarded the Certificate of Low Carbon Emission Enterprise thanks to its carbon neutral efforts at the All Hearts Aim for Global Warming Mitigation Initiative Award Ceremony.

2. Energy management: The SEC has selected smaller sized engines, switched from fuel-based to hybrid system automobiles, and downsized the vehicle fleet. As a result, the fuel consumption dropped by 36.1 percent, compared with the consumption in 2018.



The SEC’s electricity and water consumption increased by 6.6 percent and 6.5 percent, respectively, compared with the consumption in 2018. Subsequently, carbon emission increased by 3.6 percent as a result of a growing workforce by 14 percent, from 570 employees in 2018 to 650 employees in 2019. In addition, the SEC hosted several seminars, conferences and educational events in line with the SEC Strategic Plan at the SEC Building.



3. Wastewater management: The SEC has participated in the Government Buildings: Model of Wastewater Management Project, which is organized by the Department of Pollution Control, the Ministry of Natural Resources and Environment. The project aims to reduce wastewater in the environment or public water

sources by monitoring wastewater quality, collecting statistical information based on the standard format, and being a good model of environmental management and protection for private and public sectors.

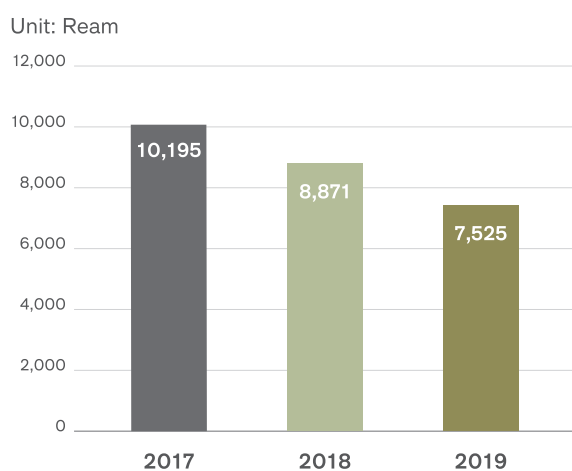
The inspection of the wastewater samples at the SEC Building showed pollution lower than the standard levels allowed by law, as follows:

Sample spots	pH Level	BOD Level	SS	Sulfide	TDS	Oil and grease	TKN
Pipe end	6.5	10.8	16	Less than 1	305	Less than 5	Less than 4
Standard	5-9	30	40	1	500	20	35

4. Garbage, waste and pollution management:

- Campaigned on reduction of paper use by promoting alternative means such as replacing paper documents with electronic files at seminars, reducing paper consumption to the minimum depending on necessity, and using both sides of paper. As a result, the paper consumption at the SEC dropped by 15.2 percent, compared with the consumption in 2018.

Paper consumption



- Promoted the No Plastic Bag Policy among staff and cancelled giving plastic bags at shops inside the SEC Building since 1 December 2019.

- Cancelled the use of one-time-use plastic containers such as plastic water bottles and plastic

straws since March 2019. As a result, the use of plastic water bottles dropped by approximately 80,000 bottles and plastic straws by approximately 100,000 straws.

- Produced paper bags from leftover materials at the SEC Building such as ream cover sheets, resulting in around 1,000 paper bags made from such materials to be used in replacement of plastic bags.

- Purchased a food waste composting machine with the composting capacity of 75 kilograms per day. It helps to reduce the amount of organic waste, which is a major cause of environmental problems, for example, disturbing odors, expanding breeding sources of disease carriers, and greenhouse gas emission onto the atmosphere.

- Initiated the Zero Waste on Vibhavadi-Rangsit Road Project under the Market Governance Promotion Initiative in Celebration of His Majesty the King's Coronation. Under this project, the SEC has invited listed companies that have offices or projects located on Vibhavadi-Rangsit Road to join the neighborhood green efforts by managing waste in their organizations efficiently and minimizing the amount of waste that cannot be recycled or used for other benefits, and setting a good example for other organizations. In addition, on 12 December 2019, the SEC led more than 30 listed companies located on Vibhavadi-Rangsit Road on a field visit to the waste management site at the Suvarnabhumi Airport operated by Airports of Thailand Public Limited Company.

• **Society**

The SEC emphasizes the importance of corporate social responsibility in its operation. In 2019, highlights of the CSR activities include the followings:

- A 200,000-baht donation to the Disaster Relief Fund under the Office of the Prime Minister through the Thais Help Flood Victims charity fundraising TV program hosted by the Government, to help those affected by floods in the Northern and Northeastern parts of Thailand.



- Joined the Royal Thai Air Force on a mission to deliver relief items and necessities bought with the money donated by the SEC executives and staff to Ta Muang Preschooler Development Center to help flood victims, and participated in volunteer activities to rehabilitate the flooded areas caused by Podul Tropical Storm. The activities took place at Ta Muang Sub-district, Don Mod Daeng District, Ubon Ratchathani province.



- Joined the Chatuchak District Office and the Bangkok Internal Security Operations Command (Military) to organize Doing Good Deeds by Heart volunteer activities which included big cleaning, planting 203 Yellow Star and Trumpet Vine trees, and renovating the landscape at Prachanivej Pond surroundings, South Rangsan

Municipal Road, Chatuchak District. These volunteer efforts aimed to increase green space, reduce carbon dioxide emission, and improve public scenery.



- Signed a memorandum of understanding with PTT Oil and Retail Business Public Company Limited and Sarn Palung Social Enterprise Company Ltd. on 18 December 2019 to open a branch of Café Amazon for Chance at the SEC Building in May 2020. This special coffee place will not only add convenience for staff and visitors, but also promote employment of professionally trained baristas with hearing disability or autistic spectrum disorders, accounting for 60 percent of the total employees at the branch. In addition, Café Amazon for Chance will serve bakery products and snacks made by 60 Plus Bakery Shop under supervision of the Asia-Pacific Development and Training Center on Disability Foundation for participants of seminars and conferences organized at the SEC Building. This collaboration aims to promote skilled workers in food business sectors as competent and self-reliable workforce, another step forward in the sustainable social development.



- Cooperated with SE Thailand to invite 15 social enterprises to join the SEC 12.12 New Year Gifts to the Society Shopping Event in December 2019, which generated a sale record of 150,000 baht. This activity has been scheduled to continue in 2020 as a regular annual charity event at the SEC.



- Organized a student tuition fundraising project during December 2019 – January 2020 whereby the SEC staff were welcomed to donate used merchandises in good condition to Pan Kan Secondhand Goods Charity Shop. The proceeds from the sales went to the scholarship fund for the underprivileged children under the Yuvabadhana Foundation.



5

Financial Information

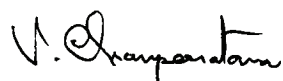


Report of the SEC Board on Internal Control over Financial Reporting

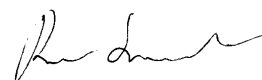
The SEC Board oversees the operation of the Securities and Exchange Commission, Thailand (SEC) by arranging the establishment and maintenance of appropriate, adequate and effective internal control over financial reporting in accordance with the criteria laid out in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Such internal control aims to provide reasonable assurance that the SEC financial reports are accurate, complete and prepared in accordance with the Thai Financial Reporting Standards. It is also to ensure that assets are safeguarded, and proper handling proceeded if any irregularity is found.

The SEC Board assigns the Audit Committee, consisting of independent experts, to review the quality of the financial reports and the effectiveness of the internal control. The Audit Committee reports to the SEC Board. The Audit Committee's Report on the review of the said matters also appears in the Annual Report.

The SEC Board is of the opinion that the overall internal control over the financial reporting of the SEC is effective and provides reasonable assurance on the reliability of the SEC's financial statements for the year ended December 31, 2019.



(Voravidh Champeeratana)
Chairman



(Ruenvadee Suwanmongkol)
Secretary-General

Audit Committee Report 2019

The Audit Committee performs duties pursuant to the Securities and Exchange Act B.E. 2535 (1992) and the Audit Committee Charter. This includes supervision and oversight of the SEC management in accordance with the Securities and Exchange Act, other laws related to the capital market, other applicable laws and regulations, and the SEC Governance, including code of ethics and an anti-corruption policy, and provides independent recommendations on good governance, risk management, compliance and internal control. The Audit Committee reported the quarterly performance and the annual results of the group performance evaluation to the SEC Board. This is to ensure that the SEC operation is appropriate, transparent, efficient and effective.

Appointed by the SEC Board, the Audit Committee consists of three independent expert members of the SEC Board, namely:

From 1 January 2019 to 14 June 2019:

- | | |
|------------------------------|----------|
| 1. Mr. Yokporn Tantisawetrat | Chairman |
| 2. Mr. Sarawut Benjakul | Member |
| 3. Mr. Viput Ongsakul | Member |

Since 15 June 2019:

- | | |
|------------------------------|----------|
| 1. Mr. Yokporn Tantisawetrat | Chairman |
| 2. Mr. Viput Ongsakul | Member |
| 3. Mr. Prasan Chuaphanich | Member |

The Audit Committee's Performance

In supporting the SEC Board's supervision and oversight of the SEC administration, the Audit Committee convened 12 scheduled meetings to ensure that the SEC operations were implemented pursuant to the annual audit plan and the Audit Committee's recommendations. Its significant activities in 2019 are summarized as follows:

1. Audit and Consultation

1.1 IT Audit

The Audit Committee reviewed the audit and consulting work related to (1) technical vulnerability assessment process, (2) network penetration testing by third parties and (3) information security management in accordance with ISO 27001: 2013. This was to ensure that the SEC had laid out and implemented the operating process, together with proper control to manage the risks arising from technical loopholes, as well as to conduct testing and assessment of the security control of the computer network of the SEC.

1.2 Non-IT Audit

The Audit Committee placed an importance on risk management and set a policy for the annual audit plan to be risk-based and aligned with the SEC's enterprise risk management and strategic plan. Moreover, the Audit Committee reviewed the Internal Audit Department's audit report related to the operating process of (1) annual fee collection by the SEC, and (2) complaint handling (by SEC Help Center).

1.3 Internal Audit's Activities

The Audit Committee assessed 3 activities which are: (1) financial reporting process and annual financial statements for the year 2019 to assure that the SEC had established an appropriate and adequate internal control of five areas in accordance with the international practices stipulated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). (2) financial statements for the year 2019 to ensure the accuracy of the annual financial statements in accordance with financial reporting standards, and sufficiency of the information disclosed in the Notes to the Financial Statements. And (3) The internal control assessment of the SEC to ensure that the SEC's internal control was adequate and in compliance with the standards and rules prescribed by the Ministry of Finance, and achieved the objectives of internal control. The assessment results also showed continuous improvements of the internal control to achieve the SEC's goal.

In addition, the Audit Committee acknowledged (1) the report of the Internal Audit Department's activities regarding the Integrity & Transparency Assessment (ITA) Program 2019 and (2) the Employee Ethics Yearly Review.

1.4 Proactive Approach Consulting

The Audit Committee reviewed the consulting work of the Internal Audit Department related to (1) Business Process Improvement (BPI) under the Enterprise Architecture Program, and (2) preventive control for the One-Stop-Service Project, a collaboration between the SEC and the Stock Exchange of Thailand.

2. Internal Audit Supervision

The Audit Committee supervised the internal audit performance pursuant to the annual audit plan approved by the Audit Committee on a quarterly basis and followed up on the materialization of the recommendations given by the Internal Audit Department. Overall, the Internal Audit Department was able to perform the work according to the audit plan and monitored the work performance of business units to ensure that they would make progress on the improvement efforts as suggested. In addition, the Audit Committee considered and approved (1) the revised Key Performance Indicators (KPIs) of the Internal Audit Department, (2) Internal

Audit's Guidelines to ensure compliance with the Ministry of Finance's related rules and regulations and international standards, and (3) the qualifications of an external assessor for internal audit's quality assurance review which will be procured in 2020. The Audit Committee also placed an importance on the professional development of internal audit staff and followed up on the quarterly training reports.

3. Acknowledgement and Recommendations for the SEC Operation in Other Matters as assigned by the SEC Board

The Audit Committee acknowledged and gave recommendations for the SEC operation in other matters, namely: the report on the SEC investment management, the SEC complaint handling, and the SEC budget performance. With important recommendations regarding the compliance with the State Fiscal and Financial Disciplines Act B.E. 2561 (2018) in relation to the preparation of the SEC's financial report, it was advised that the SEC takes an exemplary role for the SEC's regulated entities by complying with the international accounting standards. For better understanding of the SEC operation, the Internal Audit Department regularly arranges sessions for other departments' knowledge sharing with the Audit Committee.

Additionally, an exclusive session between the Audit Committee and an external auditor without the presence of the senior management and internal audit staff was organized to discuss the agenda in relation to the annual financial statements, whereby the external auditor's opinion was acknowledged. There were also three meetings with the Risk Management Committee to update the status and progress of the SEC enterprise risk management.

In conclusion, the Audit Committee is of the opinion that the SEC operation has been in compliance with the applicable laws and regulations and a good corporate governance policy. The risk management has functioned properly with an adequate, efficient control system. Additionally, the Audit Committee views that the SEC financial statements have been prepared in accordance with the Financial Reporting Standards, appropriate accounting policies have been used, due care has been exercised in forming judgments and making reasonable estimations, and the significant information has been adequately disclosed in the Notes to the Financial Statements.



(Mr. Yokporn Tantisawetrat)
Chair of the Audit Committee



Report of the Auditor

To the Minister of Finance

Opinion

The State Audit Office of the Kingdom of Thailand (SAO) has audited the accompanying financial statements of the Securities and Exchange Commission (SEC), which comprise the statement of financial position as at December 31, 2019, the statement of comprehensive revenues and expenses, the statement of changes in fund balances, and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In the SAO's opinion, the above mentioned financial statements present fairly, in all material respects, the financial position of SEC as at 31 December 2019, and the results of its operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

The SAO conducted its audit in accordance with the State Audit Standards and Thai Standards on Auditing. The SAO's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the SAO's report. The SAO is independent of the SEC in accordance with the State Audit Standards issued by the State Audit Commission and the Code of Ethics for Professional Accountants issued by the Thailand Federation of Accounting Professions that are relevant to the SAO's audit of the financial statements, and the SAO has fulfilled other ethical responsibilities in accordance with the Code. The SAO believes that the audit evidence the SAO has obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the SEC, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to the SAO after the date of this auditor's report.

The SAO's opinion on the financial statements does not cover the other information and the SAO will not express any form of assurance conclusion thereon.

In connection with the SAO's audit of the financial statements, The SAO's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the SAO's knowledge obtained in the audit or otherwise appears to be materially misstated.

When the SAO reads the annual report of the SEC, if the SAO concludes that there is a material misstatement therein, The SAO is required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the SEC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the SEC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the SEC's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The SAO's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the SAO's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the SAO's audit in accordance with the State Audit Standards and Thai Standards on Auditing, The SAO exercises professional judgement and maintains professional skepticism throughout the audit. The SAO also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the SAO's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SEC' internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SEC's ability to continue as a going concern. If the SAO concludes that a material uncertainty exists, the SAO is required to draw attention in the SAO auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the SAO's opinion. The SAO's conclusions are based on the audit evidence obtained up to the date of the SAO auditor's report. However, future events or conditions may cause the SEC to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, Including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The SAO communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the SAO identifies during the SAO's audit.

(Satawat Boonkoy)

Auditor, Senior Professional Level

Acting Director of Financial and Procurement Audit Office No.5

Securities and Exchange Commission, Thailand

Statement of Financial Position

As at December 31, 2019

Unit: Baht

	Notes	2019	2018
Assets			
Current assets			
Cash and cash equivalents	4.1	353,473,168.18	202,068,755.35
Short-term investments	4.2	363,943,982.50	413,441,439.40
Receivables and accrued revenues	4.3	527,410,697.30	587,319,174.69
Other current assets	4.4	6,991,436.18	6,256,860.43
Total current assets		1,251,819,284.16	1,209,086,229.87
Non-current assets			
Long-term investments	4.5	6,285,980,981.02	5,623,966,089.56
Property, plant and equipment	4.7	942,608,784.74	1,000,150,359.21
Intangible assets	4.8	117,357,966.55	94,776,783.37
Other non-current assets	4.9	89,308,529.06	87,581,937.32
Total non-current assets		7,435,256,261.37	6,806,475,169.46
Total assets		8,687,075,545.53	8,015,561,399.33

The accompanying notes are an integral part of the financial statements.

Securities and Exchange Commission, Thailand

Statement of Financial Position (continued)

As at December 31, 2019

	Notes	2019	2018
Unit: Baht			
Liabilities and funds			
Current liabilities			
Payables and accrued expenses	4.10	214,107,635.96	151,101,115.96
Total current liabilities		214,107,635.96	151,101,115.96
Non-current liabilities			
Employee benefit obligation	4.11	937,659,667.38	503,464,915.23
Other non-current liabilities		17,431,168.64	18,322,650.12
Total non-current liabilities		955,090,836.02	521,787,565.35
Total liabilities		1,169,198,471.98	672,888,681.31
Funds			
Initial capital		1,250,532,337.10	1,250,532,337.10
Special reserve for capital market development	4.12.1	1,645,988,599.76	1,611,373,689.27
Reserve for a permanent parking building	4.12.2	500,000,000.00	500,000,000.00
General reserve	4.12.3	3,618,863,197.66	3,758,621,433.75
Accumulated revenues over expenses		290,871,662.14	285,813,686.40
Other components of funds	4.13	211,621,276.89	(63,668,428.50)
Total funds		7,517,877,073.55	7,342,672,718.02
Total liabilities and funds		8,687,075,545.53	8,015,561,399.33

The accompanying notes are an integral part of the financial statements.

(Miss Ruenvadee Suwanmongkol)
Secretary-General

(Miss Naovarat Chantavanich)
Director, Finance and General Administration Department

Securities and Exchange Commission, Thailand

Statement of Comprehensive Revenues and Expenses

For the year ended December 31, 2019

Unit: Baht

	Notes	2019	2018
Revenues			
Fee income	4.14.1	1,006,262,346.59	805,157,937.15
Contribution from the Stock Exchange of Thailand	4.14.2	521,154,301.82	567,203,108.73
Investment income	4.14.3	200,833,202.05	168,848,573.64
Interest income		1,264,654.78	2,011,349.63
Other income		8,130,095.54	4,035,137.39
Total revenues		1,737,644,600.78	1,547,256,106.54
Expenses			
Human resources expenses	4.15	1,088,320,410.30	941,032,736.56
Administrative expenses	4.16	268,093,118.47	238,204,715.52
Depreciation and amortization		89,171,209.14	90,962,738.76
SEC Board and sub-committees remuneration	4.17	25,419,139.78	25,857,139.79
Total expenses		1,471,003,877.69	1,296,057,330.63
Revenues over expenses from operating activities		266,640,723.09	251,198,775.91
Revenues and expenses for capital market development	4.18		
Revenues for capital market development		73,534,468.09	65,658,503.57
Expenses for capital market development		49,303,529.04	31,043,593.08
Revenues over expenses for capital market development		24,230,939.05	34,614,910.49
Revenues over expenses		290,871,662.14	285,813,686.40
Other comprehensive revenues and expenses			
Items that will be reclassified subsequently to profit or loss :			
Gain (loss) on change in value of available-for-sale investments	4.13	275,289,705.39	(233,412,694.07)
Items that will not be reclassified subsequently to profit or loss :			
Actuarial loss	4.11	(390,957,012.00)	-
Other comprehensive revenues under expenses for the year		(115,667,306.61)	(233,412,694.07)
Total comprehensive revenues over expenses		175,204,355.53	52,400,992.33

The accompanying notes are an integral part of the financial statements.

Securities and Exchange Commission, Thailand

Statement of Changes in Fund Balances

For the year ended December 31, 2019

Unit: Baht

	Notes	Initial capital	Reserve for a permanent parking building	Special reserve for Capital market development	General reserve		Other components of funds					
					transferred from revenues over expenses	transferred from reserve for a permanent office building	Total	Accumulated revenues over expenses	Gain(loss) on changes in value of available-for-sale investments	Unrealized gain (loss) on foreign exchange	Total other components of funds	Total
Balance as of January 1, 2018												
Revenues over expenses transferred to general reserve	4.12	-	-	-	2,277,562,653.67	1,254,700,000.00	3,532,262,653.67	271,411,650.00	175,415,650.68	(5,671,385.11)	169,744,265.57	7,290,271,725.69
Revenues over expenses transferred to special reserve for capital market development	4.12	-	-	45,052,869.92	-	-	226,358,780.08	(226,358,780.08)	-	-	-	-
Revenues over expenses for the year		-	-	-	-	-	-	285,813,686.40	-	-	-	285,813,686.40
Other comprehensive revenues and expenses												
Actuarial loss	4.11	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on change in value of available-for-sale investments	4.13	-	-	-	-	-	-	(232,811,210.74)	(601,483.33)	(233,412,694.07)	(233,412,694.07)	(233,412,694.07)
Total comprehensive revenues over expenses												
		-	-	-	-	-	-	285,813,686.40	(232,811,210.74)	(601,483.33)	(233,412,694.07)	52,400,992.33
Balance as of December 31, 2018												
		1,250,532,337.10	500,000,000.00	1,611,373,689.27	2,503,921,433.75	1,254,700,000.00	3,758,621,433.75	285,813,686.40	(57,395,560.06)	(6,272,868.44)	(63,668,428.50)	7,342,672,718.02
Balance as of January 1, 2019												
Revenues over expenses transferred to general reserve	4.12	-	-	-	2,503,921,433.75	1,254,700,000.00	3,758,621,433.75	285,813,686.40	(57,395,560.06)	(6,272,868.44)	(63,668,428.50)	7,342,672,718.02
Revenues over expenses transferred to special reserve for capital market development	4.12	-	-	34,614,910.49	251,198,775.91	-	251,198,775.91	(251,198,775.91)	-	-	-	-
Revenues over expenses for the year		-	-	-	-	-	-	290,871,662.14	-	-	-	290,871,662.14
Other comprehensive revenues and expenses												
Actuarial loss	4.11	-	-	-	(390,957,012.00)	-	(390,957,012.00)	-	-	-	-	(390,957,012.00)
Gain (loss) on change in value of available-for-sale investments	4.13	-	-	-	-	-	-	290,556,350.96	(15,266,645.57)	275,289,705.39	275,289,705.39	275,289,705.39
Total comprehensive revenues over expenses												
		-	-	-	-	-	-	290,871,662.14	290,556,350.96	(15,266,645.57)	275,289,705.39	175,204,355.53
Balance as of December 31, 2019												
		1,250,532,337.10	500,000,000.00	1,645,988,599.76	2,364,163,197.66	1,254,700,000.00	3,618,863,197.66	290,871,662.14	233,160,790.90	(21,539,514.01)	211,621,276.89	7,517,877,073.55

The accompanying notes are an integral part of the financial statements.

Securities and Exchange Commission, Thailand

Statement of Cash Flows

For the year ended December 31, 2019

Unit: Baht

	2019	2018
Cash flows from operating activities		
Revenues over expenses	290,871,662.14	285,813,686.40
Adjustments to reconcile revenues over expenses to net cash received by (paid from) operating activities		
Interest income	(111,249,207.34)	(106,301,967.10)
Dividend income	(52,557,706.39)	(37,552,296.38)
Gain on sales of investments	(120,070,127.88)	(90,485,254.46)
Loss on foreign exchange rate from investments	9,056,558.28	525,440.73
(Gain) Loss on disposal of assets	(744,432.21)	1,065,600.54
Loss on Written-off assets	-	32,573.65
Depreciation and amortization	89,171,209.14	90,962,738.76
Employee benefit expenses	45,740,648.00	43,383,192.00
Revenues over expenses from operating activities before change in operating assets and liabilities	150,218,603.74	187,443,714.14
(Increase) decrease in operating assets		
Receivables and accrued fee income and other income	(23,776,691.88)	(497,104.92)
Other current assets	(1,109,620.75)	(1,283,032.31)
Loans to employees	1,050,903.26	1,220,085.00
Short-term deposits with obligation (welfare)	(2,402,450.00)	7,311,900.00
(Increase) decrease in operating liabilities		
Payables and accrued expenses	130,075,892.08	2,826,416.73
Payables - contract deposits and guarantees	(831,625.48)	2,581,814.83
Employee benefit paid	(2,502,907.85)	(1,635,223.25)
Net cash flows from operating activities	250,722,103.12	197,968,570.22

The accompanying notes are an integral part of the financial statements.

Securities and Exchange Commission, Thailand

Statement of Cash Flows (continued)

For the year ended December 31, 2019

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Financial Information

	Unit: Baht	
	2019	2018
Cash flows from investing activities		
Net proceeds from (net payment for) investment in short-term bonds	49,497,456.90	(129,205,742.32)
Proceeds from interest	120,291,075.61	113,031,172.64
Proceeds from dividend	52,618,476.27	36,253,745.55
Proceeds from sale of investments	16,025,424,415.42	10,349,474,699.63
Payment for the purchase of investments	(16,284,426,687.08)	(10,485,192,929.72)
Proceeds from disposal of assets	744,935.21	2,053,457.94
Payment for the purchase of property, plant and equipment	(21,442,948.10)	(57,593,576.76)
Payment for the purchase of intangible assets	(42,024,414.52)	(26,821,690.67)
Net cash flows used in investing activities	(99,317,690.29)	(198,000,863.71)
Net increase (decrease) in cash and cash equivalents	151,404,412.83	(32,293.49)
Cash and cash equivalents at the beginning of year	202,068,755.35	202,101,048.84
Cash and cash equivalents at the end of year	353,473,168.18	202,068,755.35
Supplemental cash flows information		
Items not effecting cash flows :		
Payable from purchase of securities	5,238,913.07	62,730,831.06
Payable from purchase of property, plant and equipment and intangible assets	4,773,642.99	17,045,209.12
Total	10,012,556.06	79,776,040.18

The accompanying notes are an integral part of the financial statements.

Securities and Exchange Commission, Thailand

Notes to financial statements

For the year ended December 31, 2019

1. General information

The Securities and Exchange Commission, Thailand (The SEC Office) was established on May 16, 1992 under the Securities and Exchange Act B.E. 1992 (SEA) with the duty to supervise and develop the Thai capital market to ensure efficiency, fairness, transparency and integrity.

The SEC Office has the power and duty to:

- a. perform any acts for the implementation of the SEC's resolutions;
- b. supervise the compliance and enforcement of law against any person violating the provisions of this Act;
- c. determine the fees for filing registration statements, annual registration statements, any other registration and applications;
- d. accept fees;
- e. perform any other acts as specified by the provision of this Act or any other laws.

Under the Securities and Exchange Act, B.E. 1992 section 8, the SEC Board shall have the power and duty to formulate policies to promote and develop, as well as to supervise, matters concerning securities, securities businesses, the Securities Exchange, over-the-counter centers, and related businesses, organizations related to securities business, issue or offer of securities for sale to the public, acquisition of securities for business takeovers, and prevention of unfair securities trading practices. Such power shall include:

- a. the issuance of rules, regulations, notifications, orders, or directions under this Act;
- b. the determination of fees for application for an approval, application for obtaining a license, or for operating the business as licensed;
- c. the issuance of rules relating to the duties of a sub-committee;
- d. the issuance of rules, orders and regulations relating to personnel, personnel relations system, placement, appointment, dismissal and discipline for personnel and employees of the SEC Office, the determination of salary and other remuneration as well as welfare and assistance;
- e. the prescription of a guideline for consideration of any potential issues which may arise from the enforcement of this Act.
- f. any other activities to be implemented according to the objectives of this Act.

The SEC is located at 333/3, Vibhavadi Road, Chom Phon, Chatuchak, Bangkok 10900.

2. Basis of preparation of financial statements

2.1 Financial statements

The SEC's financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E 2000, including Thai Financial Reporting Standards under the Accounting Professions Act B.E 2004 and interpretations of accounting standards promulgated by the Thailand Federation of Accounting Professions (TFAC).

The SEC's financial statements prepared and displayed in Thai Baht which is the currency used in the operation of the office.

The SEC's financial statements have been prepared on a historical cost basis except when stated otherwise in accounting policies.

The SEC's financial performance are stated as the statement of comprehensive revenues and expenses since the SEC is a non-profit organization.

Significant accounting estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable

under the circumstances and judgments may be cause significant risks and cause the need to adjust the book value of assets and liabilities with significant amounts in the next accounting period.

An English version of the financial statements have been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai version of financial statements is to be used primarily.

2.2 New and revised accounting standards, financial reporting standards, Interpretations of accounting standards and interpretations of financial reporting standards.

The TFAC has issued a number of new and revised accounting standards, financial reporting standards, interpretations of accounting standards and interpretations of financial reporting standards which have been announced in the Royal Gazette effective on or after January 1, 2020 in which the SEC has not yet adopted these accounting standards and interpretations before effective date as follows:

Accounting standards

TAS	1	(revised 2019)	Presentation of Financial Statements
TAS	2	(revised 2019)	Inventories
TAS	7	(revised 2019)	Statement of Cash Flows
TAS	8	(revised 2019)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS	10	(revised 2019)	Events after the Reporting Period
TAS	12	(revised 2019)	Income Taxes
TAS	16	(revised 2019)	Property, Plant and Equipment
TAS	19	(revised 2019)	Employee Benefits
TAS	20	(revised 2019)	Accounting for Government Grants and Disclosure of Government Assistance
TAS	21	(revised 2019)	The Effects of Changes in Foreign Exchange Rates
TAS	23	(revised 2019)	Borrowing Costs
TAS	24	(revised 2019)	Related Party Disclosures
TAS	26	(revised 2019)	Accounting and Reporting by Retirement Benefit Plans
TAS	27	(revised 2019)	Separate Financial Statements
TAS	28	(revised 2019)	Investments in Associates and Joint Ventures
TAS	29	(revised 2019)	Financial Reporting in Hyperinflationary Economies
TAS	32		Financial Instruments : Presentation
TAS	33	(revised 2019)	Earnings per Share
TAS	34	(revised 2019)	Interim Financial Reporting
TAS	36	(revised 2019)	Impairment of Assets
TAS	37	(revised 2019)	Provisions, Contingent Liabilities and Contingent Assets
TAS	38	(revised 2019)	Intangible Assets
TAS	40	(revised 2019)	Investment Property
TAS	41	(revised 2019)	Agriculture

Financial Reporting Standards

TFRS	1	(revised 2019)	First-time Adoption of International Financial Reporting Standards
TFRS	2	(revised 2019)	Share-based Payment
TFRS	3	(revised 2019)	Business Combinations
TFRS	4	(revised 2019)	Insurance Contracts
TFRS	5	(revised 2019)	Non-current Assets Held for Sale and Discontinued Operations
TFRS	6	(revised 2019)	Exploration for and Evaluation of Mineral Resources
TFRS	7		Financial Instruments: Disclosures

Financial Reporting Standards (continued)

TFRS 8	(revised 2019)	Operating segments
TFRS 9		Financial Instruments
TFRS 10	(revised 2019)	Consolidated Financial Statements
TFRS 11	(revised 2019)	Joint Arrangements
TFRS 12	(revised 2019)	Disclosure of Interests in Other Entities
TFRS 13	(revised 2019)	Fair Value Measurement
TFRS 15	(revised 2019)	Revenue from Contracts with Customers
TFRS 16		Leases

Interpretations of accounting standards

TSIC 10	(revised 2019)	Government Assistance - No specific Relation to Operating Activities
TSIC 25	(revised 2019)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 29	(revised 2019)	Disclosures – Service Concession Arrangements
TSIC 32	(revised 2019)	Intangible Assets – Web Site Costs

Interpretations of financial reporting standards

TFRIC 1	(revised 2019)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 5	(revised 2019)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	(revised 2019)	Applying the Restatement Approach under TAS 29 (revised 2019) Financial Reporting in Hyperinflationary Economies
TFRIC 10	(revised 2019)	Interim Financial Reporting and Impairment
TFRIC 12	(revised 2019)	Service Concession Arrangements
TFRIC 14	(revised 2019)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction under TAS 19 (revised 2019) Employee Benefits
TFRIC 16	(revised 2019)	Hedges of a Net Investment in a Foreign Operation
TFRIC 17	(revised 2019)	Distributions of Non-cash Assets to Owners
TFRIC 19		Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20	(revised 2019)	Stripping Costs in the Production Phase of the Surface Mine
TFRIC 21	(revised 2019)	Levies
TFRIC 22	(revised 2019)	Foreign Currency Transactions and Advance Consideration
TFRIC 23	(revised 2019)	Uncertainty over income tax treatments

Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) Group of Financial Instruments will be effective for accounting periods beginning on or after January 1, 2020. There will have impacts on the SEC's financial statements in relation to the classification and measurement of financial assets and liabilities, the calculation of impairment on financial instruments and the presentation and disclosure of financial instruments at the effective mentioned above. The SEC has preparing of adopting of such TAS, TFRS, and is operating according with the plan set forth for the implementation upon the effective date.

3. Significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, check in transit, bank deposits with high liquidity (without restrictions on use), short-term highly liquid investments that are due within a period of three months or less from the date of acquisition and are readily convertible to known amounts of cash and which are not subject to a significant risk of changes in value.

3.2 Investments

3.2.1 Classification of investments

Investments in bank deposits and debt instruments held for one year or less are classified as short-term investments. The investments held for more than one year are classified as long-term investments.

For Investments in private funds considered as long-term investment fund, the SEC has hired the licensed asset management companies to manage these private funds. The funds are independently managed to invest in marketable securities of both debt and equity instruments and in alternative investments.

3.2.2 Valuation for investments

Investments in held-to-maturity debt securities are measured at amortized cost.

The SEC private funds invest in marketable securities of debt, equity instruments and in alternative investments which are classified as available-for-sale on the statement of financial position, and measured at fair value. The fair value of marketable equity instruments is based on the closed price on the Stock Exchange of Thailand as at the date of financial position statement.

Unrealized gains (losses) on available-for-sale investments are recognized under unrealized gains (losses) on change in value of available-for-sale investments in other comprehensive revenues and expenses.

Gains (losses) from foreign exchange translation of investments in monetary items were recognized under Investment income in the statement of comprehensive revenues and expenses. The gains (losses) arising from foreign exchange translation of the investments in securities of non-monetary items, such as investments in equity instruments classified as available-for-sale, are recognized under other comprehensive revenues and expenses.

Cost of investments in debt and equity securities sold is calculated using the weighted average method. Gains or losses on disposal of investments are recognized under Investment income in the statement of comprehensive revenues and expenses.

3.3 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

The costs include expenditures that are directly attributable to the acquisition of the assets. The cost of self-built asset comprises the cost of materials, direct labor and any costs directly attributable to bringing the assets to a working condition for their intended use. Software that controls the equipment and is integral to the functionality of the related equipment shall be capitalized as part of equipment.

A significant parts of an item of property, plant and equipment having different consumption patterns or useful lives are recognized separately.

The gains or losses on disposal of an item of property, plant and equipment are the difference between the net disposal proceeds and the carrying amount of the assets at the date of disposal and are recognized on a net basis as revenues or expenses in the statement of comprehensive revenues and expenses.

Subsequent costs due to replacements are recognized as a part of the carrying amount of property, plant and equipment if it is probable that SEC will obtain the future economic benefits associated with the replacements and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of the day-to-day maintenance of property, plant and equipment are expensed as incurred.

Depreciation is calculated by using the straight-line method, except for computer equipment that uses sum of the year digits method, over their estimated useful lives as follows:

<u>Asset Class</u>	<u>Useful lives</u>
Office building and buildings	5 - 35 years
Building renovation	5 years
Furniture and fixtures	5 - 10 years
Office equipments	5 - 10 years
Vehicles and equipment	5 years

Land and assets under construction are not depreciated.

Depreciation method, the useful lives and residual values are reviewed at least at the end of each fiscal year and adjusted if appropriate.

3.4 Intangible assets

Intangible assets include costs that are directly attributable to system development and licensed software products controlled by the SEC and are expected to generate future economic benefits beyond one year. They are stated at cost less accumulated amortization and accumulated impairment losses (if any). Cost of intangible assets comprises the purchase price and other directly attributable costs necessary to prepare the assets to be capable to operating as intended. The amortization is calculated by using the straight-line method over their estimated useful lives as follows:

<u>Asset Class</u>	<u>Useful lives</u>
Licensed software fee	10 years
System development costs	5 years

3.5 Impairment

The carrying amounts of assets are reviewed when there is any indication of impairment in value of the asset. If such indication exists, the SEC shall estimate the recoverable amount of the asset.

An impairment losses are recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive revenues and expenses, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the values of the assets are impaired, the cumulative losses that had been recognized directly in equity is recognized in the statement of comprehensive revenues and expenses. The amount of the cumulative loss that is recognized in the statement of comprehensive revenues and expenses is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of comprehensive revenues and expenses.

3.6 Employee benefits

Short-term employee benefits are recognized as expenses in the statement of comprehensive revenues and expenses when related services were delivered.

The SEC provides contributions to the provident fund for the post-employment benefits and other long-term employee benefits to which the employees are entitled as follows:

(a) Post-employment benefit (Defined contribution plan)

The SEC has established and registered a provident fund, namely “Registered Provident Fund of the Securities and Exchange Commission” under Provident Fund Act B.E.1987 since August 9, 1993. The Fund’s investment policy has 8 options for members. Employees contribute 3 - 15 percent of their base salaries while the SEC contributes 12 percent to the provident fund. The provident fund has been managed by investment professional. Contributions from the SEC are recognized as an expense in the statement of comprehensive revenues and expenses in each accounting period when incurred.

(b) Post-employment benefit (Defined benefit plan)

The SEC’s obligations concerning post employment benefits under “Defined benefit plan” and other long-term employee benefits are recognized in the financial statements based on calculations by the projected unit credit method that calculated by independent actuaries. The estimate must be based on a variety of assumptions including discount rate, salary increase rate, employee turnover rate, mortality rate and inflation rate.

Incurred obligations are recognized in each year as expense in the statement of comprehensive revenues and expenses. Actuarial gain or loss arising from post-employment benefit are recognized under other comprehensive revenues and expenses in the statement of comprehensive revenues and expenses.

Past service costs are recognized immediately as expenses in the statement of comprehensive revenues and expenses in the period in which they are incurred.

3.7 Revenue recognition

Major revenues of the SEC and revenue recognition are as follows:

3.7.1 Fee income

- Application fees: Revenue is recognized when application form and fee are received by the SEC.
- Registration fees: The minimum fee requirement for registration is recognized when the SEC received registration statement together with the fee, and the remaining balance will be recognized when the registration statement becomes effective. The registration fee which is paid annually in proportion to the shareholders’ equity is recognized on an accrual basis.

- License fees and business undertaking fees: Such revenues are recognized according on income each year.

- Other fees: Revenue is recognized when request form and fee are received by the SEC.

3.7.2 Contribution from the Stock Exchange of Thailand under the SEA at the rate specified by the SEC Board, is recognized on income each year.

3.7.3 Investment income or other income

- Interest income is recognized on a time proportion basis based on the effective interest rate.
- Dividend income is recognized when the right to receive the dividend is established.
- Rental income for premises is recognized on income each year.
- Other income is recognized on income each year.

3.8 Expenses Recognition

Expenses are recognized on an accrual basis.

3.9 Financial risk management

To manage investment risk, the SEC Office sets policy that its investment proportion at a risk level of $\text{VaR}_{\alpha_{0.05}} = 9$ percent (a probability of less than 5 percent to have a loss more than 9 percent) with the expected returns not lower than inflation rate based on 30 percent of inflation rate, plus 70 percent of wage inflation and investment time horizon 5 year. Not less than 60 percent of the portfolio is invested in debt instruments. The portfolio comprises cash and cash equivalent in Thai Baht currencies and foreign currencies, local and overseas debt instruments and equities instruments and derivatives. The investments are independently managed by the asset management companies in accordance with the investment policy framework approved by the SEC Board.

3.9.1 Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Market prices of debt investments change when market interest rate changed. Generally, when market interest rate increases, the debt securities' price decreases, and when market interest rate decreases, the debt securities' price increases. THE SEC has set the investment policy to may be use interest rates derivatives to hedge interest rate risks and fluctuations in the price of the debt instrument (duration) not to be negative which is managed and monitor by private fund managers.

Book value as at December 31, 2019

	Fixed rate			Adjustable interest rate Up to the market rate	None Interest rate	Total	Interest rate (Percent per year)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	353.42	0.05	353.47	0-1.70
Short-term investments	363.94	-	-	-	-	363.94	1.10-1.73
Private Fund							
- Cash and cash equivalents	-	-	-	18.74	-	18.74	0-0.75
- Bond and fixed deposits	958.45	1,233.48	1,941.22	-	-	4,133.15	0-5.35

Book value as at December 31, 2018

	Fixed rate			Adjustable interest rate	None Interest rate	Total	Interest rate (Percent per year)
	Within 1 year	1-5 years	Over 5 years	Up to the market rate			
Financial assets							
Cash and cash equivalents	-	-	-	201.87	0.20	202.07	0.375-0.85
Short-term investments	413.44	-	-	-	-	413.44	1-10-1.57
Private Fund							
- Cash and cash equivalents	-	-	-	19.17	-	19.17	0-1.60
- Bond and fixed deposits	576.42	2,236.96	1,280.91	-	-	4,094.29	1.34-5.40

3.9.2 Credit Risk

Credit risk is the risk that a counterparty may default on contractual obligations under financial instruments. The SEC has set the Investment Policy to invest in debt securities of credit rating not less than A- .

3.9.3 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The SEC has set limit on investment with foreign exchange exposure at no more than 20 percent of net asset value (NAV) of investments that have been measured by fair market value (mark to market) and invested in derivative instruments (Derivatives) to hedge the foreign currency exposure and / or to manage portfolios efficiently.

3.10 leases

Leases contracts which the lessor has retained substantially all the risk and rewards of ownership are classified as operating leases.

Expenditures under operating leases are recognized in the statement of comprehensive revenues and expenses on a straight line basis over the lease term. Increases in the rent, as set out in the rental agreement, must be included in the calculation of the minimum lease payments.

3.11 Fair value measurement

The SEC uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the SEC maximizes the use of relevant observable inputs in accordance with Thai Financial Reporting Standard No.13 (revised 2018) “Fair Value Measurement”. This standard establishes a fair value hierarchy that categorizes inputs into three levels as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as the SEC’s estimates of future cash flows

3.12 Translation of foreign currencies

Transaction denominated in foreign currency were recognized in Thai Baht at the exchange rate prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rate ruling at the end of reporting date. Gains and losses arising from receiving or paying in foreign currency and from the translation of such monetary assets and liabilities, will be recognized under other income / expenses in the statement of comprehensive revenues and expenses.

4. Supplementary Information

4.1 Cash and cash equivalents

Unit: Million Baht

	2019	2018
Bank deposits	203.85	202.07
Bonds and treasury bill	149.62	-
Total	353.47	202.07

4.2 Short-term investments

Unit: Million Baht

	2019	2018
Fixed deposits (due date within 1 year)	215.00	215.00
Short-term bonds	148.94	198.44
Total	363.94	413.44

4.3 Receivables and accrued revenues

Unit: Million Baht

	2019	2018
Receivables from the sale of securities	0.64	80.37
Business undertaking fee	355.97	356.13
Contribution from the SET	123.97	112.73
Accrued interest and dividend managed by private fund managers	19.26	22.80
Prepaid expenses	20.19	11.44
Annual registration statements fee	4.48	1.03
Interest income from BOT bonds	0.56	0.60
Interest income from Fixed deposits with Government Housing Bank and Others	0.62	0.52
Interest income from saving and fixed deposits	1.50	1.50
Miscellaneous receivables	0.10	0.13
Receivable - The Revenue Department	-	0.06
Input tax	0.05	-
Advances	0.07	0.01
Total	527.41	587.32

4.4 Other current assets

Unit: Million Baht

	2019	2018
Loans to employees not exceeding 1 year	2.00	2.37
Value added tax pending receipt of tax invoice	4.99	3.76
Office supplies	-	0.12
Total	6.99	6.25

4.5 Long-term investments

Unit: Million Baht

	2019	2018
Managed by private fund managers		
- Current and saving deposits	18.74	19.17
- Fixed deposits	-	60.00
- Investment in debt and equity instruments and alternative investments	6,267.24	5,544.80
Total	6,285.98	5,623.97

Investment in debt and equity instruments and alternative investments

Unit: Million Baht

	2019		2018	
	Cost	Fair value	Cost	Fair value
Debt instruments	3,975.44	4,133.15	4,011.61	4,034.30
Equity instruments	1,928.08	1,981.91	1,506.72	1,413.43
Alternative investments	152.10	152.18	90.14	97.07
Total	6,055.62	6,267.24	5,608.47	5,544.80

Alternative investments are property funds, and real estate investment trust in local and foreign countries.

Debt instruments consisted of:

Unit: Million Baht

	2019	2018
Available-for-sale securities		
Bonds	1,958.96	2,063.07
Debentures	2,174.19	1,971.23
Total	4,133.15	4,034.30

4.6 Fair value measurement of financial instrument

The SEC has the following financial assets that are measured at fair value using different levels of inputs as at December 31, 2019, as follows:

Unit: Million Baht

	Level 1	Level 2	Total
Investments in available-for-sale securities			
Debt instruments	-	4,133.15	4,133.15
Equity instruments	1,981.91	-	1,981.91
Alternative investments	152.18	-	152.18

The valuation and inputs for Level 2 valuation

The fair value of local and foreign bonds are determined based on market price in Thai Bond Market Association (ThaiBMA) and market interest rate in Bloomberg.

4.7 Property, plant and equipment

Unit: Million Baht

	Balance as at December 31, 2019								
	Cost				Accumulated depreciation				Net
	January	Increase	(Decrease)	December	January	Increase	(Decrease)	December	
	<u>1, 2019</u>			<u>31, 2019</u>	<u>1, 2019</u>			<u>31, 2019</u>	
Land	162.15	-	-	162.15	-	-	-	-	162.15
Office building and building	840.49	-	-	840.49	142.19	27.55	-	169.74	670.75
Leasehold improvement	0.08	-	-	0.08	0.07	0.01	-	0.08	-
Furniture and fixture	64.96	0.48	-	65.44	52.45	3.64	-	56.09	9.35
Office equipment	493.65	13.16	(7.92)	498.89	370.39	39.93	(7.92)	402.40	96.49
Vehicles and equipment	5.60	-	-	5.60	2.47	0.36	-	2.83	2.77
CIP-Leasehold improvement	0.79	0.31	-	1.10	-	-	-	-	1.10
Total	1,567.72	13.95	(7.92)	1,573.75	567.57	71.49	(7.92)	631.14	942.61

Depreciation for the year ended 31 December 2019 amounting to Baht 71.49 million

4.7 Property, plant and equipment (continued)

Unit: Million Baht

Balance as at December 31, 2018									
	Cost				Accumulated depreciation				Net
	January	Increase	(Decrease)	December	January	Increase	(Decrease)	December	
	1, 2018			31, 2018	1, 2018			31, 2018	
Land	162.15	-	-	162.15	-	-	-	-	162.15
Office building and building	829.91	10.58	-	840.49	114.75	27.44	-	142.19	698.30
Leasehold improvement	0.08	-	-	0.08	0.06	0.01	-	0.07	0.01
Furniture and fixture	64.50	0.52	(0.06)	64.96	46.05	6.46	(0.06)	52.45	12.51
Office equipment	458.99	35.59	(0.93)	493.65	326.81	44.34	(0.76)	370.39	123.26
Vehicles and equipment	13.44	-	(7.84)	5.60	6.97	0.36	(4.86)	2.47	3.13
CIP-Leasehold improvement	0.79	-	-	0.79	-	-	-	-	0.79
Total	1,529.86	46.69	(8.83)	1,567.72	494.64	78.61	(5.68)	567.57	1,000.15

Depreciation for the year ended 31 December 2018 amounting to Baht 78.61 million

The gross values of the property, plant and equipment that are fully depreciated but still in use are Baht 275.86 million and Baht 253.94 million as at the end of 2019 and 2018, respectively.

4.8 Intangible assets

Unit: Million Baht

Balance as at December 31, 2019									
	Cost				Accumulated depreciation				Net
	January	Increase	(Decrease)	December	January	Increase	(Decrease)	December	
	1, 2019			31, 2019	1, 2019			31, 2019	
Licensed software	161.38	23.10	-	184.48	89.83	12.50	-	102.33	82.15
System development	26.50	13.59	-	40.09	9.30	5.18	-	14.48	25.61
CIP-Licensed software	1.12	5.09	(2.40)	3.81	-	-	-	-	3.81
CIP-System development	4.91	11.68	(10.80)	5.79	-	-	-	-	5.79
Total	193.91	53.46	(13.20)	234.17	99.13	17.68	-	116.81	117.36

Amortization for the year ended 31 December 2019 amounting to Baht 17.68 million

4.8 Intangible assets (continued)

Unit: Million Baht

	Balance as at December 31, 2018								Net
	Cost				Accumulated depreciation				
	January	Increase	(Decrease)	December	January	Increase	(Decrease)	December	
	1, 2018			31, 2018	1, 2018			31, 2018	
Licensed software	147.02	14.36	-	161.38	78.35	11.48	-	89.83	71.55
System development	9.72	16.78	-	26.50	8.43	0.87	-	9.30	17.20
CIP-Licensed software	0.30	1.12	(0.30)	1.12	-	-	-	-	1.12
CIP-System development	0.19	4.72	-	4.91	-	-	-	-	4.91
Total	157.23	36.98	(0.30)	193.91	86.78	12.35	-	99.13	94.78

Amortization for the year ended 31 December 2018 amounting to Baht 12.35 million

4.9 Other non-current assets

Unit: Million Baht

	2019	2018
Fixed deposit for employee welfare	85.29	82.89
Loans to employees	3.55	4.22
Refundable deposits	0.47	0.47
Total	89.31	87.58

Fixed deposits for employee welfare is deposited at the Government Housing Bank to guarantee employee housing loans.

4.10 Payables and accrued expenses

Unit: Million Baht

	2019	2018
Human resources expenses payables	99.63	3.11
Accrued expenses	80.87	54.31
Payables	20.77	86.96
Revenue department payables	12.79	6.67
Others	0.05	0.05
Total	214.11	151.10

4.11 Employee benefit obligations

Unit: Million Baht

	2019	2018
Changes in present value of employee benefit obligations during period		
Present value of obligations at the beginning of year	503.46	461.72
Benefits paid	(2.50)	(1.64)
Current service cost	26.74	25.87
Interest cost	19.00	17.51
Actuarial loss	390.96	-
Obligations at the end of year	937.66	503.46

Unit: Million Baht

	2019	2018
Amount recognized as expenses in the statement of comprehensive of revenues and expenses		
Current service cost	26.74	25.87
Interest cost	19.00	17.51
Past service costs due to changes of employee benefit	-	-
Total	45.74	43.38

Actuarial assumptions

	2019	2018
Discount rate	2.2%	3.8%
Inflation rate	2.5%	2.5%
Employee turnover rate	0-12%	0-12%
Salary increase rate	5-12%	5-12%
Medical inflation rate	4.5%	5.0%
Mortality rate	Thai Mortality Table 2017 adjusted with a death rate of 3 percent per year.	Thai Mortality Table 2008 adjusted with a death rate of 3 percent per year.
Retirement age	60 Years	60 Years

The sensitivity analysis for significant actuarial assumptions that affect the present value of the long-term employee benefit obligation under defined benefit plan.

Unit: Million Baht

	2019		2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(250.54)	374.78	(136.10)	203.86
Salary increase rate (1% change)	0.78	(0.67)	0.66	(0.58)
Medical inflation rate (1% change)	347.34	(240.02)	207.02	(139.78)
Employee turnover rate (20% change)	(13.04)	13.68	(9.75)	10.16
Mortality Improvement rate (1% change)	166.70	(173.65)	97.05	(96.29)

The weighted average duration of the defined benefit obligation is 42.7 years.

Analysis of the maturity of the payment of benefits calculated from the obligation under defined benefits plan expected to pay in the future.

Unit: Million Baht

	2019	2018
Employee benefits expected to pay		
Expected to pay within a year	2.47	4.50
Expected to pay in 2 – 5 years	17.05	26.77
Expected to pay in 6 – 10 years	46.80	38.07

4.12 Reserve

Minister of Finance has approved the SEC's reserve under section 26 of the SEA according to the Minister of Finance Letter No. 1007/21406 dated December 7, 2011 and No. 1007/19634 dated November 21, 2013, in which the rules for reserves are as follows :

1. Special reserve for capital market development is to set aside as priority before other reserves in the amount equal to net amount of revenues to the Capital Market Development Fund consisting of the income from investment for the capital market development, administrative fine of the Derivatives Act B.E. 2003 and the Trust for Transactions in Capital Market Act B.E. 2007, less Capital market development expenses such as financial literacy programs for individuals through various media, etc. The set aside amount must not exceed the SEC's profit in each year.

2. Special purpose reserves are as follow

2.1 Reserve for a permanent office building is to be set aside after special reserve for capital market development. In accordance with the SEC board's resolution at the Meeting No.7/2012 dated July 5, 2012, the SEC board increased amount of the reserve from Baht 850 million to Baht 1,254.70 million. It was fully reserved as at the end of 2014.

2.2 Reserve for a permanent parking building is to set aside after reserve for a permanent office building until the full amount of Baht 500 million is reserved. It was fully reserved as at the end of 2015.

3. General reserve is the last type of reserve to be set aside from the remaining profit (revenues over expenses) after special reserve for capital market development and special purpose reserves until the full amount of Baht 4,107 million is reserved.

If the set aside amount has reached the amount approved by the Minister of Finance, the remaining revenue shall be sent to the Government under 27 of the SEA. Such rules for reserves was effective since the reserve of the financial result of the year 2012. Types of reserve are as follows:

4.12.1 Special reserve for capital market development

Unit: Million Baht

	2019	2018
Beginning balance	1,611.37	1,566.32
<u>Add</u> Additional allocation	34.61	45.05
Total	1,645.98	1,611.37

4.12.2 Reserve for a permanent parking building

Unit: Million Baht

	2019	2018
Beginning balance	500.00	500.00
Total	500.00	500.00

4.12.3 General reserve

Unit: Million Baht

	2019	2018
Beginning balance	3,758.62	3,532.26
<u>Add</u> Additional allocation	251.20	226.36
<u>Less</u> Actuarial loss	(390.96)	-
Total	3,618.86	3,758.62

General reserve amounting to Baht 3,618.86 million composes of (1) the amount of Baht 2,364.16 million allocated from revenues over expenses. The SEC has obtained approval from the Minister of Finance to reserve from revenues over expenses until reaching the amount of Baht 4,107 million (2) the reserve for a permanent office building at the amount of Baht 1,254.70 million.

4.13 Other components of funds

Unit: Million Baht

	2019	2018
Beginning balance	(63.67)	169.74
Add Gain (loss) on change in fair value of available-for-sale securities	290.56	(232.81)
Unrealized loss on foreign exchange	(15.27)	(0.60)
Ending balance	211.62	(63.67)

Other components of fund balances in the amount of Baht 211.62 million were differences arising from value changes between carrying amount and fair value of investments in private funds and value change from foreign exchange translation of investments in non-monetary securities in accordance with the SEC accounting policy in note 3.2

4.14 Revenues

4.14.1 Fee income

Unit: Million Baht

	2019	2018
Annual fees from		
Securities businesses	249.33	257.02
Listed companies	133.64	131.36
Asset management businesses	85.23	88.04
Limited brokerage, dealing and underwriting of investment units (LBDU) businesses	36.11	31.70
Bond Dealers and underwriters	39.00	39.00
Total	543.31	547.12
Other fees from		
Fees for filing registration statements	240.23	83.94
Other fees	222.72	174.10
Total	462.95	258.04
Balance	1,006.26	805.16

4.14.2 Contribution from the Stock Exchange of Thailand

Unit: Million Baht

	2019	2018
Contribution collected based on		
Trading value	519.15	565.20
Fixed rate	2.00	2.00
Total	521.15	567.20

4.14.3 Investment incomes

Unit: Million Baht

	2019	2018
Income from investment in private funds		
Interest income	102.50	100.08
Dividend income	52.56	37.55
Gain on sale of investments	120.07	90.48
Loss on foreign exchange	(9.06)	(0.53)
Total	266.07	227.58
Income from investments (internally managed)	8.25	6.23
Total	274.32	233.81
<u>Less</u> Income from investment for capital market development	(73.49)	(64.96)
Balance	200.83	168.85

4.15 Human resources expenses

Unit: Million Baht

	2019	2018
Expenses for executives	95.53	85.48
Expenses for employees	992.79	855.55
Total	1,088.32	941.03

4.16 Operating expenses

Unit: Million Baht

	2019	2018
Wage	83.62	60.28
Employee development expenses	33.43	46.95
Repair and maintenance expenses	28.77	28.26
Rent	19.30	14.64
Utilities expenses	15.53	14.79
Expense for public relations	14.49	10.40
Consultant fee	13.11	11.52
Travel expenses	11.75	7.60
Subscription and news services	8.57	7.64
Vehicle expenses	6.98	7.82
Office supplies	5.59	5.20
Property tax	2.26	2.19
Communication expenses	1.56	1.81
Other expenses	23.13	19.10
Total	268.09	238.20

4.17 SEC Board and sub-committees remuneration

Unit: Million Baht

	2019	2018
Committees/Sub-committee benefits for executives	2.62	2.71
Committees/Sub-committee benefits for commissioners	22.80	23.15
Total	25.42	25.86

4.18 Revenues and expenses for capital market development

		Unit: Million Baht	
		2019	2018
Revenues for capital market development			
Income from investment for capital market development		73.49	64.96
Administrative fines		0.04	0.69
Total		73.53	65.65
<u>Less</u> Expenses for capital market development			
Financial literacy, investor education and other activities		(49.30)	(31.04)
Total		(49.30)	(31.04)
Revenues over expenses for capital market development		24.23	34.61

4.19 Long-term leases Amounts due during the period from the statement of financial position date.

		Unit: Million Baht			
		2019		2018	
		Within 1 year	1-5 years	Within 1 year	1-5 years
Car rental agreements		4.26	9.63	2.71	5.54
Other lease agreements		0.20	-	0.45	0.20
Total		4.46	9.63	3.16	5.74

4.20 Contingent liabilities

The SEC office and/or Capital Market Supervisory Board and/or the SEC Board and/or Administrative Panel were sued in administrative cases with total claims amounting to Baht 328.38 million as follows:

1. The first case, with a claim of Baht 159.89 million, involves the allegedly unlawful revocation of the SEC-approved auditor status. The case was dismissed by the Central Administrative Court and the case is now under the consideration of the Supreme Administrative Court.

2. The second case, with a claim of Baht 0.48 million, involves the alleged negligence to properly supervise the complaint on the price of warrants to purchase shares of listed companies being significantly reduced. The case was dismissed by the Central Administrative Court and is now under the consideration of the Supreme Administrative Court.

3. The third case, with a claim of Baht 34.32 million, involves the alleged defaults of the contract for work and the SEC filed a statement of defense and counterclaim of the company for defaults of the contract amounting to Baht 15.67 million, together with filing a request to the Court for summoning The Bank, as a guarantor, to be co-defendants with the company. According to this case, The Appeal Court had judgement ordered the company to pay a fine of Baht 3 million to the SEC (If the company fails to perform such court order,

the bank as a guarantor shall satisfy it). Whereby the amount of such fine shall be deducted the company's completed work in the amount of Baht 2.74 million. If the company and the Bank as a guarantor have fully paid, the SEC shall return the collateral to the company. The SEC does not have to return the retention guarantees amount of Baht 11.15 million to the company. The case is now under the consideration of the Supreme Court.

4. The fourth case, with a claim of Baht 36.32 million, involves the allegedly unlawful denial of reward payment in which the plaintiffs had report a lead on suspected offender on market manipulation offense and such offenders had paid for civil penalty. The case is now under the consideration of the Central Administrative Court.

5. The fifth case, with a claim of Baht 0.15 million, involves the alleged negligence to properly supervise the complaint on the highly reduction of warrant exercise price, causing damage to the plaintiff. The case is now under the consideration of the Central Administrative Court.

6. The sixth case, with a claim of Baht 50 million, involves the allegedly unlawful issuance of notification on having untrustworthy characteristics of director or executive of securities issuing company and listed company. The case is now under the consideration of the Central Administrative Court.

7. The seventh case, with a claim of Baht 0.31 million, involves the allegedly unlawful issuance of administrative sanction by the Administrative Panel. The case is now under the consideration of the Central Administrative Court.

8. The eighth case, with a claim of Baht 47 million, involves the allegedly unlawful issuance of notification on the suspension of approval on personnel in the capital market business in the case that chairman of investment committee fail to supervise fund manager on financial instruments analysis and quality assurance. The case is now under the consideration of the Central Administrative Court.

Nevertheless, due to the fact that the SEC Office and/or Capital Market Supervisory Board and/or the SEC Board and/or Administrative Panel have carried out their duties with prudence and care, strictly observing the established legal framework, on an equitable basis and not acting inconsistently with the law, they have strictly performed the contractual obligations and carefully considered the exercise of their contractual and legal rights. No action that could cause damage to the parties, they are confident that it is very likely that their cases will be successfully defended without any damages required to be paid. Therefore, the SEC has not recognized any Provision in the financial statements.

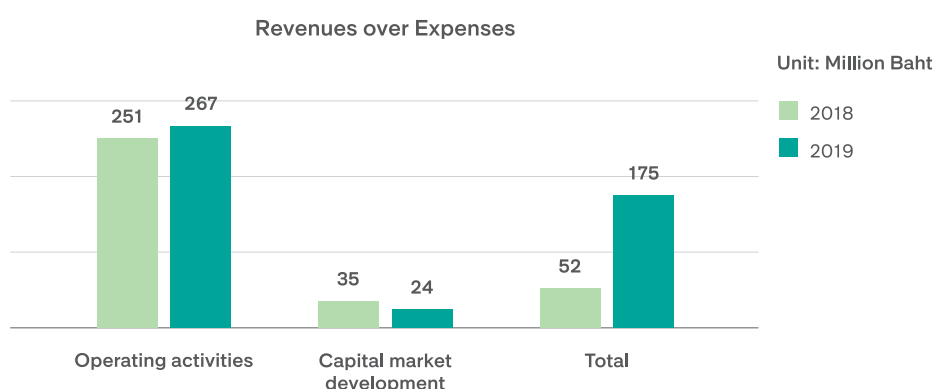
4.21 Approval of the financial statements

Secretary-General of the SEC has approved the financial statements for issuance on March 5, 2020.

Financial Highlights

Overview of the Performance for the Year Ending 31 December 2019

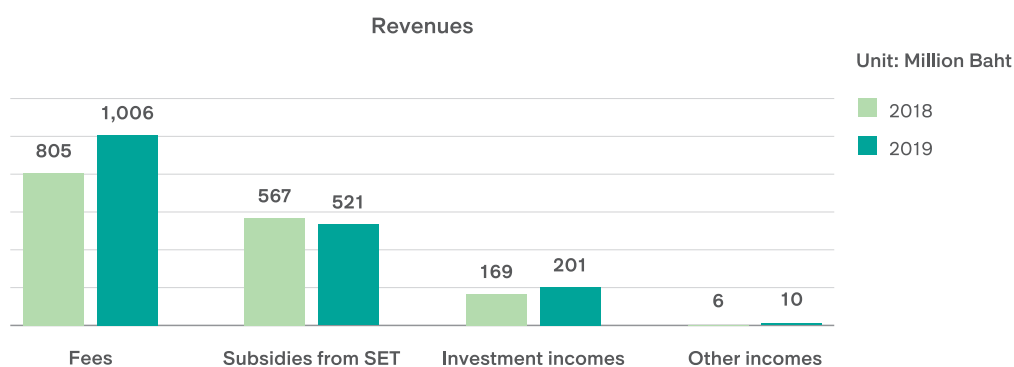
In 2019, the SEC's total revenues amounted to 1,738 million baht with the total expenses of 1,471 million baht. The revenues over expenses from operating activities amounted to 267 million baht. After adding the 24 million baht of the revenues over expenses for capital market development, the revenues over expenses reached 291 million baht. However, loss on actuarial valuation was 391 million baht while the unrealized gain on changes in the value of available-for-sale investments was 275 million baht, resulting in comprehensive revenues over expenses of 175 million baht.



1. Analysis of the Performance

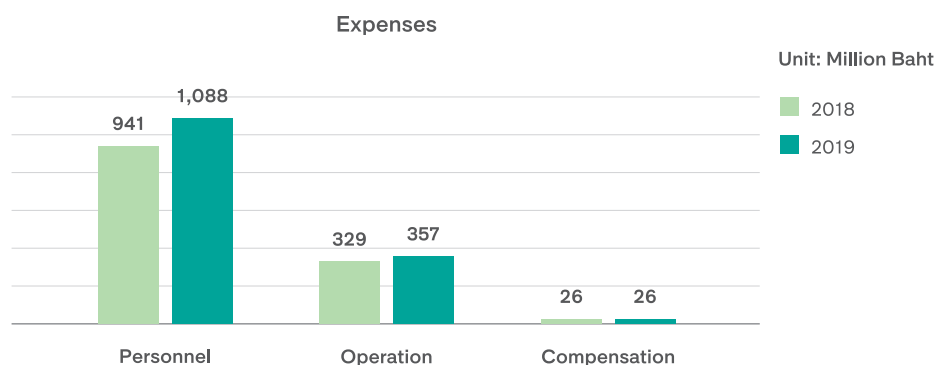
1.1 Revenues from operating activities

The SEC's revenues comprise fees collected from the securities business operators, listed companies and digital asset businesses in addition to subsidies from the Stock Exchange of Thailand and investment incomes. In 2019, the SEC's revenues increased 16 million baht or 6% compared to the year 2018. The higher revenues were attributable to the growth of the filing fees of the registration statement calculated from the increasing value of the fundraising from major ordinary shares, securities warrants and debt securities. This included collection of fees from digital asset business operators. Moreover, the investment incomes increased with gains from the selling of securities. Meanwhile, the securities trading value used as calculation base factor for contribution from the Stock Exchange of Thailand in 2019 was 53,192 million baht /day, declining from the 2018 value of 57,674 million baht/ day.



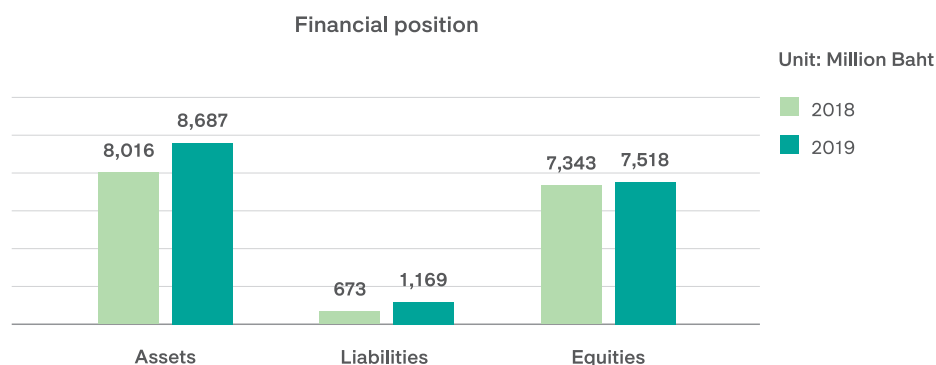
1.2 Operating expenses

The operating expenses increased 175 million baht or 13% compared to 2018, primarily resulting from a higher number of staffs.



2. Analysis of Financial Position

The total asset was valued at 8,687 million baht, of which 73% were long-term investments. The liabilities totaled 1,169 million baht, of which 80% were employee benefit obligations upon retirement based on actuarial valuation. The total funds recorded at 7,518 million baht, an increase from the previous year of 175 million baht due to comprehensive revenues over expenses for the year 2019.



3. Analysis of Liquidity and Cash Flow Positions

The liquidity ratio as of 31 December 2019 of 5 times was considered of a high level. Cash and cash-equivalent items as of 31 December 2019, totaled 353 million baht. The sources of cash were from operating activities of 251 million baht and the uses of cash for investment activities at the amount of 99 million baht including investments in private funds and purchases of equipment and software for the office operation.

In summary, the SEC has a solid financial standing to carry out various activities with adequate reserves to accommodate the operation continuously over the longer term.

6

References

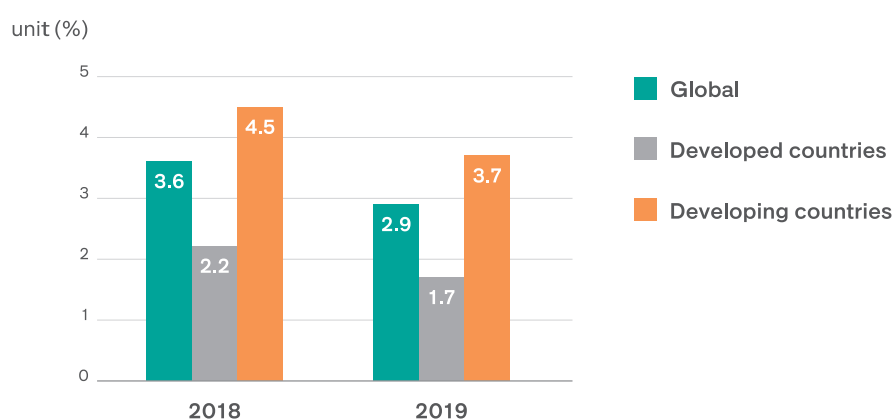


The Economy and the Capital Market in 2019

The Global Economy

In 2019, the International Monetary Fund (IMF) estimated that the global economy would expand 2.9%¹, lower than the growth rate of 3.6% in the prior year. The downward revision was notable in almost all country groups, developed and developing economies included (Figure 1), primarily due to trade disputes among major economies including the USA, China and European countries, where tariff barriers were imposed on one another. The trade tensions widely affected trading partners and the countries down the supply chain. Also, impacts of the changes to economic and social structures became visible, for example, the aging society and the downward productivity trend due to the slowdowns of the manufacturing sector and the global trade. However, developed countries are moving towards more flexible fiscal policies. For example, the US Federal Reserve Bank (FED) and the European Central Bank (ECB) have continually cut policy interest rates and enhanced financial system liquidity in the second half of 2019. Developed countries have also benefited from the growth of private sector consumption and employment including an increase in governments' economic stimulus policies.

Figure 1: Global economic growth, key growth impact factors and risk factors in 2020 ¹



Key impact factors in 2019 : Trade disputes and tariff barriers among major economies, and the changes in social and economic structures.

The Local Economy

Thailand's economy expanded by 2.4%² in 2019, lower than the 4.2% growth in 2018, mainly due to significant factors including slow recovery of the global economy, delay in governments' budget disbursement, impacts of droughts, shrinking exports from the prior year due to shrinking demands in the trading partner countries that experienced economic slowdowns, the uncertainty of tariff barrier measures, and the appreciation of Thai baht. Nevertheless, consumption in the private sectors and services was expanding at a good pace, and investment in the private sectors was well recovering.

With regard to economic stability, the annual headline inflation was averaged at 0.7%, a decreasing growth compared with the prior year rate of 1.1%. This was a direct effect from fluctuating food prices and dropping oil prices according to the global economic trends. However, the employment rate improved in the private construction sector, the trade sector partially benefited from the government's economic stimuli, and the current account surplus continued due to the trade account surplus. Meanwhile, the capital and financial account recorded a net deficit of 12.6 billion US dollars,³ in continuum with the previous year, due to the increase in direct foreign investment and foreign asset investment. The Thai baht appreciated by 6.65% from the closing rate of the previous year to 30.16 baht per US dollar. The Bank of Thailand decreased its policy interest rate from 1.5% to 1.25% to support economic expansion.

¹ Preliminary figures for 2019 (Source: IMF World Economic Outlook, updated in January 2020).

² The NESDB quarterly economic report Q4/2019 and outlook for 2020.

³ Preliminary figures for 2019: Bank of Thailand's Economic and Monetary Conditions Report, December 2019.

The Thai Capital Market

Equity

- SET Index closed at 1,580 points in year-end 2019, an increase of 1.02% from the prior year (Table 1). The top three industries of the highest growth were agriculture and food, technology and resources.

Table 1: SET Index statistics in 2019

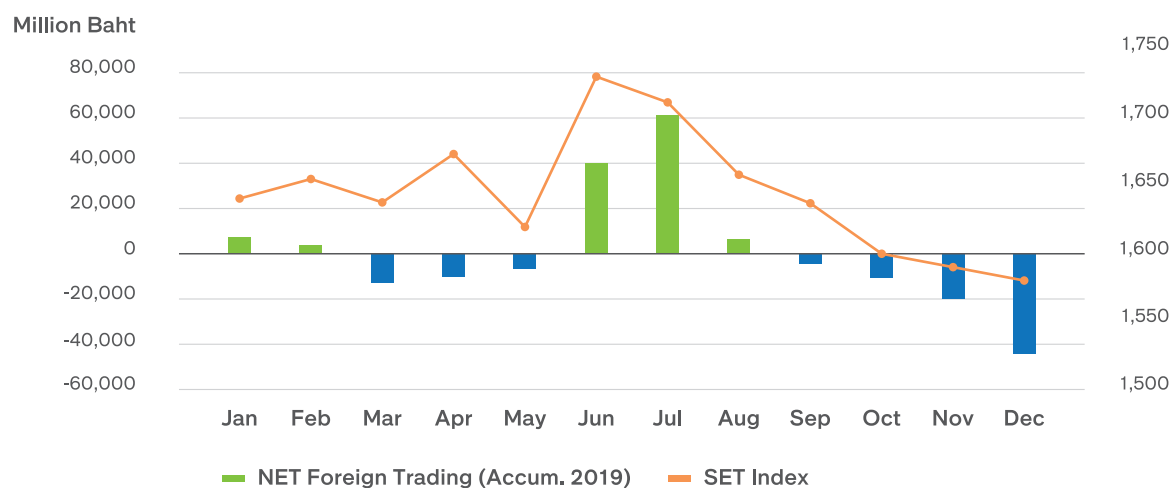
	Year-end 2019	Percentage in comparison with 2018
SET Index	1,580 points	+1.02
Average daily turnover	52,467 million baht	-6.99
Market capitalization	16.75 trillion baht	+4.8

Table 2: mai Index statistics in 2019

	Year-end 2019	Percentage in comparison with 2018
mai Index	309.64 points	-13.13
Average daily turnover	724 million baht	-42.7
Market capitalization	2.15 trillion baht	-10.6

- At year-end 2019, foreign investors' net sale was 44,791 million baht on SET. Securities companies' net buy was 14,913 million baht. Local institutional investors net buy was 51,340 million baht. Local investors net buy was 21,462 million baht.

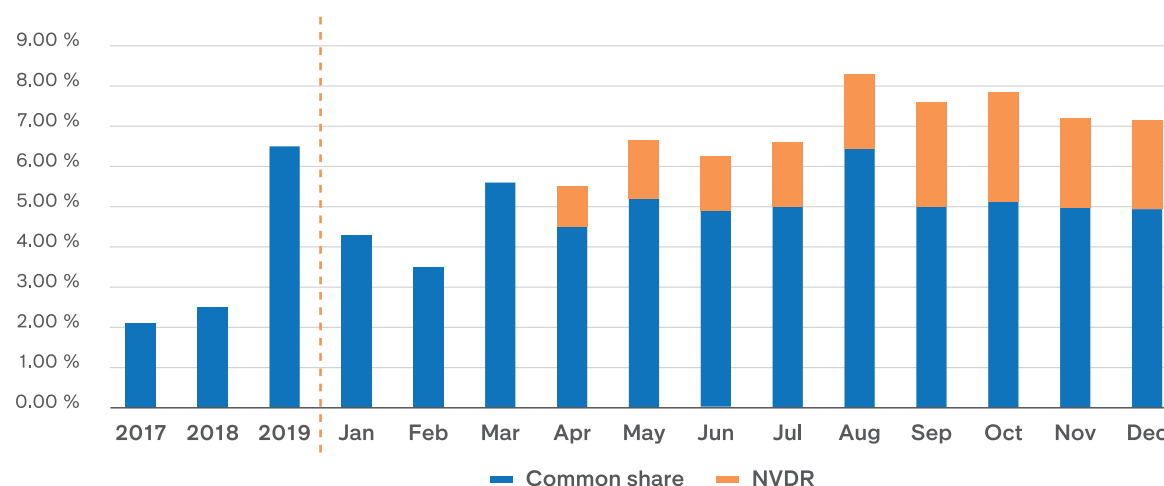
Figure 2 : SET Index movement and the accumulated foreign investments in 2019



Source: SET Market Analysis and Reporting Tool (SETSmart)

- In 2019, securities trading benefited from more weight on Thai stocks in MSCI⁴ Indexes, which consequently boosted net buy of foreign investors in the first half of the year. However, some industries were affected by external factors and internal economic factors which created index pressure in the latter half of the year. The P/E ratio of 19.4 at year end was higher than the long-term average ratio, causing the Thai stock market to be less attractive;
- In 2019, the average value of short selling was 6.5% of the trading value of SET100 securities, an increase from the prior year. In August, the short-selling activities peaked at 8.2%. In April, SET relaxed the governing regulations to allow foreign investors to sell their shorts in NVDR.⁵ In December, the short selling value of NVDR was 149 billion baht, accounting for 31% of the total short selling value. This was a relatively rapid growth, compared to the NVDR short selling at 18.8% of the total short selling in April 2019.

Figure 3: Short Selling in the Thai Capital Market in 2019



Source: SET Market Analysis and Reporting Tool (SETSmart)

⁴ A change in the regulations governing stock selection for MSCI Indexes (May 2019) has enabled a change of investible stocks from foreign limit to NVDR, resulting in a growing portion of Thai stocks in the Indexes, from 2.43% to 2.90%.

⁵ Notification of the Stock Exchange of Thailand No. Kor Sor.(Wor) 3/2562 Re: Additional Securities Eligible for Short-Selling.

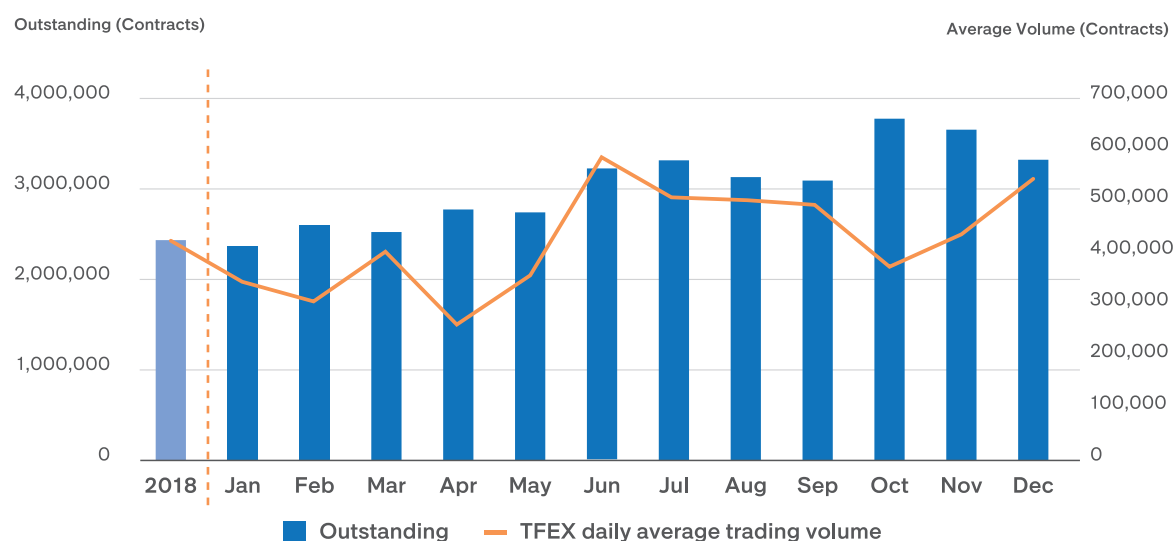
Issuance and Offer for Sale of Equities

- In 2019, the fundraising value through the Stock Exchange of Thailand (SET) and the mai totaled 355,087 million baht, or 136.2% higher than the total fundraising value in 2018. The issuance and offer for sale of equities in 2019 consisted of initial public offerings (IPO) by 13 listed companies on SET and 17 listed companies on the mai, with the total value of 73,694 million baht, an increase of 192.6% from 2018 where the total offering value was 25,189 million baht, thanks to a large amount of equity offerings by large listed companies in 2019. Furthermore, a slight growth of SET Indexes in 2019 attracted potential issuers' interest in raising fund via SET. The highest IPO size of 41,742 million baht was raised by Asset World Corp Public Company Limited;
- The total value of public offerings was 281,394 million baht, an increase of 124.9%. Most of them were right offerings;
- Three IPOs of real estate investment trusts (REIT) generated the total value of 11,994 million baht, an increase of 15.4% from the total value of 10,391 million baht in 2018;
- One IPO of an infrastructure fund (Thailand Future Fund) generated the total value of 5,150 million baht.

Futures

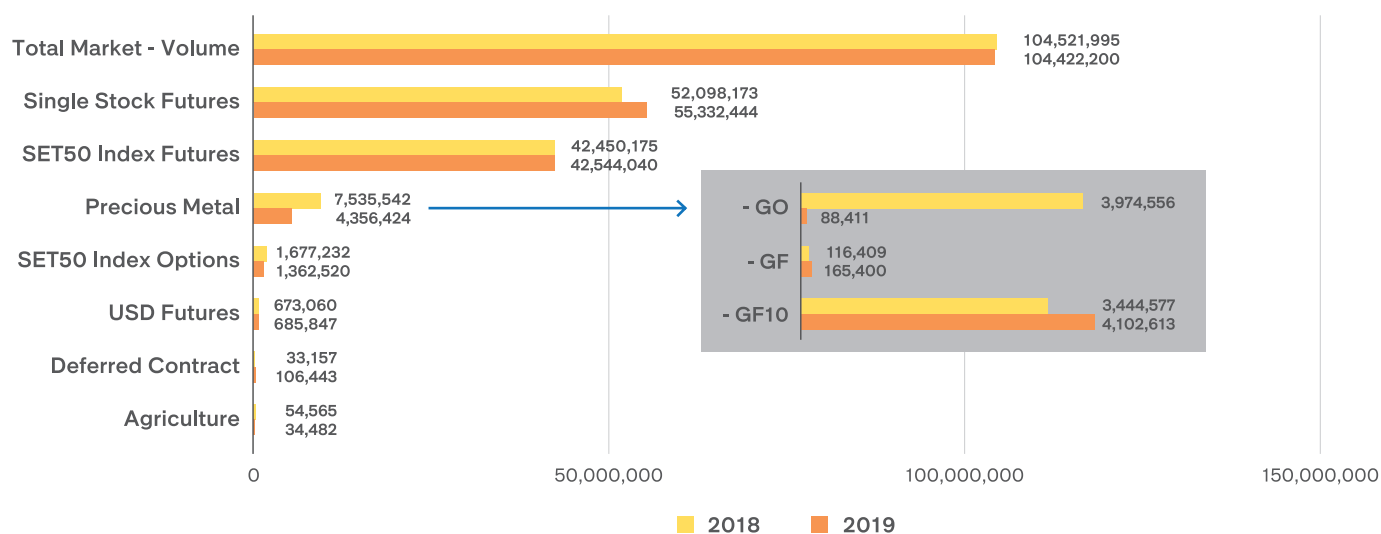
- The Thailand Futures Exchange Plc. (TFEX) recorded the total turnover of 104.52 million contracts or an average of 428,368 contracts per day, a slight increase from an average daily turnover of 426,213 contracts in 2018 (Figure 4). The growth mainly involved trading transactions of Single Stock Futures and SET50 Index Futures. In addition, the trading transactions of futures with gold underlying significantly increased from online gold trading (Figure 5);
- The market open interest position at year-end 2019 closed at 3,330,230 contracts, an increase of 36% from 2,440,223 contracts in 2018. Most trading activities were generated by retail investors, accounting for 48.95%, followed by institutional investors and foreign investors, at 33.24% and 17.81% respectively.

Figure 4: Net Open Position and Daily Derivatives Trading Volume in 2019



Source: SET Market Analysis and Reporting Tool (SETSmart)

Figure 5: Derivatives Contract Proportion Categorized by Underlyings (unit:contract /as of 31 Dec 2019)



Source: SET Market Analysis and Reporting Tool (SETSmart)

Bonds

- The Thai bond market in 2019 continued to grow from the preceding year. The total outstanding value of all types of debt instruments at year-end 2019 reached 13.52 trillion baht, a 5.73% increase from 2018, mostly from corporate bonds (Table 3).

Table 3: Bond Outstanding in Thailand

	2019 (unit: trillion baht)	Percentage in comparison with 2018
Government bonds	9.56	+4.47
Corporate bonds	3.86	+9.13
Others	0.095	+0.34
Total	13.52	+5.73

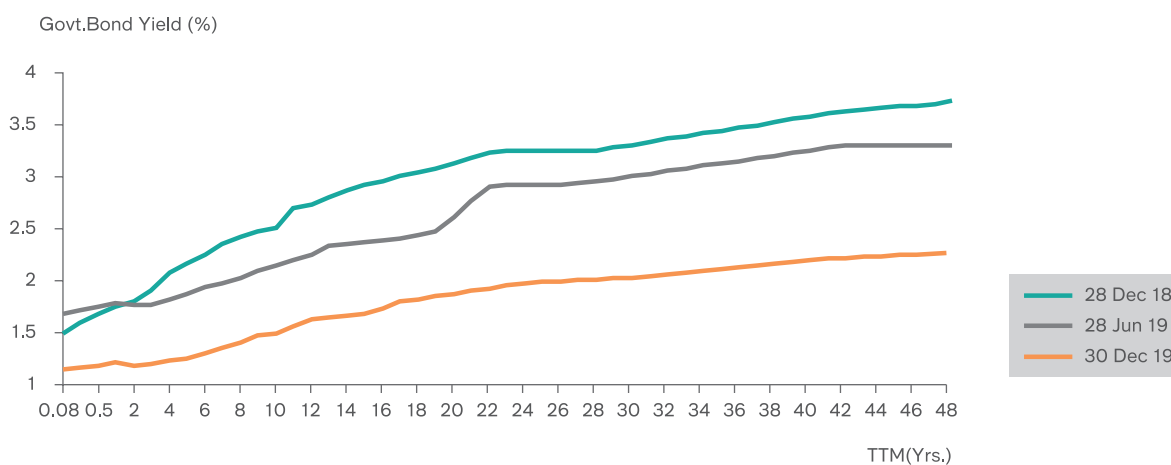
Sources: The Thai Bond Market Association and SEC

- The net inflow of foreign investment to the Thai bond market totaled 130 billion baht. The net foreign holdings of Thai bonds at year-end 2019 decreased to 917 billion baht, accounting for 10.55% of the outstanding value of the government bonds;
- The yield curve movement of government bonds in 2019 observed a downward parallel shift, with decrease of the policy rate twice, from 1.75% to 1.50% on 8 August 2019, and from 1.50% to 1.25% on 19 December 2019. Furthermore, the yield curve of government bonds became less steep, reflecting investors' worries about risk factors in 2019.

Figure 6: Yield Curve of Thai Government Bonds

Yield Curve for Government Bonds

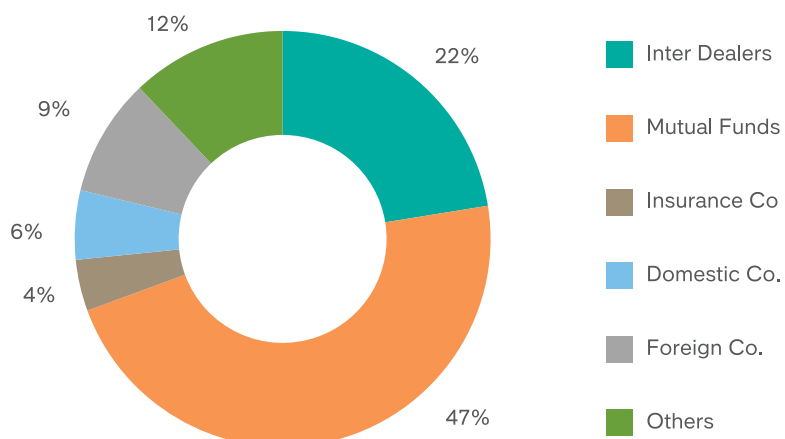
(28 December 2018, 28 June 2019, 30 December 2019)



Source: The Thai Bond Market Association

- The outright trading value of debt instruments in 2019 was averaged at 87.6 billion baht per day, an increase of 11% in 2018. The trading activities were predominantly between bond dealers and clients, accounting for 78.16% of the total trading value. The most active clients were mutual funds, followed by foreign companies, domestic companies and insurance companies, respectively. The turnover among bond dealers accounted for 21.84% of the total trading value.

Figure 7: Outright Trading Value in 2019

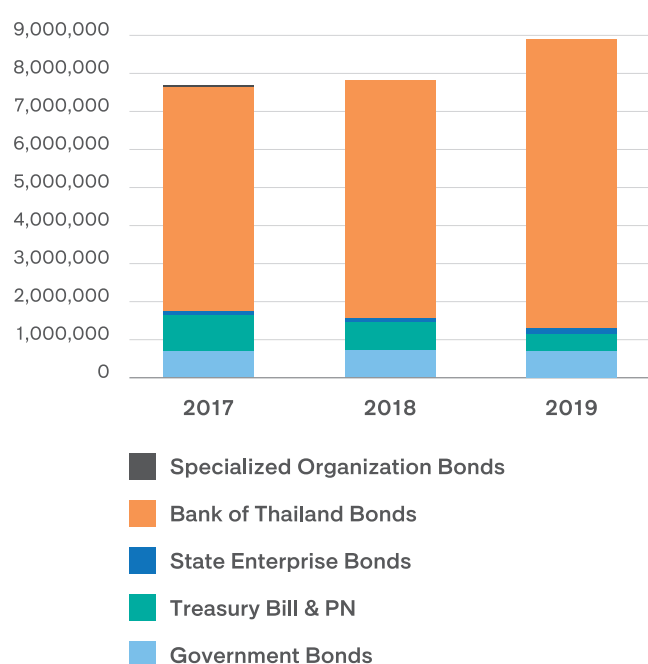


Source: The Thai Bond Market Association

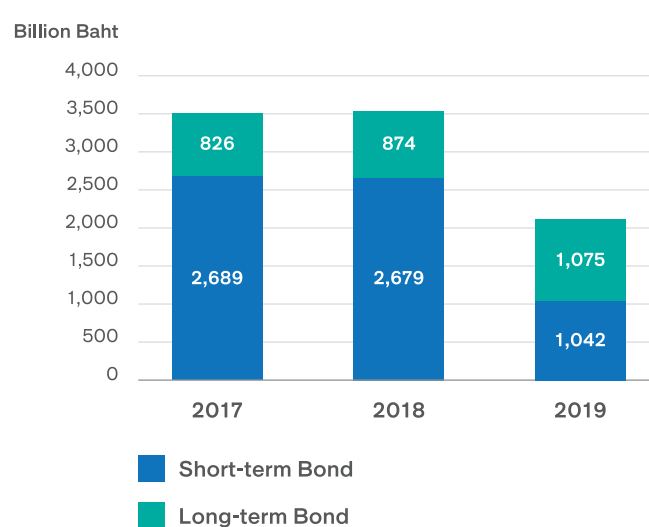
Issuance and Offer for Sale of Debt Instruments

- In 2019, the issuance and offer for sale of all debt instruments in Thailand totaled 11.05 trillion baht, a decrease of 3.1% from 2018. Of this, 8.92 trillion baht was the offerings of government bonds and 2.13 trillion baht was the offerings of corporate bonds. The total value of the offerings of public sector debt instruments rose 13.63% thanks to the Bank of Thailand's increasing offerings of newly issued state enterprise bonds and BOT bonds. However, the values of the offerings of treasury bills, government bonds and state enterprise bonds dropped over the year;
- In 2019, the issuance and offer for sale of corporate bonds in Thailand by Thai and foreign juristic persons dropped by 40% from the preceding year. Of this, the offering of long-term corporate bonds amounted to 1.08 trillion baht, a 24% increase from the preceding year while the offerings of short-term corporate bonds totaled 1.04 trillion baht, a 61% decrease:
 - Long-term debt instruments issued by listed companies on SET and the mai valued at 755,611 million baht. The top three sectors with the highest offering values (excluding commercial bank and securities finance sectors) were property development, energy and public utilities and information technology;
 - Long-term debt instruments issued by non-listed companies which were Thai juristic persons valued at 319,553 million baht.
- The issuance of long-term baht bonds totaled 12,059 million baht, less than the total of 25,600 million baht in 2018;
- The SEC promoted the issuance and offer for sale of Green Bonds, Social Bonds, and Sustainability Bonds by exempting the filing fee of the registration statement for the issuers, effective from 17 May 2019 to 31 May 2020. This supportive measure aimed to stimulate sustainability investment and fundraising that take into consideration sustainability as well as social and environmental responsibility. In this regard, the SEC has amended the offering and disclosure rules governing Green Bonds, which have been effective since 31 December 2018. Additionally, the disclosure rules governing Social Bonds and Sustainability Bonds have become effective since 16 May 2019. By year end, the total value of the issuance and offer for sale of the aforesaid bonds was 30,040 million baht.

Government Debt Instruments Issuance and Offering Classified by Types



Private Sector Debt Instruments Issuance and Offering Classified by Types



Industry Overview in 2019

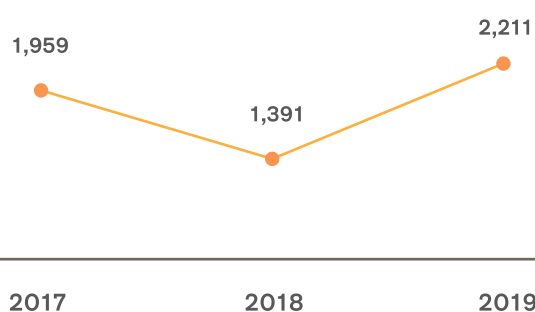
(1) Securities Brokerage

In 2019, two new securities companies entered the industry, resulting in 45 in total. This comprises 41 securities brokers and four non-brokers.

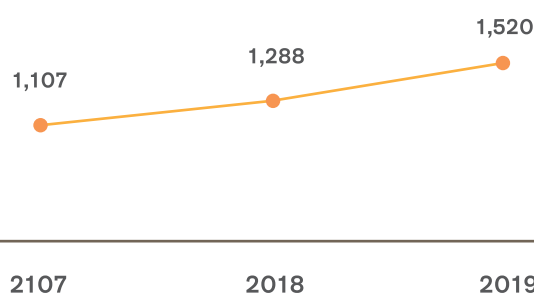
	Unit: Company	
	2019	2018
Securities companies ¹	41	39
- Brokers	4	4
- Non-brokers ²		
Total	45	43

The overall development of the securities brokerage industry in 2019 experienced a continual decline in the amount of transaction-based commission fees earned. Several securities companies therefore turned to fee-based focus to reduce dependency on commission revenues. In particular, the securities underwriting business generated more revenue of 820 million baht, a 59% increase from the preceding year, thanks to the 2019 IPOs with the increasing value of 68,075 million baht or a rise of 155% from the prior year. Especially, the IPOs of large stocks and real estate investment trusts (REIT) after September accounted for 80% of the total offering value in 2019. Another interesting business was the investment unit agent business which generated more revenue of 232 million baht, or an increase of 18% from the preceding year, in line with the overall business trend of investment management, and is expected to have continued growth trend.

Securities Underwriting Revenues (Million Baht)



Investment Unit Agents Revenues (Million Baht)



As of 31 December 2019

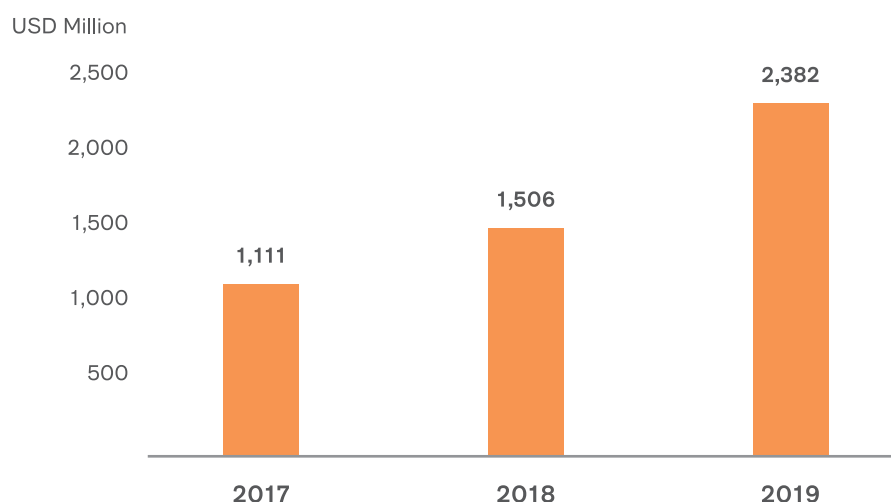
Regarding foreign investment services over the past year, the request for foreign investment quota continued to increase, totaling 876 million dollars, or an increase of 58% from last year. This gave securities companies more opportunities to respond to investors' demands for risk diversification and higher returns. A factor conducive to the improvement of securities companies' service efficiency was the granting of foreign exchange license to securities companies for buying, selling and exchanging of foreign currencies to support investment in instruments and derivatives. By year-end, the total number of securities company foreign exchange licensees was 11, one company more than the total number in 2018.

¹ Comprising both members and non-members of the Stock Exchange of Thailand.

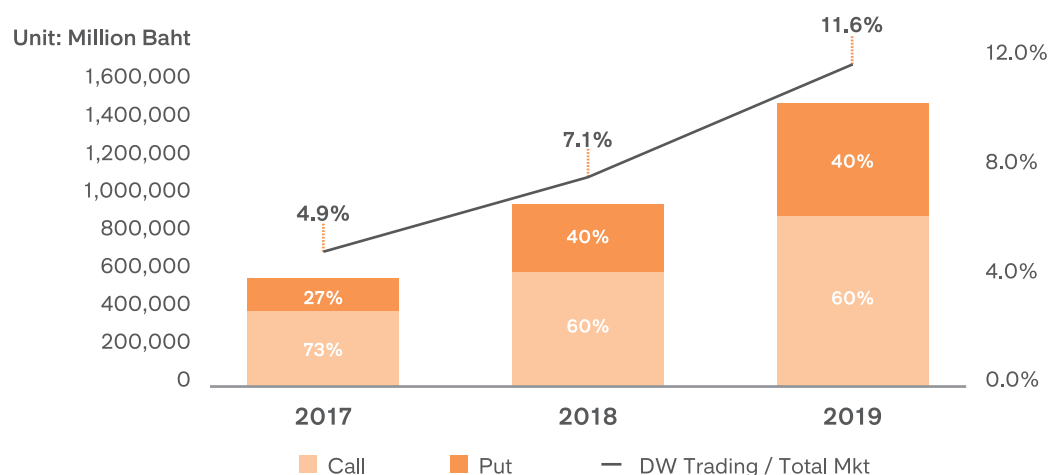
² Comprising securities company licensees that ceased brokerage business but continued to operate other securities businesses such as securities dealing, securities underwriting and investment advisory, etc.

Furthermore, the issuance and offer for sale of complex products or provision of related services which may generate higher returns and make profits despite severe volatility in the positive or negative markets, especially derivatives warrants. In 2019, there was one new service provider, totaling 15 companies, and 1,054 more issues were offered. The daily average trading value increased by 52%, resulting in an increase of 11.6% in the trading proportion, compared to the total trading volume of 7.1% in the preceding year.

Amount of Foreign Investment Quota via Securities Companies



Trading Volume of Derivative Warrants



According to the market share structure of the brokerage business in 2019, the market share of the top-10 bracket was 55.3%, an increase from the previous year of 50.3%, thanks to the bigger market share of the big-scale business providers of services to foreign investors. As a whole, the operating performance and financial position of the industry showed that brokerage revenues, the main income of the securities industry, dropped by 4,320 million baht, or a 15.7% decrease from the preceding year's amount. The daily average trading value fell by 7.8% (accounting for an approximate amount of 53,192 million baht). This reflected the continuing challenge for securities brokerage companies, especially those with retail investors as the main target customers. In 2019, the revenues from retail investors decreased by 3,335 million baht or a 20.3% decline from those of the preceding year.

The overall profits of the securities industry declined by 2,777 million baht, or a 34.1% drop from the preceding year. Meanwhile, the amount of the industry's total assets was 349,851 million baht, or a decline of 1.55% from the prior year.

Regarding securities trading, retail investors were still the most active in terms of trading volume compared to other investors, but the proportion had a tendency to decline. In 2019, the trading volume of retail investors dropped to 34% from 41% in 2018. Meanwhile, the trading volume of foreign investors increased to 41% from 36% in 2018. The total margin loans rose to 60,470 million baht, or a 6.1% increase from the preceding year, with the total collateral value of 211,960 million baht, or approximately 3.50 times more than the total margin loans. Such increase was partly thanks to some business providers giving more focus to margin loan business expansion. In addition, SET Index closed at 1,580 points, accounting for a 1.02% increase from the prior year.

Financial Position and Income of Securities Brokers ^{3 4}

Financial position

	Unit: Million Baht	
	2019	2018
Total Assets	349,851	355,367
Cash, cash equivalent, and deposits	68,262	68,543
Investment, net	135,691	128,875
Receivables – securities and derivatives business	96,902	103,844
Receivables – clearing house	27,027	32,420
Total Liabilities	247,692	253,792
Loans and debt instruments	54,752	47,960
Payables – securities and derivatives business	165,908	176,874
Payables – clearing house	11,335	13,251
Shareholders' Equity	102,159	101,575
Common stock	53,561	49,610
Retain profit (loss)	39,968	41,677

As of 31 December 2019

Comprehensive Income Statement

	Unit: Million Baht	
	2019	2018
Revenues	43,198	44,841
Fee – brokerage	23,245	27,565
Profit (loss) – own trading account	9,090	7,939
Expenses	34,420	34,216
Employee benefits expenses	17,208	17,723
Comprehensive profit (loss)	5,360	8,137

As of 31 December 2019

³ Financial data were collected from unaudited financial statements.

⁴ Financial data were collected from 39 and 41 securities companies that operated brokerage business in 2018 and 2019, respectively.

Margin Loan

Unit: Million Baht

	2019	2018
Margin Loan		
Margin loan	60,470	56,994
Collateral	211,960	186,908
SET Index (point)	1,580	1,564

As of 31 December 2019

Net Liquid Capital

All securities companies maintained net liquid capital significantly higher than the minimum requirement. At the end of 2019, the average net liquid capital of the industry per intermediary dropped to 2,045 million baht, or a decline of 4.9% from the previous year. Meanwhile, the average net capital ratio to general liabilities and collaterals declined to 78% per intermediary, or a 7.5% drop from the preceding year.

	2109	2018
Net liquid capital (million baht) / average amount per intermediary	2,045	2,150
Net capital ratio (%) of general liabilities and collateral / average amount per intermediary	78	84.3

As of 31 December 2019

Minimum requirement: net liquid capital of 15-25 million baht, and net capital ratio of 7%

(2) Derivatives Agents

As of December 2019, the total number of derivatives business operators was 43, four of which operated business as derivatives agent only, one business operator fewer than the total number of the previous year.

	Unit: Company	
	2019	2018
Licensed derivatives agents:		
- operating securities brokerage business as well	37	35
- operating derivatives agent business only	4	5
- ceasing operation of derivatives agent business	2	2
Total	43	42

As of 31 December 2019

In 2019, the average daily derivatives trading volume was similar to last year's 428,369 contracts (up 0.5 %YoY). The trading volume of gold futures contracts increased significantly with an average trading volume of 30,883 contracts per day (up 73.7% YoY). Especially, the futures with 99.5% pure gold underlying generated an average trading volume of 16,289 contracts per day (up 600% YoY) thanks to the higher gold price in the global market in conjunction with the continuing appreciation of Thai baht, which attracted interest of the growing number of investors.

In terms of the market share structure of the derivatives business and the operating performance of the four derivatives agents, the overall market share slightly rose to 6.88% from 6.57% in the previous year. The total revenue of the derivatives business operators increased by 115 million baht (up 59% YoY) thanks to the increasing investment of the proprietary portfolios of 139 million baht, or a 231% rise from the preceding year. As a result, the total profits of the derivatives business in 2019 was 52 million baht, compared to the total loss of 105 million baht in the preceding year.

Financial Position and Income of Derivatives Agents ^{5 6}

Financial Position

	Unit: Million Baht	
	2019	2018
Total Assets	1,885	1,750
Cash, cash equivalent, and deposits	673	727
Receivables – clearing house	583	448
Total Liabilities	1,023	1,023
Loan and debt instruments	130	250
Payables – securities and derivatives business	1,018	730
Shareholders' Equity	694	722
Common stock	935	1,104
Retain profit (loss)	(240)	(383)

As of 31 December 2019

⁵ Financial data were collected from unaudited financial statements.

⁶ Financial data were collected exclusively from the four operating derivatives agents in 2019.

Comprehensive Income Statements

	Unit: Million Baht	
	2019	2018
Revenues	310	195
Fee – brokerage	130	144
Profit (loss) – own trading account	181	42
Expenses	253	301
Employee benefits expenses	125	142
Comprehensive profit (loss)	52	(105)

As of 31 December 2019

Net Liquid Capital

The four derivatives agents maintained net liquid capital at a significantly higher level than the minimum requirement. At the end of 2019, the average net liquid capital was 160 million baht (up 16.8% YoY) per intermediary, while the average net capital ratio to general liabilities and collaterals was 351% per intermediary.

	2019	2018
Net liquid capital (million baht) / average amount per intermediary	160	137
Net capital ratio (%) of general liabilities and collateral / average amount per intermediary	351	285

As of 31 December 2019

Minimum requirement: net liquid capital of 15 million baht, and net capital ratio of 7%.

(3) Asset Management Business

In 2019, the total value of the asset management business was 5.4 trillion baht, a 6.2% growth or 310 billion baht more than the preceding year's value. This upward trend was generated by the growth of daily fixed income funds, mixed funds of equity, debt and other assets, and alternative funds, which grew in size to 160 billion baht, 56 billion baht, and 100 billion baht, respectively. (Figure 1)

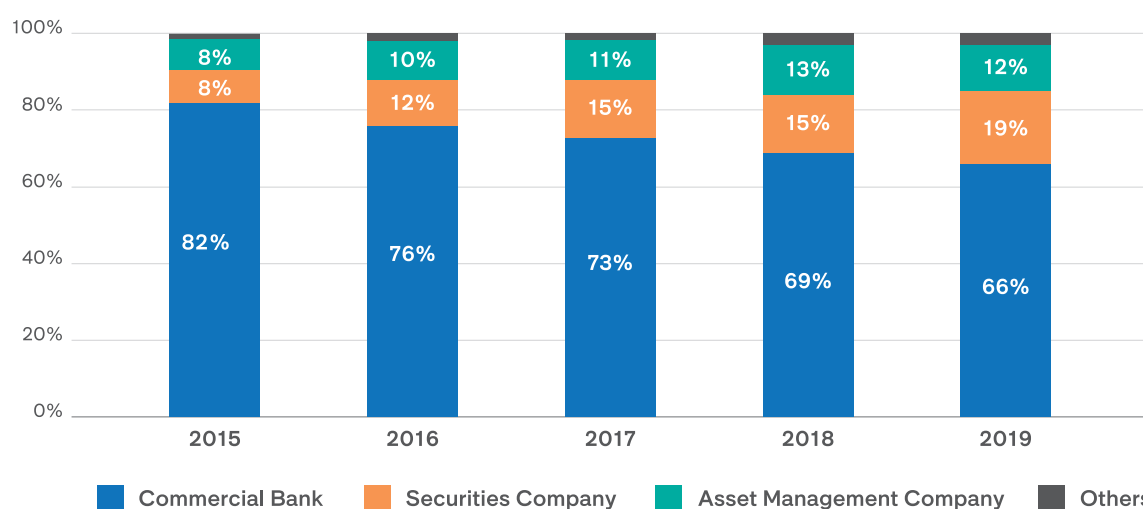
Figure 1: Net Asset Value Classified by Investment Policy and Local/Foreign Investment

Classified by Investment Policy	Number of Funds		NAV (Million Baht)		Change	
	Dec 2019	Dec 2018	Dec 2019	Dec 2018	NAV (Million Baht)	% NAV
Mutual fund and trust fund						
Equity fund	664	598	1,065,778	1,021,345	44,433	4%
Fixed income fund	534	480	2,601,140	2,503,862	97,278	4%
Money Market Fund	36	37	219,183	230,333	(11,150)	-5%
Daily Fixed	132	96	1,652,640	1,491,605	161,035	11%
Term Fund	313	288	629,402	653,032	(23,630)	-4%
Others	53	59	99,915	128,892	(28,977)	-22%
Mixed fund	230	249	427,390	383,841	43,549	11%
Equity and debt	61	80	57,792	69,864	(12,072)	-17%
Equity, debt and others	169	169	369,599	313,978	55,621	18%
Alternative fund	108	84	218,963	113,157	105,806	94%
Property fund (Type 1)	38	38	130,763	134,624	(3,861)	-3%
Specific fund	36	36	129,139	132,839	(3,700)	-3%
Non-specific fund	2	2	1,625	1,785	(160)	-9%
Real Estate Investment Trust (REIT)	24	21	191,132	163,569	27,563	17%
Managed by asset management company	6	5	27,700	18,871	8,829	47%
Managed by other REIT Managers	18	16	163,432	144,698	18,734	13%
Infrastructure fund offered to general investors	8	7	372,786	346,486	26,301	8%
Total mutual funds and trust funds	1,606	1,477	5,007,953	4,666,883	341,070	7.3%
Classified by Foreign Investment						
Foreign investment fund	756	699	1,044,622	1,094,712	(50,090)	-5%
Local investment fund	850	778	3,963,331	3,572,171	391,160	11%
Specialized fund						
Property fund for institutional investors	15	17	27,128	48,870	(21,742)	-44.49%
Property fund for resolving financial institution problems (Type 2)	4	6	5,488	17,269	(11,781)	-68%
Mutual fund for resolving financial institution problems (Type 3)	-	-	-	-	-	-
Property and loan fund (Type 4)	11	11	21,641	31,601	(9,961)	-32%
Vayupak fund	1	1	356,546	361,645	(5,099)	-1%
Country Fund	1	2	54	115	(61)	-53%
Total specialized funds	17	20	383,728	410,630	(26,902)	-7%
Grand total	1,623	1,497	5,391,681	5,077,512	314,168	6.2%

At the end of the year, there were 24 asset management companies, 12 of which operated under commercial banks, accounting for 91% of the total market share. Also, one newly established company named We Asset Management Co., Ltd. entered the industry in 2019.

The major selling channel of investment units was via commercial bank branches, accounting for 66% of all channels, a drop from 69% in the preceding year. Selling via asset management companies fell from 13% to 12%, while the selling channel via securities companies grew from 15% to 19%. (Figure 2)

Figure 2: Proportion of Selling Channels of Mutual Funds



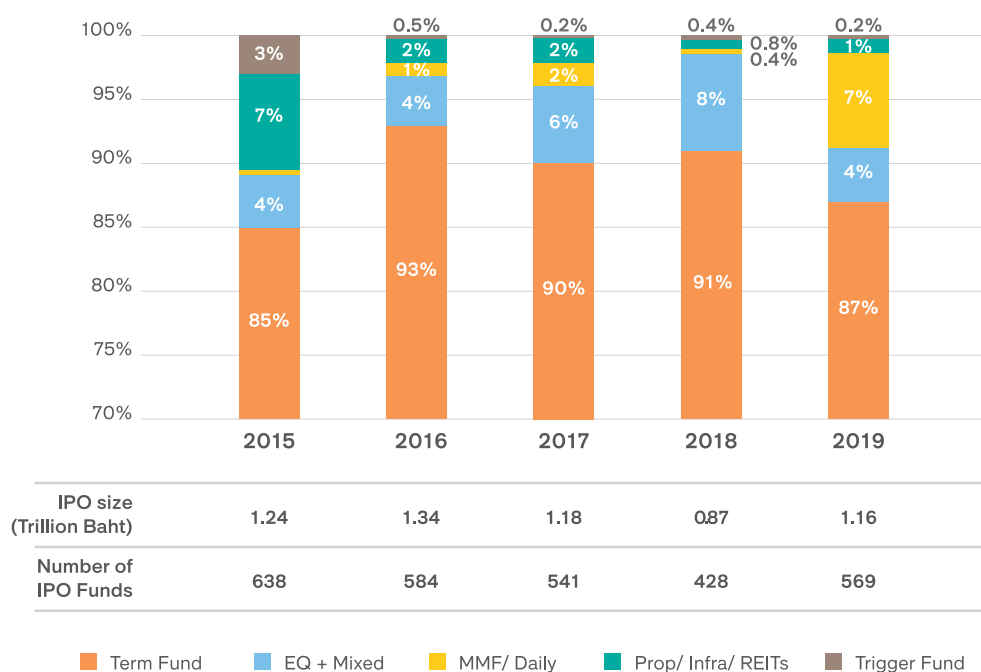
As of 31 December 2019

In 2019, there were 569 newly established mutual funds with the total IPO size of 1.16 trillion baht, an increase from 428 new funds and the total IPO size of 0.87 trillion baht in the preceding year. In this regard, fixed income term funds had the highest offering proportion of 87%, accounting for the total IPO value of 1.01 trillion baht.⁷ (Figure 3). In addition, 96% of the total IPOs were retail term funds. (Figure 4).

However, over the year a wider variety of funds were introduced mainly to general investors, for example, Complex Return Fund that uses more complex financial tools to generate incremental returns from general fixed income funds, ESG Fund that focuses on issuers operating under the environmental, social and governance principles, Innovative Healthcare Fund that focuses on innovative healthcare business, Artificial Intelligence Fund that uses AI for investment management, and Indirect Term Fund that invests in foreign fixed income funds. In addition, there were funds of private equity funds, supply chain finance funds and hedge funds, which were foreign investment funds catered to institutional investors and ultra-high net worth investors. (Figure 5).

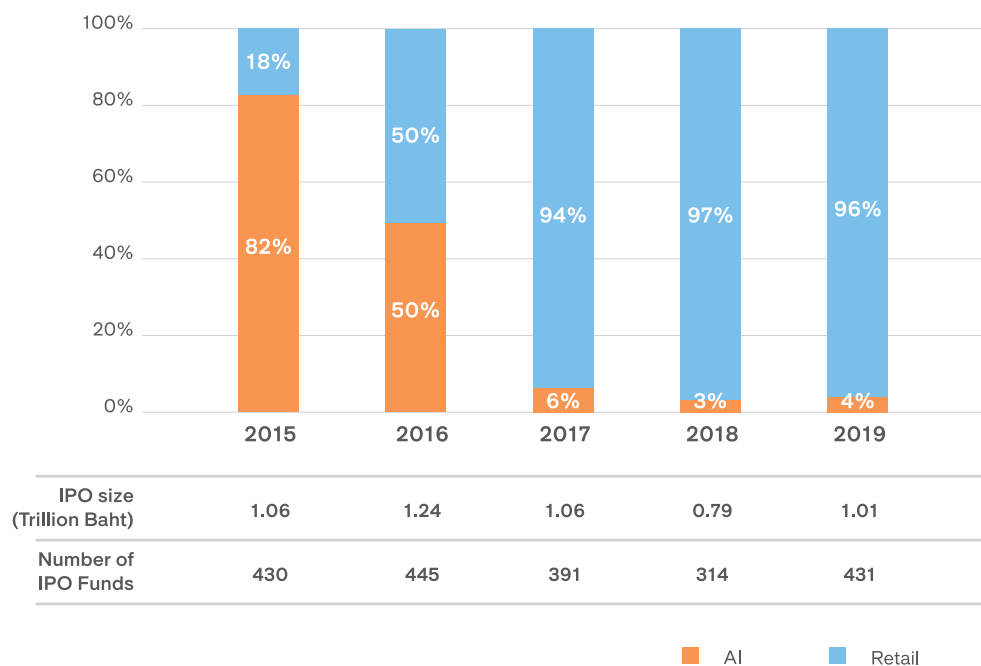
⁷ Most term funds had a maturity term from 6 months to 1 year, thus leading to continuing application for establishment of new funds.

Figure 3: Offering Proportion Based on Types of Funds



As of 31 December 2019

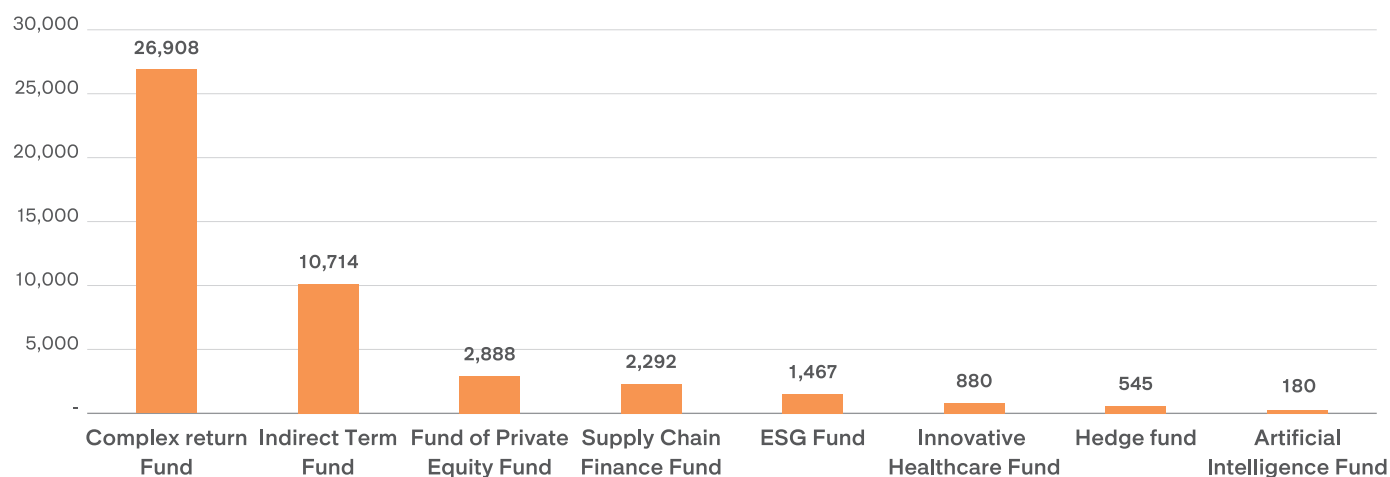
Figure 4: Proportion of Term Fund Offering Classified by AI and Retail Investors



As of 31 December 2019

Figure 5: IPO Sizes Classified by Types of New Funds

IPO size (million baht) classified by type of funds



As of 31 December 2019

Regarding revenues and earnings, asset management companies generated the total revenues of 19,612 million baht in the first half of 2019, a 7% drop or 1,509 million baht less than the same period of the preceding year. The earnings also decreased by 50 million baht, accounting for a 1% reduction from 2018. (Figure 6)

Figure 6: Revenues and Earnings of Asset Management Companies

Unit: Million Baht			
	06/2019	12/2018	06/2018
Revenues	19,612	41,003	21,121
Fees and Services	19,432	40,675	20,980
Earnings	5,703	11,316	5,753

(4) Limited Broker Dealer and Underwriter (LBDU) Business

In 2019, one limited broker dealer and underwriter (LBDU) business operator entered the industry and another one discontinued its operation. As a result, the total number of LBDU business operators was 37.

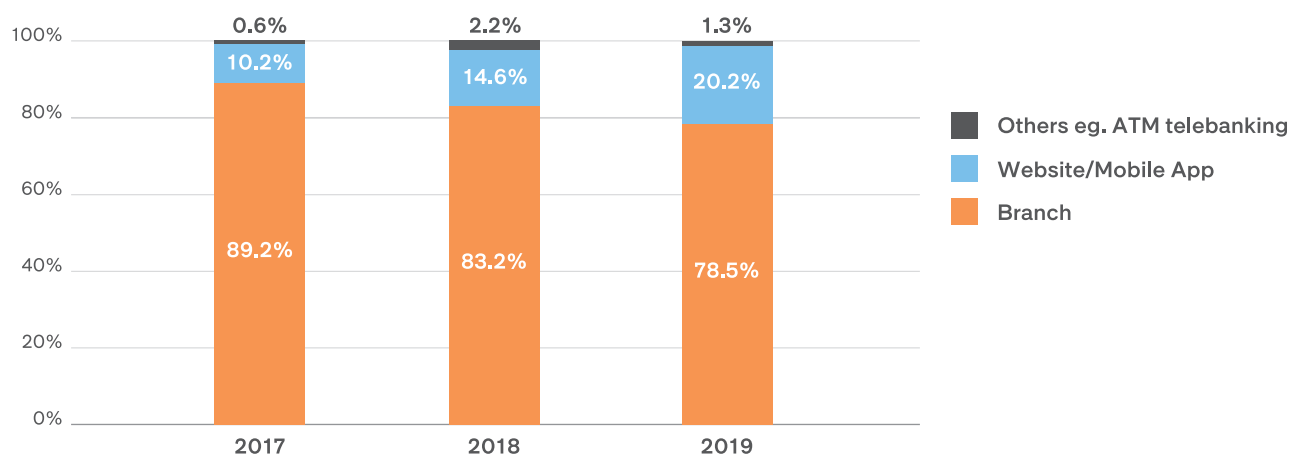
Table 1: Number of LBDU business operators

	2019	2018
LBDU business companies		
- Commercial banks	16	16
- Life insurance companies	14	13
- LBDU business companies	7	8
Total	37	37

There were three groups of LBDU business operators, i.e., commercial bank, life insurance company and LBDU business company. Of this, the group of commercial banks has the highest market shares, followed by the groups of life insurance companies and LBDU business companies. However, despite having much smaller market shares than commercial banks, life insurance companies and LBDU business companies generated growing annual sale values during 2017-2019. In this regard, the total sales of life insurance companies included sales of unit linked insurance policies.

With regard to selling channels, most sales were conducted by investment consultants at branches of commercial banks. Meanwhile, online sales were growing continuously. In terms of sales areas, the top five sales generating provinces remain Bangkok and neighboring provinces.

Figure 1: Proportion of selling channels in 2017-2019



As of 31 December 2019

Table 2: Top five sales provinces in 2019

H2/2019	H1/2019
Top five sales provinces	Top five sales provinces
Bangkok	Bangkok
Nonthaburi	Samutprakan
Samutprakan	Chonburi
Chonburi	Nonthaburi
Samutsakon	Chiang Mai

The number of service personnel (investment consultants and investment planners) increased from 59,384 in 2018 to 61,732 in 2019.

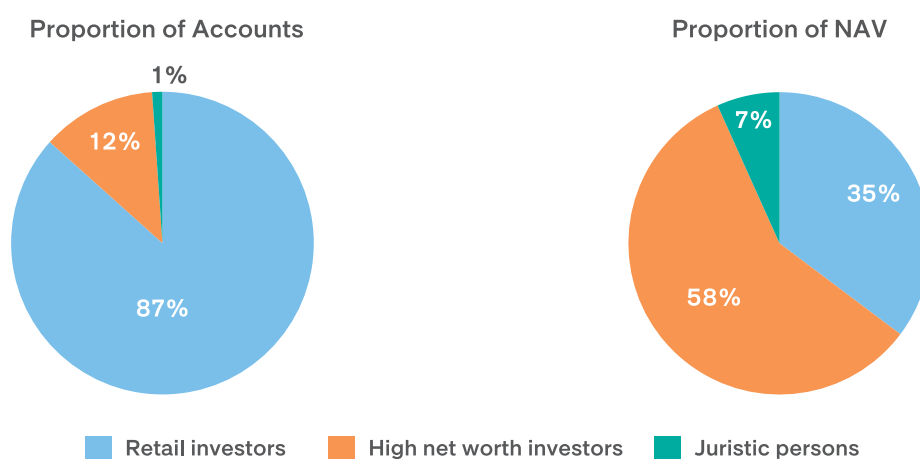
Table 3: Number of operating personnel in 2018 and 2019

	2019	2018
Commercial banks	44,283	42,455
Life insurance companies	16,934	16,706
LBDU business companies	515	223
Total	61,732	59,384

As of 31 December 2019

There were three major groups of customers, i.e., retail investor, high net worth investor and juristic person. The trading accounts of retail investors accounted for 87 percent, followed by those of high net worth investors at 12 percent, and those of juristic persons at 1 percent. Nevertheless, the total net asset values of high net worth investors were the highest with approximately 58 percent, while those of retail investors and juristic persons accounted for 35 percent and 7 percent, respectively.

Figure 2 : Number of trading accounts and net asset values of customers



As of 31 December 2019

Note: *The definition of high net worth investor is prescribed in the regulations governing business operators.

(5) Digital Asset Businesses

Pursuant to the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018), which has become effective since 14 May 2018, undertaking a digital asset business requires a license from the Minister of Finance upon the recommendation of the SEC Board. Therefore, any digital asset business that had been operating prior to the effective date of the law and any entity wishing to undertake such business for the first time are both required to obtain a license before operating the business. In 2019, the first group of applicants, seven in total, obtained their respective licenses, which subsequently commenced the SEC's full-scale supervisory role over the digital asset business operators.

	2019
Licensees	7
- Operating	5
- Preparing to operate	2 ⁸
Types of license	
- Digital asset exchange	4
- Digital asset exchange and broker	1
- Digital asset broker	1
- Digital asset broker and dealer	1
Total	7

As of 31 December 2019

The total trading value on the licensed digital asset exchanges was approximately 53.4 billion baht (a daily average of 146 million baht).

Financial Position and Income of Digital Asset Business Operators ⁹

Financial Position

	Unit: million baht
	2019
Assets	262
Cash, cash equivalents and investment money	143
Digital assets	33
Other assets	86
Liabilities	55
Owners' Equity	206

As of 31 December 2019

⁸ Consisting of one digital asset exchange and one digital asset exchange and broker.

⁹ All information is from unaudited financial statements.

Income Statements

Unit: million baht

	2019
Revenues	319
Service fees	263
Profit (loss) from digital asset trading	18
Other incomes	38
Expenses	284
Employee benefits	160
Service fees and expenses	69
Other expenses	55
Total profit (loss)	35

As of 31 December 2019

Net liquid capital

In 2019, the net liquid capital of digital asset business operators, as considered from shareholders' equity, had to exceed half of the minimum registered capital of each respective business type. In this regard, all business operators maintained the net liquid capital as required by the governing regulations.

	As of 31 December 2019
Ratio: equity to minimum net liquid capital (on average per operator)	2.09 times

Minimum requirement: shareholders' equity not less than half of the minimum registered capital of each business type as specified by the SEC Board.

(6) Securities Offering via Crowdfunding

Crowdfunding is an alternative method of raising capital for small and medium enterprises (SMEs) or startups from the collective contribution of investors via the website of the funding portal. Although each investor may put in a small amount of money, this internet-based approach has the advantage of attracting a large enough group of individual investors to meet the funding demand of the fundraising businesses who, in turn, issue shares or debt securities to investors in exchange for their contribution. In this regard, crowdfunding in the form of securities offering is deemed a public offering in accordance with the Securities and Exchange Act B.E. 2335 (1992).

In 2019, a new crowdfunding portal obtained an approval, namely Peer Power Platform Co., Ltd., resulting in the total of three approved operators – two exclusive equity crowdfunding portals and another without limitation of funding scope.

	2019	2018
Crowdfunding portals		
- Equity crowdfunding only	2	2
- Unlimited scope	1	0
Total	3	2

As of 31 December 2019

In addition, the Capital Market Supervisory Board issued further regulations¹⁰ to increase funding channels via debt crowdfunding for SMEs or startups as well as to offer more investment alternatives for investors. Prior to this, the equity crowdfunding channel was approved in 2015. In case of debt crowdfunding, the responsible funding portal is required to set up a work system for assessing the creditworthiness and the risk level of the debt issuers, and disclose the criteria for such assessment consideration. This is to provide investors with information for decision making.

In 2019, one company successfully rose capital via equity crowdfunding at the total amount of 18.6 million baht.

¹⁰ Notification of the Capital Market Supervisory Board No. TorJor, 21/2562 Re: Rule related to Securities Offering via Crowdfunding dated 12 April 2019.

Sub-committees and Arbitrators

List of Sub-committees

1. Legal Sub-committee (Consulting)

Roles and responsibilities

To consider and give opinions to the SEC Board and the SEC Office on matters as assigned by the SEC Board or as requested by the SEC Office, as follows:

- (1) Legal issues under the Securities and Exchange Act, the Derivatives Act and other laws;
- (2) To examine and give opinions on the draft regulations of the SEC Board;
- (3) To comment and give recommendation on special assignments.

Comprises:

- | | |
|--|----------|
| (1) Mr. Sarawut Benjakul | Chairman |
| (2) Mr. Manit Sutaporn | Member |
| Legal Expert | |
| (3) Mrs. Suda Wisarutphit | Member |
| Legal Expert | |
| (4) Mr. Pruettipong Srimachand | Member |
| Assistant Governor, Bank of Thailand | |
| (5) Assistant Secretary-General relevant to legislation,
the Securities and Exchange Commission | Member |

The SEC shall appoint SEC director of the Legal Counsel and Development Department to serve as secretary of the sub-committee.

Appointed on 21 October 2019 to serve a term from 1 December 2019 to 30 November 2021.

2. Legal Sub-committee (Litigation)

Roles and responsibilities

To consider and give opinions to the SEC Board or the SEC Office on matters as assigned by the SEC Board or as requested by the SEC Office, as follows:

- (1) Criminal proceedings against offenders under the Securities and Exchange Act, the Derivatives Act, the Digital Asset Businesses law and other laws as well as acquisition for compensation or other benefits under a civil case related to a criminal case, and giving of advice and assistance in relation to examination and sufficiency of evidence, conditions and elements of offense, including legal proceedings against the offenders;
- (2) Seizure or attachment of assets of persons whose actions appear to be evidence of wrongdoing under the Securities and Exchange Act, the Derivatives Act and the Digital Asset Businesses law;
- (3) Requisition of criminal court order to prohibit the persons from leaving the Kingdom and ordering of temporary prohibition of such act before the criminal court issues an order.

Comprises:

- | | |
|---|----------|
| (1) Mr. Sarawut Benjakul | Chairman |
| (2) Mr. Khemchai Chutiwongse | Member |
| Legal Expert | |
| (3) Director-General or Deputy Director-General
of Department of Special Investigation as assigned | Member |

(4) Director-General or Deputy Director-General of Department of Economic Crime Litigation as assigned	Member
(5) Director-General or Deputy Director-General Of Department of Civil Litigation	Member
(6) Pol. Gen. Sutep Dechrugsa	Member
(7) Commander in Chief or Deputy Commander of Economic Crime Suppression Division as assigned	Member
(8) Mr. Pruettipong Srimachand Assistant Governor, Bank of Thailand	Member
(9) Duputy Secretary-General relevant to law enforcement and legal development, the Securities and Exchange Commission	Member

The SEC shall appoint an officer to serve as secretary of the sub-committee and not more than two officers to serve as assistant secretary.

Appointed on 21 October 2019 to serve a term from 1 December 2019 to 30 November 2021.

3. Appellate Sub-committee

Roles and responsibilities

- (1) To make a conclusion on facts and legal issues and propose opinions on appeal cases against the SEC Office's administrative orders to the SEC Board;
- (2) To perform others duties as assigned by the SEC Board.

Comprises:

(1) Mrs. Nuntawan Sakuntanaga Commissioner	Chairperson
(2) Mr. Subhak Siwaraksa Commissioner	Member
(3) Miss Jongjit Leekpai	Member
(4) Mr. Thamanit Sumantakul	Member

SEC director of the department in charge of the implementation of the appeals process shall serve as secretary of the sub-committee.

Appointed on 13 June 2019 to serve a term from 15 June 2019 to 3 November 2020.

*Mrs. Nuntawan Sakuntanaga succeeded Mr. Yokporn Tantisawetrat, who completed his term on 14 June 2019.

*Mr. Thamanit Sumantakul succeeded Mr. Satorn Topothai, who resigned on 10 May 2019.

4. Good Governance and Remuneration Sub-committee

Roles and responsibilities

- (1) To propose a policy and workplans for the development of organizational governance according to the international standards;
- (2) To propose frameworks or principles in the recruitment of expert members in the SEC board or the Capital Market Supervisory Board;

- (3) To propose frameworks or principles in the recruitment of the Secretary-General;
- (4) To propose criteria in determining the remuneration and other forms of the remuneration of the SEC board, the Capital Market Supervisory Board, as well as sub-committees appointed by the SEC Board or the Capital Market Supervisory Board;
- (5) To propose criteria for performance evaluation of the SEC board and the Capital Market Supervisory Board, as well as a development plan after the assessment (if any);
- (6) To propose criteria in determining remuneration and remuneration forms as well as criteria for performance evaluation of the Secretary-General;
- (7) To perform any related duties as assigned by the SEC board.

Comprises

- | | |
|---|----------|
| (1) Mr. Prasan Chuaphanich
Commissioner | Chairman |
| (2) Mr. Viput Oongsakul
Commissioner | Member |
| (3) Mrs. Nuntawan Sakuntanaga
Commissioner | Member |

The Assistant Secretary-General responsible for the function line of developing organizational governance shall assume the position of Secretary to the Good Governance and Remuneration Sub-committee except for the following cases:

- (1) The director of the department of secretarial operation and administration for the SEC board in performing the duties according to items (2),(3) and (4);
- (2) The director of the department responsible for the human resource regarding the suggestions on criteria in determining remuneration and remuneration forms as well as the performance evaluation of the Secretary-General according to item (6);
- (3) The Assistant Secretary-General supervising the relevant functional line, or the director of the department responsible for the particular matter, in the case that the SEC Board assigns the Good Governance and Remuneration Sub-committee to perform the duties according to the item (7).

Appointed on 13 June 2019 to serve a term from 15 June 2019 to 1 November 2020.

*Mr. Prasan Chuaphanich succeeded Mr. Sarawut Benjakul, who completed his term on 14 June 2019.

*Mrs. Nuntawan Sakuntanaga succeeded Mr. Yokporn Tantisawetrat, who completed his term on 14 June 2019.

5. The Sub-committee on Digital Strategy for Capital Market

Roles and responsibilities

To consider and give opinions to the SEC Board, the Capital Market Supervisory Board or the SEC Office in the following matters:

- (1) Establishment and promotion of digital strategy for the capital market and other relevant actions including preparation in support of draft laws and the use thereof;
- (2) Screening and commenting on draft regulations of the SEC Board or the Capital Market Supervisory Board related to capital market digital strategy;
- (3) Giving comments or recommendations on special assignments.

Comprises

- | | |
|------------------------------|-------------|
| (1) Mrs. Methini Thepmanee | Chairperson |
| (2) Mr. Buncha Manoonkunchai | Member |

(3) Mrs. Pattera Dilokrunthirapop	Member
(4) Miss Yupawan Sirichainarumitr	Member
(5) Mr. Kittti Sutthiatthasil	Member
(6) Mr. Jessada Sookdhis	Member
(7) Mr. Bhume Bhumiratana	Member
(8) Miss Malee Wongsaroj	Member
(9) Mr. Khanat Kruthakul	Member
(10) Mr. Sak Sekkhoonthod	Member
(11) SEC Assistant Secretary-General, Capital Market Policy Division, Securities and Exchange Commission	Member and Secretary
(12) SEC Assistant Secretary-General, Digital Technology and Internal Excellence Division, Securities and Exchange Commission	Member and Secretary

Director of Financial Technology Department shall be appointed as assistant secretary of the sub-committee.

Remark : The composition of the Sub-committee on Digital Strategy for Capital Market has been revised to be more appropriate and involve digital technology experts from public and private sectors in accordance with the SEC Office Order Kor. 6/2562 Re: Appointment of the Sub-Committee on Digital Strategy for Capital Market.

Mr. Teeranun Srihong resigned from the chairman position on 1 July 2019.

Mrs. Methini Thepmanee has succeeded Mr. Teeranun Srihong since 12 July 2019.

Miss Malee Wongsaroj took office as member on 12 July 2019.

Mr. Khanat Kruthakul took office as member on 12 July 2019.

Mr. Sak Sekkhoonthod took office as member on 12 July 2019.

SEC Assistant Secretary-General, Digital Technology and Internal Excellence Division, took office as member and secretary on 12 July 2019.

6. Audit Committee

Roles and responsibilities

- (1) To review and comment on internal control system to the SEC Board;
- (2) To audit financial reports and financial information of the SEC Office;
- (3) To cooperate with the State Audit Office regarding the audit of financial statements;
- (4) To review and audit compliance with rules and regulations;
- (5) To oversee the Internal Audit Department;
- (6) To perform any other duties as assigned by the SEC Board.

Comprises

- | | |
|--|--------|
| (1) Mr. Yokporn Tantisawetrat
Commissioner of SEC Board | Member |
| (2) Mr. Viput Ongsakul
Commissioner of SEC Board | Member |
| (3) Mr. Prasan Chuaphanich
Commissioner of SEC Board | Member |

The Audit Committee shall select a member to be chairperson.

Appointed on 13 June 2019 to serve a term from 15 June 2019.

*Mr. Prasan Chuaphanich succeeded Mr. Sarawut Benjakul on 15 June 2019.

7. The Administrative Sanction Committee

Roles and responsibilities

- (1) To consider administrative sanctions in accordance with the Derivatives Act B.E. 2546 (2003) and the Trust for Capital Market Transactions Act B.E. 2550 (2007) within the scope of operating restriction, administrative fining, public reprimand and probation;
- (2) To take other actions related to consideration of administrative sanctions.

Comprises

- | | |
|------------------------------------|----------|
| (1) Prof. Kumchai Jongjakapun, PhD | Chairman |
| (2) Mr. Pratib Yongvanich | Member |
| (3) Mr. Yingyong Nilasena | Member |

SEC director of the Litigation Department shall serve as secretary of the sub-committee.

Appointed on 19 July 2018 to serve a term from 9 September 2018 to 8 September 2020.

8. The Sub-Committee on Competitive Capital Market Development

Roles and responsibilities

- (1) To propose policies and approaches for developing competitiveness of the capital market and promote capability of all stakeholders, e.g., issuers, investors, business operators as well as various investment products to enhance their competitiveness;
- (2) To give recommendations and opinions on enhancing competitiveness of the Thai capital market to be used in the drafting of the Capital Market Development Plan;
- (3) To perform any other assignments of the SEC Board.

Comprises

- | | |
|--|----------------------|
| (1) Mr. Tevin Vongvanich | Chairman |
| (2) Mr. Subhak Siwaraksa | Member |
| (3) Mr. Suwit Rojanavanich | Member |
| (4) Mrs. Patareeya Benjapolchai | Member |
| (5) Mr. Jessada Promjart | Member |
| (6) Mr. Pasu Decharin | Member |
| (7) Mrs. Paralee Sukonthaman | Member |
| (8) Mrs. Wipa Saengow | Member |
| (9) Representative from the Office of the National Economic and Social Development Council | Member |
| (10) Representative from the Thailand Development Research Institute | Member |
| (11) Miss Jomkwan Kongsakul | Member and Secretary |

Appointed on 13 June 2019 to serve a term from 13 June 2019 to 12 June 2021.

9. The Sub-committee on Risk Supervision

Roles and responsibilities

- (1) To ensure integrated oversight of risk management in all areas of the SEC Office while taking into consideration consistency with the SEC mission, directions and strategy to enhance efficiency of the SEC Office's operation;
- (2) To consider and comment on the policies, frameworks and guidelines for overall risk management, and review adequacy and appropriateness thereof to be in line with the changing situations before submission to the SEC Board for approval;
- (3) To monitor and oversee risk management of the SEC Office in all areas to ensure the implementation of policies, frameworks and guidelines as approved from the SEC Board, and propose reporting to the SEC Board in case of material/abrupt change to the risks;
- (4) To perform any other assignments of the SEC Board.

Comprises

- | | |
|--|-------------|
| (1) Mrs. Nuntawan Sakuntanaga
Commissioner of SEC Board | Chairperson |
| (2) Mr. Subhak Siwaraksa
Commissioner of SEC Board | Member |
| (3) Miss Ruenvadee Suwanmongkol
SEC Secretary-General | Member |
| (4) Assoc. Prof. Chayodom Sabhasri, PhD
Expert | Member |
| (5) Mr. Pokai Sriratanobhas
Expert | Member |

Director responsible for the management of capital market risks and organizational risks shall be appointed as secretary of the sub-committee.

Appointed on 30 December 2019 to serve a term from 2 January 2020 to 1 January 2022.

10. Sub-committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies

Roles and responsibilities

- (1) To consider and give advice on:
 - (a) Issuance of regulations on issuance and offering of equity instruments;
 - (b) Issuance of regulations on governance of securities issuing companies under Division 3/1 of the Securities and Exchange Act B.E. 2535 (1992), as amended by the Securities and Exchange Act (No.4) B.E. 2551 (2008);
 - (c) Issuance of other regulations attached and related to (a) or (b);
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

- | | |
|--|-------------|
| (1) Mrs. Saranya Chindavanig | Chairperson |
| (2) Representative from the Stock Exchange of Thailand | Member |
| (3) Representative from the Thai Listed Companies Association | Member |
| (4) Representative from the Investment Banking Club,
the Association of Thai Securities Companies | Member |

(5) Mrs. Kobboon Srichai	Member
(6) Mr. Kanchit Bunajinda	Member
(7) Mr. Bundit Anantamongkol	Member
(8) Mr. Susheel Narula	Member
(9) Mr. Anuwat Ruamsuke	Member
(10) SEC director of the department in charge of the supervision of equity, equity equivalent instruments, warrants, and hybrid instruments, or SEC director of the department in charge of governance of securities issuing companies, as the case maybe	Member and Secretary

Appointed on 21 December 2018 to serve a term from 18 December 2018 to 17 December 2020.

11. Sub-committee on Consideration of Regulations on Issuance and Offering of Debt Securities, Derivatives and Structured Products

Roles and responsibilities

- (1) To consider and give advice on issuance of regulations governing issuance and offering of debt securities, sukuk, derivatives or derivatives-embedded instruments and structured products and other related regulations;
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

(1) Mrs. Pornanong Budsaratragoon	Chairperson
(2) Representative from the Thai Bond Market Association	Member
(3) Representative from the Investment Banking Club, the Association of Thai Securities Companies	Member
(4) Representative from the Thai Listed Companies Association	Member
(5) Mr. Ayuth Krishnamara	Member
(6) Expert from the attached list	Member
(7) SEC director of the department in charge of the supervision of debt securities, sukuk, derivatives or derivatives-embedded instruments and structured products	Member and Secretary

Appointed on 21 December 2018 to serve a term from 18 December 2018 to 17 December 2020.

Expert on the attached list

- (1) Miss Sasiwimon Prathnadi
- (2) Mr. Kritchakorn Nontanakorn
- (3) Mr. Pornthep Panyarachun
- (4) Mr. Vincent Milton
- (5) Mr. Sukkawat Prasertying
- (6) Mr. Sutee Losoponkul
- (7) Mr. Arsa Indaravijaya

12. Sub-committee on Consideration of Regulations on Property Funds, Infrastructure Funds and Real Estate Investment Trusts

Roles and responsibilities

- (1) To consider and give advice on:
 - (a) Issuance of regulations on the establishment and management of property funds and infrastructure funds;
 - (b) Issuance of regulations on real estate investment trusts including infrastructure funds;
 - (c) Issuance of other regulations attached and related to (a) or (b);
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

- | | |
|---|----------------------|
| (1) Mr. Ekachai Chongvisal | Chairman |
| (2) Representative from the Stock Exchange of Thailand | Member |
| (3) Representative from the Investment Banking Club, the Association of Thai Securities Companies | Member |
| (4) Representative from the Association of Investment Management Companies | Member |
| (5) Mr. Ayuth Krishnamara | Member |
| (6) Mrs. Duangporn Wasanasompong | Member |
| (7) Miss Pirinee Pringsulaka | Member |
| (8) Mr. Bundit Anantamongkol | Member |
| (9) Mr. Yingyong Nilasena | Member |
| (10) Mr. Varah Sucharitakul | Member |
| (11) Mr. Weeraphan Poonket | Member |
| (12) SEC director of the department in charge of the supervision of property funds, infrastructure funds, real estate investment trusts including financial instruments to invest in property funds, infrastructure funds and real estate investment trusts | Member and Secretary |

Appointed on 21 December 2018 to serve a term from 18 December 2019 to 17 December 2020.

13. Sub-committee on Consideration of Regulations on Asset Management

Roles and responsibilities

- (1) To consider and give advice on:
 - (a) Issuance of regulations on the establishment and management of mutual funds excluding property funds and infrastructure funds;
 - (b) Issuance of regulations on the establishment and management of private funds including provident funds, venture capital management and derivatives fund management;
 - (c) Development on the issuance of investment products;
 - (d) Issuance of other regulations attached and related to (a) (b) or (c);
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

(1) Mr. Ekachai Chongvisal	Chairman
(2) Representative from the Association of Investment Management Companies	Member
(3) Representative from the Custodian Club selected from mutual fund supervisors	Member
(4) Mrs. Pornanong Budsaratragoon	Member
(5) Mrs. Chotika Sawananon	Member
(6) Mr. Narongsak Plodmechai	Member
(7) Mr. Bundit Anantamongkol	Member
(8) Mr. Pee Yongvanich	Member
(9) Mr. Sukkawat Prasertying	Member
(10) SEC director of the department in charge of the establishment of mutual funds and the supervision of mutual fund management and private fund management	Member and Secretary

Appointed on 21 December 2018 to serve a term from 18 December 2018 to 17 December 2020.

14. Sub-committee on Consideration of Regulations on Supervision of Business and Market Intermediaries

Roles and responsibilities

- (1) To consider and give advice on issuance of regulations and other matters related to supervision of securities and derivatives business operators, securities exchange, bond exchange, over-the-counter centers, derivatives exchange, clearing house, securities depository and related business operators as well as securities-related agencies, derivatives businesses and promotion of SME businesses including other regulations attached and related to such case;
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

(1) Mrs. Pornanong Budsaratragoon	Chairperson
(2) Representative from the Stock Exchange of Thailand and affiliated companies	Member
(3) Representative from the Association of Thai Securities Companies	Member
(4) Representative from the Association of Investment Management Companies	Member
(5) Mrs. Saranya Chindavanig	Member
(6) Mrs. Chotika Sawananon	Member
(7) Miss Suwapa Charoenying	Member
(8) Mr. Bhume Bhumiratana	Member
(9) SEC director of the department in charge of supervision of licensing and securities and derivatives business operators or SEC director of the department in charge of supervision of securities exchange, over-the counter centers, derivatives exchange, clearing house, securities depository or SEC director of the department in charge of promoting SME Businesses, as the case maybe	Member and Secretary

Appointed on 21 December 2018 to serve a term from 18 December 2018 to 17 December 2020.

15. Sub-committee on Consideration of Regulations on Business Takeovers

Roles and responsibilities

- (1) To consider and give advice on the issuance of regulations on business takeovers including other regulations attached and related to such case;
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

- | | |
|---|----------------------|
| (1) Mrs. Saranya Chindavanig | Chairperson |
| (2) Representative from the Stock Exchange of Thailand | Member |
| (3) Representative from the Association of Investment Management Companies | Member |
| (4) Representative from the Investment Banking Club, the Association of Thai Securities Companies | Member |
| (5) Mr. Kengkla Ruckphaopunt | Member |
| (6) Mrs. Patraporn Milindasuta | Member |
| (7) Mr. Suparek Auychai | Member |
| (8) SEC director of the department in charge of business takeovers | Member and Secretary |

Appointed on 21 December 2018 to serve a term from 18 December 2018 to 17 December 2020.

16. Sub-committee on Consideration of Regulations on Supervision and Development of Sales Conduct and Provision of Investment Advice

Roles and responsibilities

- (1) To consider and give advice on:
 - (a) Issuance of regulations on communication with clients and sales conduct and provision of investment advice;
 - (b) Issuance of regulations on supervision of sales conduct providers and provision of investment advice;
 - (c) Issuance of other regulations attached and related to (a) or (b);
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Comprises:

- | | |
|--|----------|
| (1) Mr. Ayuth Krishnamara | Chairman |
| (2) Representative from the Association of Thai Securities Companies | Member |
| (3) Representative from the Association of Investment Management Companies | Member |
| (4) Representative from the Thai Investors Association | Member |
| (5) Representative from Thailand Securities Institute, the Stock Exchange of Thailand | Member |
| (6) Representative from the Thai Bankers Association (in case of sales of mutual funds and debt securities only) | Member |
| (7) Miss Suwapa Charoenying | Member |

- | | |
|--|----------------------|
| (8) Miss Sarinee Achavanuntakul | Member |
| (9) Mr. Jessada Sookdhis | Member |
| (10) SEC director of the department in charge of
the supervision and development of intermediaries businesses
or SEC director of the department in charge
of asset management businesses, as the case maybe | Member and Secretary |

Appointed on 21 December 2018 to serve a term from 18 December 2018 to 17 December 2020.

17. Sub-committee on Business Takeovers (Takeovers Panel)

Roles and responsibilities

- (1) To make decisions on waiver of tender offers for business takeovers, rules on application for tender offers or any other decisions under the regulations on acquisition of securities for business takeovers;
- (2) To make decisions regarding any action or omission of action that may have an impact on tender offers under the regulations issued by virtue of Section 250/1 of the Securities and Exchange Act;
- (3) To comment or give advice to the Capital Market Supervisory Board and the SEC Office on matters related to acting in concert under Section 246 or 247 of the Securities and Exchange Act and any other matter concerning takeovers;
- (4) To request any person to provide facts, explanation, advice and opinion or documents in support of takeovers consideration, as deemed necessary.

In the case where an application for a waiver or exemption of compliance with the regulations under the consideration of the Sub-committee on the Business Takeovers (Takeovers Panel) in paragraph 1 (1) or (2), the Sub-committee shall complete the consideration within 90 days from the date on which the SEC receives the application and accurate and complete supporting documents according to the Licensing Manual for the Public.

Comprises:

Consisting of five members whom the Secretary-General selected from the Capital Market Supervisory Board- approved List to perform duties on consideration of any matter. The selection focuses on relevant knowledge, expertise and experience of members constituting a quorum. The selection criteria are as follows:

- | | |
|---|----------------------|
| (1) One person from category 1 | Chairman |
| (2) Three persons from category 2 and/or category 3 | Member |
| (3) One person from category 4 | Member and Secretary |

Category 1 : Chairman

- 1) Khunying Jada Wattanasiritham
- 2) Prof. Emeritus Khunying Suchada Kiranandana
- 3) Mrs. Pattareeya Benjapolchai

Category 2 : Financial Experts as Member

- 1) Mr. Chavalit Chindavanig
- 2) Mr. Paiboon Nalinthangkurn
- 3) Mr. Varah Sucharitakul
- 4) Prof. Pornchai Chunchajinda, PhD
- 5) Assoc. Prof. Kamphol Panyagometh, PhD

Category 3 : Legal Experts as Member

- 1) Mrs. Kulkanist Khamsirivatchara
- 2) Mr. Charin Satchayan
- 3) Mrs. Pornpinant Asawawattanaporn
- 4) Miss Manida Zimmerman

Category 4 : SEC Representatives as Member and Secretary

- 1) SEC director of the department in charge of the supervision of business takeovers
- 2) SEC director of the department in charge of the development of regulations on business takeovers

Appointed on 13 February 2019 to serve a term from 19 February 2019 to 18 February 2021.

List of Arbitrators

Roles and responsibilities

The arbitrators have the power to settle disputes between aggrieved clients and operators of securities business or derivatives business or related businesses for breach of contract or non-compliance with the Securities and Exchange Act, the Derivatives Act or the Provident Fund Act.

Comprises:

- 1) Mr. Kampanart Lohacharoenvanich
- 2) Assoc. Prof. Kulpatra Sirodom, PhD
- 3) Assoc. Prof. Gasinee Witoonchart
- 4) Mrs. Jantima Phienveja
- 5) Mr. Yansak Manomaiphiboon
- 6) Assoc. Prof. Paiboon Sareewiwatthana, PhD
- 7) Mr. Thinawat Bukhamana
- 8) Mr. Tawat Ananthothai, PhD
- 9) Assoc. Prof. Tithiphan Chuerboonchai
- 10) Mr. Pratib Yongvanich
- 11) Mr. Patchara Surajaras, PhD
- 12) Asst. Prof. Patcharavalai Jayapani, PhD
- 13) Mr. Punlop Pisitsungkakarn
- 14) Prof. Phijaisakdi Horayangkura
- 15) Mrs. Pattera Dilokrunghthirapop
- 16) Prof. Warapatr Todhanakasem, PhD
- 17) Mrs. Voravan Tarapoom
- 18) Assoc. Prof. Wai Chamornmarn
- 19) Mr. Somjin Sornpaisarn, PhD
- 20) Assoc. Prof. Somjai Phagaphasvivat, PhD
- 21) Mr. Suparb Vongkiatkachorn
- 22) Assoc. Prof. Anan Chantara-Opakorn, PhD

Serving a term from 1 January 2018 to 31 December 2019.

Remark : Prof. Phijaisakdi Horayangkura passed away on November 4, 2018.

CONTACT INFORMATION

- This report can be downloaded from www.sec.or.th
- For more information about this report, please contact:
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