

STRENGTHENING RESILIENT FUTURE



Annual Report 2021

The Securities and Exchange Commission, Thailand

STRENGTHENING RESILIENT FUTURE

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Introduction



Message from the Chairman



Capital market plays a pivotal role in the economy and society. As the Thai capital market regulator, the SEC is always committed to executing its roles of promoting, developing and supervising the capital market to ensure that the demands of the public and the stakeholders are appropriately met and the capital market is developed to grow with strength, sustainability, efficiency and reliability in compliance with international standards.

In 2021, the Thai capital market met with various challenges and was affected by changes in multiple areas, ranging from technological disruption, economic and social inequality, political uncertainty to the ongoing Covid-19 pandemic situation around the world. These factors cast continuing long-term effects toward the country's economic and society. The SEC gives priority to monitoring factors that affect the Thai capital market while firmly executing its mission to achieve five key results, which are: (1) promoting the creation of tools to increase liquidity for businesses affected by Covid-19 pandemic

through the issuance of appropriate regulations to support such objective, and emphasizing the development and improvement of the ecosystem on a continuing basis through key actions, for example, introducing rules for facilitating fundraising on a wider scale for small and medium-sized enterprises (SMEs) and publicizing information on fundraising channels for SMEs and startups, etc., (2) revising rules and regulations to facilitate and reduce unnecessary costs of the business sector, and promoting the use of digital technology to upgrade and enhance efficiency in the capital market and the development of a centralized digital infrastructure to support market participants, and concurrently encouraging capital market business operators to give more weight to cyber security, (3) enhancing the efficiency of the supervision over capital market business operators including digital asset business operators as well as alert tools and risks and irregularity detection, and promoting a better understanding of business operators regarding good corporate governance principles and culture, including enhancing inspection efficiency and law enforcement, (4) building a capital market ecosystem conducive to sustainable development and collaborating with various organizations to further enhance such ecosystem of the Thai capital market, as well as fostering new alliance with key capital market regulatory agencies such as China and Singapore, and supporting human resources development of neighboring countries on a continuing basis, and (5) educating and providing information to investors for comparison and investment decision making, and laying out an investor base expansion plan in order for retail investors and target groups to access mutual funds more easily, conveniently and rapidly.

With dedication and cooperation of the staff, the SEC is determined to perform duties to the fullest capacity with responsibility and good governance in promoting and supporting the potential and capability of the Thai capital market for the overall benefits of stakeholders in all sectors and the public, and to contribute to the development of the economy towards efficient, robust and sustainable growth.

Pichit Akrathit

Chairman

Securities and Exchange Commission

Message from the Secretary-General



In 2021, the Thai capital market faced an array of diverse challenges, from technological disruption to economic and social disparities as well as the continuing COVID-19 impacts. As the capital market regulator, the SEC closely monitored the situations and assessed all factors involved in revising and adjusting the action plans to meet the demands and alleviate potential impacts on stakeholders in the capital market appropriately and thoroughly. The SEC also continued to enhance competitive efficiency and international recognition of the Thai capital market.

The SEC gives priority to the implementation of the Strategic Plan to achieve six key results, namely **(1) Reviving and Strengthening:** businesses facing liquidity problem due to COVID-19 crisis are provided with fundraising tools and are allowed to renew debt instruments that have reached maturity to gain sufficient liquidity for continuing business operation. In addition, the SEC promotes tools for SMEs and startups to access

diverse funding sources. In 2021, SMEs and startups raised fund via stocks and debt crowdfunding with the total value of 90 million baht and by offering shares and convertible debentures in private placements with the total value of 1.3 billion baht. **(2) Enhancing Competitiveness and Connectivity:** digital infrastructure is developed on a continuing basis to increase fundraising efficiency and cost-effective accessibility to diverse investment choices. Through awareness building and prioritizing IT security and cybersecurity, market participants become more equipped with standard procedures to handle cyber threats efficiently. Meanwhile, the SEC enhances the Thai capital market's roles and recognition in the international arena and promotes connectivity with foreign counterparts. The efforts in this regard include participating in the development of standards and categorization criteria of ASEAN sustainable finance, signing the Memorandum of Understanding concerning Mutual Recognition of Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand (HK-TH MRF) to strengthen competitiveness of Thai business operators and increase product varieties in the market, etc. **(3) Building Reliability:** market participants are supervised more efficiently through the use of risk alert tools and detection of irregular activities as well as on-site inspection, all contributing to timely rectification and management. In addition, the SEC has put in place a more efficient complaint handling system that can, for example, resolve complaints related to fundraising ahead of deadline. An e-enforcement initiative helps with the examination of offenses in the capital market by setting up a system for analyzing financial and related information of listed companies and detecting irregularities. The SEC also regularly monitors and reviews the risk register that covers both capital market and digital assets, having key risk indicators to identify, detect and manage risks more efficiently. Concurrently, a more efficient stress test has been designed to facilitate asset management companies, securities companies and clearing houses in assessing and managing risks comprehensively in all areas and in a timely manner. **(4) Developing Sustainability:** promoting the development of an ecosystem conducive to sustainable investment by, for example, preparing securities issuers to include disclosure of non-financial information such as greenhouse gas emission and human rights protection, introducing regulations for issuance and offering for sale of sustainability-linked bonds as a fundraising tool for

sustainability-driven businesses and encouraging the incorporation of environmental, social and governance (ESG) factors into business operation. In 2021, the total value of sustainability products issued by companies and the government sector was approximately 175,000 million baht, a 102 percent rise from the total value in 2020.

(5) Increasing Accessibility: fostering investors' financial and investment literacy via diverse channels to lower the risk of investment scams, and cooperating with the Thai Digital Asset Association, digital asset business operators and experts in disseminating a series of digital asset and cryptocurrency educational videos titled, “**Crypto 101**” regularly via online channels. Additionally, the disclosure rules imposed on prospectus of mutual funds have been amended to provide a more user-friendly format for investors to access comparative information. The SEC also cooperated with the Stock Exchange of Thailand in laying out a clear-cut online disclosure structure for One Report to facilitate more convenient study and analysis of information while listed companies are able to submit One Report more conveniently as well, and **(6) Building Internal Excellence:** the SEC has successfully executed the mission, fostered good governance and provided services to the public with convenience, speed, transparency and fairness under the Corruption-Free Organization Policy. The Integrity and Transparency Committee has been appointed to elevate the organization's ethics, operational transparency, staff readiness, and work processes and systems. In 2021, along with other state agencies nationwide, the SEC entered the **Integrity and Transparency Assessment (ITA)**, which is annually organized by the Office of the National Anti-Corruption Commission (NACC). The SEC received a higher score of 93.79 compared to 91.79 in 2020. The operational improvement, anti-corruption activities and efficient communication contributed to the better performance. In addition, the SEC received **the Outstanding Organization Award for Public Sector Data Governance** from the Digital Government Development Agency (Pubic Organization) (DGA).

In 2021, the growing interest in digital asset investment led to amendment to the regulations on supervision of digital asset businesses to strengthen transparency and reliability of the industry for the benefits of investors, service users and the overall market. An ecosystem was developed to enhance competitive edge of digital asset business operators amid technological advancements and strengthen protection for digital asset investors. For example, digital asset custodial wallet

providers are now required to apply for a license before providing the service. There are also the criteria for reduction of registered capital of digital asset business operators, the criteria for screening digital assets to serve clients of digital asset business operators, the improvement of supervision over digital asset business operation according to the operating risk assessment principles and potential impacts, etc. The SEC also studies the digital asset business landscape as well as the development of Decentralized Finance (Defi) to further enhance appropriate supervision of business operation in line with risk levels while maintaining efficient protection of investors' interest in line with products' risk levels. The SEC realizes the benefits of technologies behind digital assets such as blockchain and gives priority to and support the use of technologies to further advance innovations without hindering digital asset investments, making sure that the benefits of digital assets will contribute to the economic and social development. Market development and investor protection will always be an equal focus. The SEC also emphasizes human resources development in the area of digital asset business oversight, supports digital asset business operators in building their service readiness, and ensuring that investors and stakeholders are properly informed of warning alerts as well as gain access to knowledge and understanding on a continuing basis.

Amid the rapidly changing environment that creates both opportunities and challenges for the Thai capital market, in 2022 the SEC will continue to develop and supervise the Thai capital market to enhance competitiveness, financial inclusion for all sectors as well as trust and confidence in the capital market. The Innovative Organization Initiative will be implemented using big data to optimize efficiency in monitoring the situations, supervising and detecting risk signals in order to lay out policies, create open data for all sectors to further advance their research, and promote innovations in the capital market. We are building a corporate culture for a data-driven organization, which will lead to clear and tangible implementation of policies and subsequently enhance the Thai capital market's drive towards sustainable growth.

Ruenvadee Suwanmongkol
Secretary-General

Office of the Securities and Exchange Commission

| Our Mission

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

| Our vision

“The SEC is ready to embrace changes and develop a sustainable capital market and economy for the benefit of all stakeholders.”

About SEC

The Securities and Exchange Commission (SEC) 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 Thai capital market within the scope of duties specified by law.

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Revenues ▲

2,396

Million Baht

Revenues and Expenses

The SEC's sources of core revenues are fee income collected from securities business operators, listed companies and digital asset businesses as well as contribution from the Stock Exchange of Thailand and investment income.

Expenses ▲

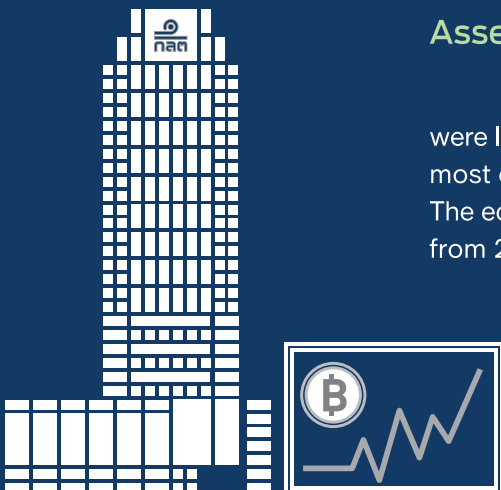
1,543

Million Baht

In 2021, the SEC recorded the total revenues of 2,396 million baht and the total expenses of 1,543 million baht. The revenues over expenses from operating activities was 853 million baht. When combined with the revenues over expenses for capital market development of 125 million baht, the total revenues over expenses was 978 million baht. However, a loss of 91 million baht incurred from the valuation of investment resulted in the total comprehensive revenues over expenses 887 million baht.

Assets and Liabilities

The SEC had the total assets of 9,803 million baht, most of which were long-term investments, and the total liabilities of 1,250 million baht, most of which were obligations of benefits for staff upon retirement. The equity value was 8,553 million baht, an increase of 887 million baht from 2020.

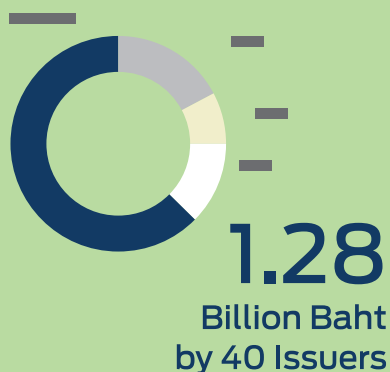


Key Figures in 2021

Listed Company



IPO Offerings



Mutual Funds (NAV)



Provident Funds (NAV)



Securities Company



Limited Broker, Dealer and Underwriter of Investment Units (LBDU)



Asset Management Company



* 23 companies having mutual funds under management

Digital Asset Business Operator



Approved Investment Consultant



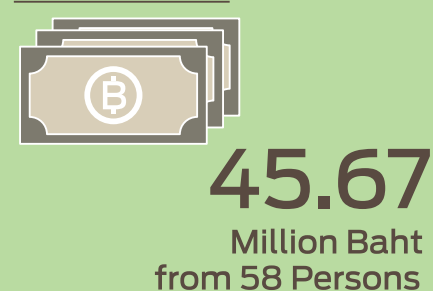
Debt Offerings (Domestic and Foreign)



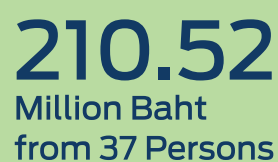
Criminal Complaints



Fines under the Securities and Exchange Act and the Emergency Decree on Digital Asset Businesses for compounding offenses*



Monetary Penalty and Disgorgement of Benefits*



* Remitted to the Ministry of Finance as public revenue



Performance 2021



Performance under the Strategic Plan

The SEC Strategic Plan 2021-2023 comprises six major goals and eight strategies. In 2021, a particular emphasis was given to the Trust and Confidence Goal, which is one of the regulatory pillars and a foundation that connects and contributes to the success of other goals. The highlights of the SEC's achievements and operating performance over the year are as follows:

Goal: Reviving and Strengthening

S-special Supporting liquidity: The capital market provides liquidity boosting tools for businesses affected by the COVID-19 outbreak. The SEC has issued various regulations that allow businesses facing liquidity problems because of the pandemic to take advantage of fundraising tools and renew debt securities that have reached maturity. This measure helps to restore sufficient liquidity for continuing business operation. Financial instruments for this purpose are such as REITs with buy-back condition, private REITs, high-yield bond funds, and stressed bond funds. In 2021, REITs with buy-back condition, in particular, generated the total offering value exceeding 3 billion baht.

Strategy 3: SME & startup growth and financing: Small and medium-sized enterprises (SMEs) and startups have tools for accessing and selecting a diverse range of funding sources more efficiently to meet their needs. In 2021, 88 SMEs and startups successfully raised funds through **equity and debt crowdfunding** at the total value of 769.83 million baht, or a 14.5-times growth year on year. There were also five fundraisers through **private placement of stocks and convertible debentures** at the total value of 40.08 million baht, a two-times growth year on year. The SEC has developed an ecosystem conducive to fundraising. Key actions in this regard include issuance of regulations supporting public fundraising, providing information on funding channels to SMEs and startups, and conducting a landscape study to increase liquidity opportunities and promote a crowdfunding ecosystem.



SEC hosted a webinar on “SEC SME/Startup Forum: Where to Begin in the Capital Market” to provide SMEs and startups with further knowledge and understanding of the processes and guidelines for fundraising through the capital market.

Goal: Competitiveness and Connectivity

Strategy 4: Enabling regulatory framework & connectivity: The SEC operates in accordance with the governing laws and regulations that do not cause obstacles to enhance competitiveness of business operators and the Thai capital market.

- **Revising rules and regulations to facilitate the business sector's operation and reduce unnecessary costs:** Under the Regulatory Guillotine Scheme, the SEC has revised rules and regulations, resulting in a streamlined, more efficient use of resources by (1) cutting down paper consumption by 210,044 sheets per year, (2) saving the operating time by 117,242 hours per year, and (3) reducing the operating costs by 75,911,796 baht per year.

- **Increasing global roles and fostering international connectivity:** The SEC builds relationships with the regulators of major capital markets such as China and Singapore to lay out a foundation for international connectivity, cross-border investment and business alliance in the future. The SEC also promotes global roles and recognition of the Thai capital market through various initiatives and contributions, including policy making and standard setting for new developments. For example, participating in the development of standards and criteria for the Classification of ASEAN Sustainable Finance, leading the proposal for accepting the Philippines' membership in the ASEAN Foreign Collective Investment Scheme, hosting and jointly setting meeting agenda and discussion topics for the IOSCO Asia-Pacific Regional Committee (APRC) Plenary Meeting, and supporting capital market human resources development of neighboring countries on a continuing basis.



SEC hosted the APRC Plenary Meeting, initiated discussions on guidelines for regulating digital assets, and exchanged views on oversight and enforcement in the capital market with member jurisdictions.

Strategy 5: Digital capital market: Digital technologies are applied to increase efficiency in the capital market. A centralized digital infrastructure is built to support market participants and a reliable supervisory framework is put in place. The SEC develops the digital infrastructure on a continuing basis to enhance fundraising efficiency and facilitate investors' access to a diverse range of investment choices with appropriate costs. In addition, the SEC supports business operators in the capital market in adopting standards for fighting against cyberthreats and raises their awareness and emphasis on the importance of IT security, cybersecurity, and readiness for handling cyberthreats. In 2021, actions in this regard included (1) assessing IT security and cybersecurity of securities companies and digital asset business operators, (2) organizing cybersecurity drills with the Stock Exchange of Thailand, securities companies, asset management companies and digital asset business operators, (3) organizing a seminar to share knowledge on cybersecurity with the boards of directors of business operators in the capital market, and (4) co-hosting a virtual workshop on cybersecurity standards and cyber resilience in cooperation with the Bank of Thailand and the Office of Insurance Commission for the boards of directors of organizations in the financial sector.



SEC organized the “Digital Transformation of the Thai Capital Market: Introducing SEC Digital Infrastructure Sandbox” to encourage the development and implementation of digital infrastructure among project participants and relevant organizations from all sectors.



SEC in cooperation with the Bank of Thailand and the Office of Insurance Commission organized a virtual workshop on the topic, “Cyber Resilience Leadership: Herd Immunity” to build the awareness of the importance of cybersecurity among company directors in the financial sector.

Goal: Trust and Confidence

Strategy 6: Effective supervision & enforcement: The SEC has measures for protecting and informing investors of their rights, while ensuring efficient supervision and enforcement.

- **Intermediary supervision:** The SEC enhances effective supervision over securities companies, asset management companies, operators of limited brokerage, dealing and underwriting of investment units (LBDU), solves and handles issues promptly thanks to onsite inspection and the development of risk alert tools and irregularity detection tools. One-on-one interviews with individual companies help to foster their understanding of good governance and corporate culture of best practices, contributing to the companies' efficient operation in accordance with professional codes of conduct.

In addition, the SEC exercises utmost caution in inspecting and reviewing block trades of derivatives with SET stock underlyings and revises the criteria for risk-based oversight of securities companies to be more appropriate and timely responsive for handling potential risks to clients or securities companies.

- **Supervision on digital asset business operators:** The SEC has revised the regulations on the qualifications of digital asset business operators and investor education to ensure that digital asset investors are knowledgeable about the financial instruments and investment risk management. The SEC also conducted studies on digital asset business landscape and decentralized finance (Defi) developments. Currently, the SEC is adjusting the overall digital asset business oversight to ensure more responsive and appropriate supervision in line with risk levels while maintaining efficient protection of investors' interest and consistence with product risk levels.

- **Complaint handling and actions against offenders:** The SEC handles complaints according to the prescribed time periods and enhances efficiency and speed of the complaint handling procedure on a continuing basis. In 2021, the statistical results are as follows:

Complaints regarding fundraising: Out of the total 12 cases over the year, 11 cases were completed earlier than deadline.

Complaints and actions against offenders related to intermediaries: Out of the total 97 cases, 93 cases were completed earlier than deadline and three cases were completed on time.

- **Enhancing enforcement efficiency:** In 2021, the SEC streamlined the proceeding time for enforcement cases by 5.5 percent compared to the average case proceeding time during 2018-2020, and implemented other initiatives to further enhance enforcement efficiency in the following phases. For example, the introduction of the **E-enforcement Project to facilitate wrongdoing examination in the capital market**, the analysis and irregularity detection system using financial information and related information of listed companies, as well as software or tools for identifying irregular trading activities and detecting connected acts between suspects, and **the improvement of examination efficiency and enforcement of other laws** by, for example, (1) establishing measures for preventing and suppressing acts liable to share price manipulation, and (2) educating market participants regarding such matters as guidelines

for listed companies to prevent exploitation of inside information and guidelines for investors to protect their own interest and avoid exposure to frauds, embezzlement or other various forms of dishonest acts, etc.

- **Proposing amendment to the securities law to enhance regulatory efficiency and law enforcement.**

The SEC is proposing amendment to the Securities and Exchange Act B. E. 2535 (1992) to achieve the intended outcomes in three areas, namely (1) enhancing supervision in accordance with international standards, (2) reducing obstacles and increasing fundraising accessibility, (3) improving enforcement efficiency by submitting various matters to the Ministry of Finance, i.e., the organizational structure of capital market regulators/ digital assets/ auditors and audit firms/ intermediary supervision/ secondary markets and relevant organizations/ provisions related to debt securities/ submission of quarterly financial statements as audited by the auditor/ witness protection/ authorization of SEC staff as an inquiry official.

Strategy 7: Systemic risks: The SEC has a mechanism for monitoring, preventing and managing systemic risk to avoid widespread damage.

The SEC is able to identify, detect and manage risks more efficiently by regularly tracking and reviewing the risk register covering both capital market and digital assets. Key risk indicators are also put in place to improve the efficiency of risk detection. Guidelines on risk management are laid out while stress tests are intensified to assist asset management companies, securities companies and Clearing House (Thailand) Co., Ltd. in assessing and managing risks in all aspects and in a timely manner. The SEC has also created more tools for managing liquidity risk for asset management companies to ensure readiness for tackling arising issues. In addition, the SEC reviews its business continuity plan (BCP) and participates in the BCP drills with asset management companies on a regular basis, and jointly conducts a crisis management drill with the Bank of Thailand and the Office of Insurance Commission. These drills help the SEC make necessary preparations for handling issues in the capital market and the financial system more efficiently.

Supervision of Business Operators

1. Supervision of securities companies

In supervising the operation of securities companies, the SEC particularly emphasizes the forward looking oversight and inspection of potential risks to enable more efficient risk monitoring. Intermediaries are also encouraged to foster corporate culture of ethical business operation, best practices and self-regulation. The SEC's supervision primarily aims to protect investors' interests and ensure that securities companies provide good quality services in accordance with professional standards and fairness, while their clients' assets and information are safeguarded under the reliability and integrity of the capital market. To achieve these goals, securities companies must operate their business by taking into primary consideration the best interest of investors, ensuing sound financial condition and efficient frameworks for business and risk management. In addition, company directors and senior executives must champion the improvement of good governance and corporate best practices, which can lead to the company's healthy and sustainable growth.

Since the outbreak of the COVID-19 pandemic in 2020, the SEC has adjusted the formats and tools for onsite inspection of securities companies' operation to be more in line with the situation. For example, requesting documents and evidence via electronic means, conducting company interviews and accepting report presentation via teleconference, and encouraging self-assessment, etc. The SEC's supervision also involves ongoing monitoring of intermediaries' operations using various sources of relevant information, both publicly available and specifically submitted to the SEC.

The SEC's 2021 intermediary inspection emphasized the following work systems:

(1) Provision of services related to block trades of derivatives with the underlying of the Stock Exchange of Thailand (SET) stocks: There were complaints and news on wrongdoing issues related to derivatives block trades with SET stock underlyings. It was possible that such matters could be related to securities companies' work systems as well as unfair trading activities of securities and derivatives, which by extension, could cause damage to the clients and defame the reliability of the capital market. In this regard, the SEC conducted specific inspections on securities companies that provided block trade services and conducted in-dept examination on certain companies regarding specific issues to ascertain that securities companies

had work systems for managing and controlling such trading transaction risks strictly and sufficiently, and that no derivatives trading services were given to clients if such block trades with the SET stock underlyings were proceeded in a manner that could cause potential damage to clients, securities companies and the overall capital market;

(2) Good governance of the board of directors: The board of directors plays a crucial role in setting company directions and policies, promoting a good governance ecosystem, creating a corporate culture of best practices and self-supervision. The board should also set a good example and promote the awareness of and compliance with the good governance principles among the personnel at all levels. In this regard, the SEC organized a seminar on Board Governance and Culture in September 2021 to announce the results of the board performance evaluation conducted on the boards of directors of securities companies and derivatives business operators. Directors of four securities companies were invited to join the panelist discussion and share their experience in performing their roles and responsibilities as company director and in giving priority to good corporate governance;

(3) Financial position and stability of securities companies: Securities companies must put in place a work system for supervising and managing risks appropriately and collective measures in case of failure to maintain sufficient net liquid capital to ensure business continuity;

(4) Know-Your-Customer (KYC), Customer Due Diligence (CDD), and giving of sound advice: Efficient KYC/CDD enables securities companies to give advice and appropriate services to their customers according to their needs and in line with their risk profile. In addition, the KYC/CDD routine can prevent inappropriate acts such as the use of nominee accounts for unfair securities trading activities, etc.;

(5) Custody of clients' assets and information: This is to ensure that securities companies have appropriate and stringent work systems and measures relating to the custody of clients' assets and personal information. The access to information is determined on a need-to-know basis, and personal information is managed in compliance with the lawful purposes specified by the Personal Data Protection Act, to ensure that the clients' assets and information are safe, complete, accurate and withdrawable upon clients' request;

(6) Performance of compliance unit: Compliance unit is a key driver of corporate governance in practice to ensure that securities companies can operate business efficiently and in compliance with the governing laws and regulations. Over the year, the COVID-19 situation forced securities companies to resort to the work-from-home mode. The SEC therefore communicated with their executives and compliance officers on a continuing basis to reiterate the expectations of supervising the operation of the employees who worked from home to ensure their compliance with rules and guidelines for the work-from-home operation.

The results of the supervision over the year showed that most securities companies gave priority to the above work systems and the levels of their risk assessment results ranged from acceptable to good. However, in the case where any company's work system was liable to legal violation, the SEC would consider a penalty and in the case where any company had a defective feature, the SEC would order, reiterate and advise the company to improve or strictly rectify the work system for good quality as well as to step up due care in complying with the operating guidelines.

Supervision of the personnel of securities companies

The SEC gives priority to the supervision of the personnel of securities companies by communicating the expectations towards their work performance and observations from company inspections. Business operators and their relevant personnel also receive clarifications and preparatory guidelines regularly via various channels. These efforts aim to promote more efficient self-discipline and self-supervision that help to prevent risks and potential damage to business operators and investors.

In 2021, the SEC imposed administrative sanctions on executives of securities companies on account of negligence of preparation and management of work systems and risks, resulting in the companies' failure to clear and settle securities within deadline and failure to maintain net liquid capital, as specified by law. The misconduct also included failure to perform duties with professional due care as the calculation of the net capital was inaccurate and the net capital report submitted to the SEC contained information contrary to facts.

With regard to the imposition of penalties on investment consultants, the majority of the offenses were related to seeking unlawful gains from investors

while functioning as investment consultant or by discharging their duties irresponsibly without professional due care. For example, soliciting clients to invest in over-the-counter shares when in fact the shares were not listed, and accepting clients' orders to trade or make investment decisions for the clients, etc. The SEC imposed penalties according to the level of severity of the offenses. Meanwhile, the SEC organized knowledge sharing sessions to educate relevant personnel in the capital market and promote investors' discretion and protection of personal interests.

2. Supervision of LBDU – brokerage

The primary goal of the supervision of limited brokers, dealers and underwriters of investment units (LBDU), e.g., commercial banks, life insurance companies and investment unit brokerage companies, is to ensure that they provide fair services, sound advice and recommendations on investment products for the best interest of their clients. The SEC also monitors LBDU operations to prevent solicitation of unsuitable or wrong investment products to clients and commission of frauds against clients' assets.

In 2021, the SEC adjusted the oversight formats and tools to be more practical amid the COVID-19 situation by, for example, holding teleconferences. The adjustment also responded to the fast-changing industry landscape and investment situations. The SEC continued to support LBDUs in their operations towards strong and sustainable growth. Key activities over the year are as follows:

(1) Licensing and assessment of readiness of work systems: In 2021, the investment unit brokerage business attracted more interest as seen in the increasing number of applications from both new applicants and the existing securities business licensees intending to add investment unit brokerage to their business line. The SEC considered the readiness of the applicants' work systems and personnel to ensure that they were ready for the investment unit brokerage undertaking, in terms of management structure, work systems as well as appropriate and sufficient personnel. The applicants' ability to operate the brokerage business efficiently and to provide services on a continuing basis was also taken into consideration.

In 2021, the SEC granted the investment unit brokerage license to four applicants and approved the business commencement to four licensees;

(2) Supervising investment unit brokers:

The SEC applied various supervisory tools suitable for the increasing number of the business operators and the changing business models. The oversight approaches include:

(2.1) conducting onsite inspections on commercial banks, life insurance companies and investment unit brokerage companies using a forward-looking risk assessment guidelines;

(2.2) overseeing and monitoring the business operations and requiring every licensee to submit a self-assessment questionnaire (SAQ). The SEC processed and analyzed the SAQ responses and notified the respondents of the assessment results in order for them to consider taking actions to further improve the quality of their operations;

(2.3) conducting one-on-one meetings with 39 companies to exchange views with executives and relevant parties in the investment unit brokerage business line regarding issues and obstacles in operating business as well as the impacts of the COVID-19 crisis.

(3) Communicating with investment unit brokers to provide knowledge and promote the understanding of their professional roles and responsibilities to ensure compliance with the governing rules and regulations and prevent damage to investors and the overall capital market. The SEC held virtual meetings on a regular basis to provide clarifications and communicate expectations regarding compliance with rules and regulations especially those governing complex matters. Also, for convenient use and understanding, information were disseminated and frequently asked questions were updated on the SEC website regarding registration and renewal processes for approval of investment consultants and investment planners;

(4) Promoting robust operation of investment unit brokers: The SEC supports the establishment of the Investment Unit Brokers Club as the center for collaboration, compilation and exchange of opinions from business operators' perspectives regarding related regulations. The Club is expected to be a platform for promoting the investment unit brokerage business and alleviating obstacles of such brokerage firms.

3. Supervision of asset management companies

In 2021, the SEC's supervision of the investment management industry, covering both asset management companies' operations and their personnel's conduct,

continued to reinforce the best interest of investors. Business operators were advised to provide services to their clients with integrity, using their capability, expertise, and professional due care in accordance with standards while ensuring that their personnel comply with the governing rules and regulations to build investor confidence.

Amid the ongoing COVID-19 situation throughout the year, asset management companies continued implementing the business contingency plan which included the work-from-home measure for the safety of both employees and clients. Meanwhile, the SEC adjusted the supervisory formats and tools in response to the pandemic situation. This included organizing teleconferences and using digital technologies to communicate and transmit information. Thanks to such adjustments, the SEC was able to maintain the supervisory framework that was effective and responsive to the changing situations. Key actions in this regard are as follows:

(1) Licensing and assessment of readiness of work systems: In 2021, the investment management industry continued to attract increasing interest from both new applicants and current licensees who wished to add other types of securities business to their business line as well as other entities intending to undertake related businesses such as mutual fund rating and trustee service. The SEC considered the readiness of the applicants' work systems and personnel to ensure that they were ready to undertake the applied securities businesses, in terms of management structure, work systems as well as appropriate and sufficient personnel. The applicants' ability to operate the applied businesses efficiently and to provide services on a continuing basis was also taken into consideration. In 2021, the SEC granted the asset management business license to four applicants, approved the undertaking of additional businesses for seven licensees and granted an approval to one mutual fund rating company;

(2) Supervision of the management of mutual funds, provident funds and private funds: The SEC applied various supervisory approaches and tools in response to the increasing business operators and the changing business models. For example, (1) inspection and forward-looking risk assessment on asset management companies, (2) supervision and monitoring of business operations of asset management companies to ensure operational risk management contingency, (3) in-person meeting with directors and senior executives of asset

management companies on a one-on-one basis to review their roles and responsibilities and promote ethical codes of conduct and good governance, and (4) requesting business operators' submission of the self-assessment questionnaire (SAQ). In addition, the SEC is proposing revision to the supervisory guidelines to enhance business operators' operating efficiency in timely response to the fast changing business trends and industry landscape. According to the proposed revision, a focus would be given to an in-depth analysis on business operators and key transaction-based oversight to enable more timely monitoring and managing risks while preventing potential risks more efficiently, which would translate into better services to investors;

(3) Communicating with business operators to provide knowledge and promote their understanding of duty performance in compliance with regulations, and to prevent damage to investors and the overall capital market: The SEC has produced a regulatory handbook that complies all relevant rules and regulations for the investment management business. Published on the SEC website, the handbook is useful for both asset management business operators and those interested in applying for the license as it lays out the overall structure of the relevant rules and regulations for more convenient search. The SEC officers were guest speakers and lecturers at training sessions for fund managers and compliance officers to communicate on appropriate work systems, issues detected from company inspections, guidelines for considering offenses and penalties. The purposes of such communications were to provide business operators with knowledge and suggestions applicable for their actual work and to prevent future mistakes. The SEC is designing a search channel for accessing clarifications, responses and explanations related to the SEC' regulatory notifications to facilitate business operators in their search and application of such matters to support proper and appropriate operation;

(4) Building an ecosystem that supports environmental, social and governance responsibility (ESG) of companies and businesses in the capital market: The SEC encourages institutional investors especially provident funds to adopt and implement the Investment Governance Code (I Code), and monitors the disclosure and reporting on the I Code compliance of asset management companies and securities companies undertaking private fund management business, in their role as institutional investor, to investors or the general public on their corporate websites.

4. Supervision of digital asset business operators

4.1 Digital assets

According to the SEC's findings, some digital asset business operators failed to operate in accordance with the governing regulations, consequently affecting their own companies and investors. The SEC issued orders and granted them extension of rectification time periodically and yet they were unable to rectify to comply with the regulations, which resulted in the revocation of their licenses. Additionally, there were entities operating digital asset business without license. The SEC thus collaborated with the authority, the Economic Crime Suppression Division, to take legal action against the offenders. Measures in this regard are as follows:

- Proposing for the Minister of Finance's consideration, according to the SEC Board's resolution, a revocation of license of one cryptocurrency exchange and one digital token exchange on account of failure to comply with the specified conditions;
- Giving advice to 79 entities interested in undertaking digital asset business;
- Giving advice and organizing meetings during the advisory process and discussing key initial issues to help 68 interested entities make necessary preparations before submitting an application for a digital asset business license;
- Conducting an onsite inspection on seven digital asset business operators, with an emphasis on key work systems, i.e., the account opening and know-your-customer system, the digital asset trading system, the systems for deposit, withdrawal, transfer and custody of clients' assets, the client asset declaration system, support system for enhancing an orderly trading system, the business continuity system, the compliance system, the complaint handling system and the reporting system;
- Organizing three workshops between regulators and senior executives of digital asset business operators to communicate guidelines on operation and compliance with the specified regulations, and inviting relevant agencies to participate in the workshops such as the Anti-money Laundering Office;
- Imposing fines on three digital asset business operators by the Settlement Committee on account of keeping clients' assets in a system connected with the internet only while executing transactions (cold wallet) at an amount less than 90 percent of the total value of the clients' digital assets under their custody, and failing to deposit clients' digital assets with the custodians in accordance with the prescribed regulations;

- Filing a criminal complaint against a digital asset exchange platform with the Economic Crime Suppression Division on account of undertaking a digital asset exchange business without license pursuant to the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018). The findings showed that the company provided platform services for trading or exchanging digital assets by matching or finding contract parties or arranging a system or facilitating persons who wished to trade or exchange digital assets in reaching an agreement or matching counterparties through the platform's website. The platform also solicited the public and Thai investors to use its services either via its website or Facebook page.

4.2 Digital tokens

Given technological advancements and the need for fundraising to attract more interest and enhance investors' confidence, the private sector now tends to transform various assets into digital tokens and offer them for sale to the public for fundraising purpose. In return, investors will benefit from cash inflows generated from the assets, such as real estates and other assets. Such fundraising approach has certain characteristics similar to securities fundraising such as real estate investment trust and securitized assets while a supervisory mechanism for key risks is not yet in place. Moreover, this practice presents possible legal loopholes and the problem of seeking leverage from the differences in the supervision of different products. Therefore, the SEC reviewed the supervisory framework and revised the regulations for offering for sale of digital tokens to be more comparable with securities with similar characteristics. The regulatory revisions include the followings:

- **Short-term:** Amending the regulations for offering for sale of digital tokens under the Emergency Decree on Digital Asset Businesses to be more in line with the regulations for securities offering with similar features. In 2021, the SEC amended the regulations for offering for sale of digital tokens with real estate or real estate income as the underlying to strengthen the mechanism for protecting investors' interest. For example, requiring an asset management tracking mechanism, independence and duty performance of trustees, a fair management of the assets of the token issuers who treat the token holders fairly, efficient handling of conflicts of interest, and conditions for fair acquisition and disposal of real estates, etc. The regulations for offering for sale of digital tokens with real estate or real estate income as the underlying

were also amended to enhance flexibility in line with the characteristics of the current business operation. For example, permission for use of the leasehold right as the underlying asset and allowing an alternative condition for choosing the fundraising value for real estate investment to be not less than 500 million baht, effective as from 1 March 2021.

- **Mid-term:** Amending the Securities Law to accommodate the acceptance of digital tokens for investment and in-process utility tokens as securities under the Securities Law by taking into consideration the features of digital tokens as a fundraising tool similar to those of securities to ensure equal supervision under the same law. In 2021, the draft amendments were completed and submitted to the Ministry of Finance in the third quarter of the year.

5. Supervision of Derivatives Market

The SEC emphasizes the importance of supervising and supporting Thailand Futures Exchange Co., Ltd. (TFEX) in providing derivatives exchange services with transparency, fairness, reliability and orderliness while putting in place standard work systems and investor service continuity. In 2021, the SEC supported the development of derivatives trading on TFEX by approving revision to TFEX related rules and regulations to provide investors with more efficient investment tools. In addition, several measures were implemented to allow foreign investors to trade, settle and receive agricultural futures on TFEX, namely (1) revising the supervisory guidelines to allow foreign investors to settle and accept agricultural products on TFEX, (2) revising the TFEX regulations related to provision of trading services for futures products with the currency exchange rate of derivatives agent as the underlying to allow foreign investors, functioning as the market maker of a product with foreign asset price on the Stock Exchange and TFEX as the underlying, to trade derivatives with the Thai Baht to US Dollar exchange rate as the underlying, and (3) revising the form and contents of derivatives contract with 99.9 percent silver metal as the underlying for the month of clearing and settlement, and revising the form and contents of derivatives contract with the Thai Baht to US Dollar exchange rate as the underlying in the part of maximum derivatives contract holding, and extending the night-time trading period to allow investors to diversify their strategies for reducing risk exposure more efficiently.

Goal: Sustainability

Strategy 1: The SEC has an ecosystem conducive to sustainable development.

In 2021, companies launched sustainable financial products at the total value of 108 billion baht, an increase of 57 percent from the average value of 68,960 million baht during 2018 – 2020. As a key catalyst for such achievements, the SEC has built an ecosystem conducive to sustainable investment. For example, rendering continuing support to securities issuers in preparing for disclosure of information on human rights issues and greenhouse gas emission and issuing regulations for issuance and offering for sale of sustainability bonds as a fundraising tool for sustainability-driven businesses that also incorporate environmental, social and governance (ESG) factors into their business operation. During the year, this fundraising tool generated the offering value of 5 billion baht for one company. In addition, to help reduce the operating costs of issuers of sustainable products, the SEC has issued regulations granting an exemption of the application fee and the registration statement filing fee for the offering for sale of sustainability bonds and extended the fee exemption period for ESG bonds as well.

Concurrently, the SEC cooperated with external organizations to drive the Thai capital market towards a more efficient ecosystem for sustainable development. The joint efforts included a webinar to promote fundraising through sustainability bonds in cooperation with Prosperity Fund of the United Kingdom Government and EY Corporate Services Co., Ltd. (Singapore), and a virtual workshop co-organized with the World Bank for persons interested in becoming a local sustainability reviewer. The workshop aimed to share knowledge and understanding in practice regarding, for example, expressing opinions within the framework of independent external reviewer, etc.



SEC and the World Bank co-organized a virtual seminar on the topic, "Workshop with External Review Providers in the ASEAN Region."

Goal: Accessibility

Strategy 2: Financial well-being: The public has strong financial health to support long-term, sufficient savings and investment for retirement.

• **Equipping investors with knowledge and information:** The SEC provides financial and investment knowledge to investors through various channels such as virtual trainings/workshops, radio broadcast and social media platforms. A survey report on the use of financial and investment media channels of university students was published. The SEC will further analyze and apply the results of this study to the investor education plan to better meet the needs of new generation target groups in due course. Regarding accessibility to mutual fund information, the SEC has revised the disclosure rules to ensure that the fund factsheet is simplified for investors' convenient study and comparison, and that the information on mutual funds for provident pooled funds is also available for investors' use. In addition, the SEC has cooperated with the Stock Exchange of Thailand in preparing a database infrastructure for One Report through online channels. This infrastructure facilitates the report users' access, study and analysis while listed companies are able to fill in One Report more conveniently as well.

• **Laying out a foundation for expanding investor base in the capital market:** The SEC has a database of investment unitholders and a deeper understanding of investors' behaviors thanks to a survey on the public's investment in mutual funds. The survey results are useful for setting out an investment promotion policy as well as supervision and risk monitoring.

Anti-corruption Actions in the Thai Capital Market

Corruption is a global issue that increasingly tends to cause severely negative impacts, and is considered one of the top high risk factors affecting the economy as well as social, environmental and governance responsibilities. Corruption also inflates the operating costs of businesses especially in developing countries. Yet, it is challenging and complicated to uphold corporate reliability and responsibility and prevent involvement in corruptive activities. Technological innovations, in particular, make it easier for corruption to proceed but on the other hand they can be part of the solution to corruptive issues. In Thailand, corruption remains a chronic problem. According to Transparency International (TI)'s latest Corruption Perceptions Index for the year 2021, Thailand is ranked 110th with 35 points among 180 countries around the world.

With the mission to supervise and develop the Thai capital market to ensure reliability, efficiency and accessibility for all sectors, the SEC also takes into consideration the National Anti-corruption Strategies, especially with regard to the 4th Strategy: Proactive Anti-corruption Framework Development. The SEC has laid out a policy and clear guidelines for promoting business sectors' emphasis on continuing anti-corruption actions and their disclosure of information in this regard. This requires company leaders to set a good example in fighting against corruption, starting from a clear policymaking by the board of directors to the policy implementation by the management. Meanwhile, to establish a tracking system and a transparent inspection mechanism, the audit committee must perform duties strictly and the auditor must audit financial statements and report the audit results straightforwardly in accordance with the accounting professions' code of ethics. In addition, the SEC focuses on investors' role, especially institutional investors, in driving the development of key sustainable goals through responsible investment. Regarding enforcement under the Securities and Exchange Act B.E. 2535 (1992), there are provisions on determination of offenses committed by directors, managers and responsible persons, for example, misappropriation of assets, dishonest acts causing damage to juristic persons and fabrication of accounting statements or documents of juristic persons, etc., and imposition of severe criminal penalties. Concurrently, digital assets present new forms of risk factors due to technological disruption, for instance, the ability to

execute digital asset transactions without border and the possibility for identity concealment. To prevent an exploitation of digital assets for a corruptive activity through a business operator regulated by the SEC pursuant to the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018), the SEC requires that business operators in the capital market implement the Know-Your-Customer and Customer Due Diligence (KYC/CDD) protocols as well as measures against financing terrorism and money laundering. These preventive approaches can facilitate detection and examination of persons engaging in corruption.

Admittedly, the drive against corruption cannot be done alone; it requires cooperation from all sectors and the implementation of their respective roles and responsibilities in the same direction to synergize the collective power and create positive impacts on the society and the country. The SEC thus fosters cooperation with associations and related agencies to promote anti-corruption action priority among listed companies and capital market players. In 2021, the SEC proceeded with the anti-corruption efforts by, for example:

(1) Supporting listed companies and business operators in the capital market in participating in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and disclosing the information of their participation on the SEC website. At the end of the year, 343 companies had become certified members and 56 companies had signed a declaration of intent to participate in the initiative. The CAC is in line with the internal control measures suitable for juristic persons in preventing bribery to state officers, foreign state officers or officers of international organizations, as specified in Section 176 of the Prevention and Suppression of Corruption Organic Act B.E. 2561 (2018) promulgated by virtue of the Constitution;

(2) Requesting securities companies' cooperation in disclosing listed companies' CAC participation in their research papers or other research projects;

(3) Requesting asset management companies, as a fund manager, to disclose their CAC participation in the fund fact sheet of the mutual funds under their management;

(4) Signing the Memorandum of Understanding concerning Cooperation for Integration of Integrity and Transparency Assessment of Private Sector as Trading Partner and Contract Party of State Agencies, with the National Anti-corruption Commission (NACC) and

eight other key agencies⁴ in May 2021. Currently, increasing listed companies become trading partners and contract parties of state agencies with high transaction volumes. They are therefore one of the key drivers for solving corruption problems and supporting Thailand's robust, prosperous and sustainable development;

(5) Joining as member of committees or subcommittees appointed by the NACC to contribute to the campaigns against corruption in accordance with the National Anti-corruption Strategies;

(6) Cooperating with Global Compact Network Thailand in supporting listed companies' responsible business operation, in terms of strategic planning and implementation in accordance with the UN Global Compact Network's 10 International Principles, covering four key issues, i.e., Human Rights Protection, Labor Standards, Environmental Protection and Anti-corruption Actions; and

(7) Giving financial support to the Anti-corruption Organization of Thailand, a non-profit independent organization, for propelling anti-corruption activities, for example, providing Open Data for tracking public sector procurements, announcing statements and open letters addressing cases or behaviors imposing potential implication of corruption, cooperating with public sectors in driving activities for preventing corruption by, for example, acting as an observer in the Ethical Agreement Project and the Public Sector Construction Transparency Project, etc.

⁴ The 10 organizations are: (1) theNACC, (2) theSEC, (3) the Comptroller General's Department, (4) the State Enterprise Policy Office, (5) the Department of Business Development, (6) the Office of Public Sector Anti-corruption Commission, (7) the Digital Government Development Agency (public organization), (8) the Thai Institute of Directors, (9) the Thai Chamber of Commerce, and (10) the Anti- corruption Organization of Thailand.

Key Operating Performance in Response to the Covid-19 Situation

As the Covid-19 outbreaks persisted throughout the year 2021, the SEC realized that relief measures were required to alleviate impacts on stakeholders, assist, support and revive them to be able to operate their businesses and survive amid changing situations and challenges. The SEC's operating performance is described in the following details.

(1) Introduce relief measures for stakeholders in the capital markets

- Waive or reduce an annual fee for securities issuing companies in 2021 in the categories of common shares, debentures, derivative warrants and real estate investment trusts, and reduce fees of applications for approval and filing to offer for sales of real estate investment trusts with buy-back conditions or with conditions and defined periods of time for termination of lease agreements.
- Issue an announcement on relaxation for securities issuing companies that was unable to hold its annual general meetings of the shareholders to submit the SEC their first-quarter financial statements for 2021 that have been reviewed by an authorized auditor appointed by the companies.
- Introduce the guidelines on disclosure of information involving effects from the COVID-19 pandemic for securities issuing companies that shall adhere to the guidelines for disclosure of their information as a means to provide investors sufficient information before making decision on investment.
- Propose Ministry of Finance to issue an announcement on relaxation for employees or employers to cease or postpone their contributions into provident funds in order to alleviate impacts on employees and employers who have been affected economically by the COVID-19 pandemic to temporarily cease or postpone their contributions into provident funds and to prevent employers' provident-fund termination that will affect employees' target for their retirement plan.
- Issue an announcement to allow an extended preparation period and deadline on submission of copies of financial statements and audit reports of provident funds in order to avoid organization of meetings for a large number of provident fund members for the financial statements' approval.

(2) Improve Auditing Process and Legal Enforcement

The SEC improved its work process for flexibility in the process of allowing the rights and chance for all accused persons to make clarification adequately and equally with the same standard for fairness. For example, the periods of clarification, statement or fact-finding

for the SEC's consideration were extended. In addition, the SEC determined regulations and procedures to consider and use civil penalties, and improved its criminal procedures with higher efficiency. The SEC operates its tasks proactively by coordinating with other justice agencies including the Economic Crime Investigation Division and Department of Special Investigation to take part in finding facts and evidences, to considers and provide opinions for success proceedings with prudence and fairness. Seminars were also held for exchange of experience and knowledge among these organizations as well as prosecutors and courts.

(3) Close and Consistent Monitoring of the Bond Market

The SEC monitored bond issuers' credit rating outlook and financial positions closely and consistently, particularly repayment ability of risky bond issuers. Bond Issuers' payment plans were also followed up by requesting bond issuers their payment plans, according to bond maturity, and provisions. The payment plans included from credit lines from commercial banks and borrowings from directors or shareholders. Besides, the SEC provided advice for bond issuers in a case of their inability to roll out bonds, and considered solutions on a case-by-case basis. For example, bond issuers were allowed for partial debt repayment or placed additional collaterals and asked for bondholders' approval to postpone bonds' maturity date.

(4) Promote Business Continuity and Key Work Systems

- Reduce burdens of business operators and increase flexibility in operations. Examples included permission for annual general meetings of property funds, infrastructure funds and real estate investment trusts with agenda for acknowledgement to be done through other alternative means, relaxation on assets appraisal of funds and trusts in a case of an appraiser's inability for value appraisal, funds and trusts' additional borrowings for higher liquidity, and shortening of delivery period of a letter requesting for fund unitholders' approval from no less than 30 days to 14 days before the closing date.
- Persuade all listed companies to allow their employees working from home and meeting via electronics means in order to limit the COVID-19 pandemic.
- Change meetings and seminars to online platform during the COVID-19 situation for related parties' safety and convenience. For example, seminars were held for financial advisors and auditors of companies filing for initial public offering shares, and listed companies for knowledge involving financial reporting standards and

communication on issues found by the SEC from practices of financial reporting standards for financial statements with quality and benefits to investors. The online conference and seminar were organized, in collaboration with the Board of Trade of Thailand and Thai Hotels Association, for exchange of opinions, understanding about fund mobilization through real estate investment trusts with existing owners' buy-back conditions. These online events

aimed to suggest fund-raising channels for additional liquidity of hotel operators and interested parties during the COVID-19 pandemic, saving time and expenses, easing restrictions in terms of the number of participants, covering a larger number of audience, and later disseminating the conference and seminar's recordings to interested parties broadly.



SEC Strategic Plan



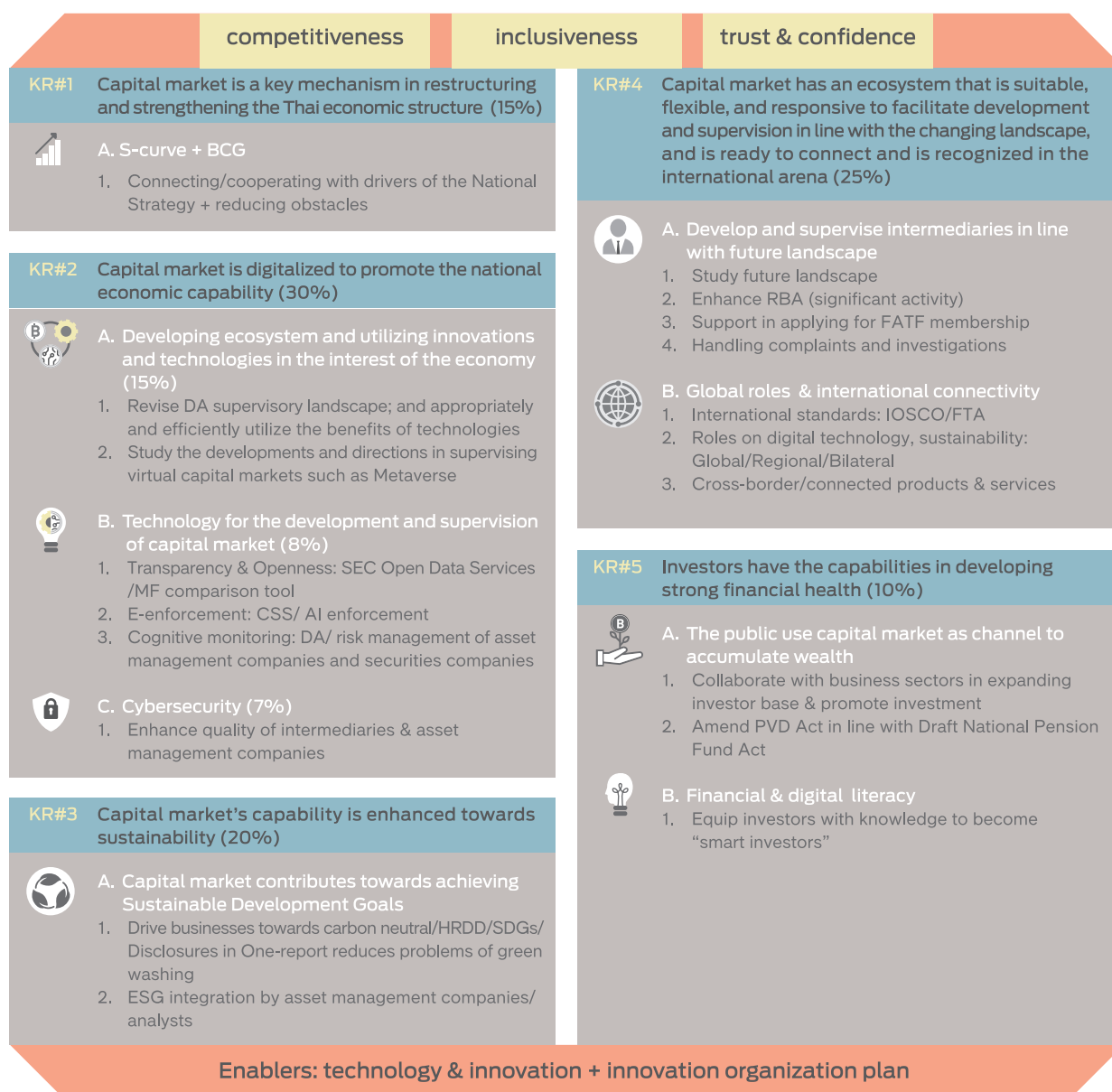
SEC Strategic Plan 2022-2024

1. Background

In response to the rapidly changing environment that has created opportunities and challenges for the Thai capital market, the Securities and Exchange Commission, Thailand (SEC) has laid out the three-year Strategic Plan 2022-2024 that takes into consideration (1) the connection with the National Strategy and its relevant plans, (2) the monitoring and analysis on the impacts of the current situations and megatrends, and (3) stakeholders' opinions and suggestions of all aspects. These processes are performed to ensure that the established strategic plan plays suitable role and corresponds with the national strategic direction, truly responds to the target groups' needs, and is able to drive effective outcomes in short and long terms for the capital market and the economic sector of Thailand.

2. SEC Strategic Plan for 2022 – 2024

SEC has considered issues that are crucial to the development and supervision of the Thai capital market through the analysis of relevant opportunities and challenges as well as matters that require continuing actions. The objectives are to enhance market competitiveness, ensure financial inclusiveness, and strengthen trust and confidence in the Thai capital market, all of which are the key mechanism in reviving the Thai economy. In achieving these 3 main objectives, SEC implements the Strategic Plan for 2022 – 2024, comprising of key results, strategic directions, key initiatives, and key performance indicator (KPI) with details as follow:



Key Result 1: The capital market is a key mechanism in restructuring and strengthening the Thai economic structure

Rationale

Thailand's economic structure is currently based on the Old Economy model, residing mainly on market force as its strength and occasionally utilizes technologies and innovations. In order to revive and strengthen the Thai economy, economic restructuring is required with focus on businesses that utilize advanced technologies and innovations (New Economy), which will help to accumulate economic value substantially, such as new S-Curve industries and Bio-Circular-Green Economy (BCG), etc. In this respect, Thai capital market has essential role in facilitating fundraising activities of these target business sectors as they become the new growth engine to revive Thailand towards resilience and further growth.

Strategic Direction and Key Initiatives

Creating an ecosystem that facilitates fundraising activities of business sectors that are the country's growth targets such as new S-Curve and BCG industries, etc. This involves (1) laying out regulatory approach that facilitates fundraising activities by collaborating with relevant agencies, (2) setting approach and revising regulations to reduce obstacles for entry into the capital market, and (3) organizing activities to enhance awareness and knowledge of stakeholders.

Key Result 2: The capital market is digitalized to promote the national economic capability

Rationale

The great leap forward of technological advancement has tremendous impacts on the changing behaviors of stakeholders in the capital market. Technologies and innovations are applied in various ways to more efficiently serve the desired objectives, in both dimensions of width and depth, such as fundraising activities, investments, means of exchange, granting of rewards and creative products, etc. Further, digital technologies and innovations are also conducive to enhancing work efficiency, reducing errors, and streamlining time frames as well as operating costs in various aspects. Nevertheless, the increasing use of technology comes with increasing IT risks. These factors have posed challenges for regulators in terms of striking an appropriate balance between development and supervision.

Strategic Direction and Key Initiatives

1. Developing an ecosystem to support competition and development of innovations and technologies in the interest of the economy. This includes revising the landscape of digital asset supervision and utilizing technologies appropriately and efficiently. In this regard, digital asset oversight will be enhanced to increase investor protection while the overall regulatory approach will be established according to the roles of each regulatory agency in appropriate response to each type of products and services: means of payment (MOP) and ready-to-use utility tokens. Support will also be given to digital asset business operators such as digital asset custodial wallet providers that use technology for fundraising activities namely digital token and crowdfunding. Meanwhile, the oversight system on digital asset exchanges will be strengthened to ensure they are on par with standards. In addition, development and regulatory approach on technologies and innovations will also be continuously and regularly monitored.

2. Employing technologies and innovations to promote the development and supervision of the capital market. This involves (1) enhancing disclosure and linkage of capital market data through the establishment of the SEC Open Data Services and creating tools for mutual fund comparison to provide investors with information for investment decision making, (2) utilizing digital technologies to detect irregularities and for enforcement, and (3) using cognitive technologies to enhance monitoring, inspection, and tracking of business operators' risks in the capital market.

3. Supervising cybersecurity. This involves (1) enhancing cyber resilience readiness and data security in the capital market, (2) enabling business operators to self-regulate by revising data-driven oversight framework and various tools, improving oversight standards to keep pace with new technologies, and promoting continuously and systematically the development of knowledge for personnel in the capital market, and (3) strengthening listed companies' readiness for handling cyber threats with focus on small and medium-sized enterprises (SMEs) and startups.

Key Result 3: The capital market's capability is enhanced towards sustainability

Rationale

The attentive awareness on sustainable developments has become a mainstream matter whereby the public has given its increased interests, especially on the adverse effects of climate change, which have become the top priority that requires urgent solutions. In this respect, the role of the capital market is not only to support fundraising activities and investments, which take into consideration environmental, social, and governance (ESG) matters, but is also a key mechanism to drive business sectors and business operators to conscientiously incorporate ESG factors into business operations and work processes. Businesses will be able to demonstrate tangible results in relations to sustainable developments and turn into crucial foundation that will truly drive Thailand towards achieving Sustainable Development Goals.

Strategic Direction and Key Initiatives

Furthering capital market as key mechanism to drive Thailand towards achieving Sustainable Development Goals. This includes (1) elevating the promotion of ESG by focusing on its quality to be on par with international standards, for instance: promoting business sectors' awareness and action towards the goal of carbon neutrality to correspond with the Sustainability Development Goals pursuant to Thailand's Declaration of Intent at the 26th UN Climate Change Conference of the Parties (COP26) and Human Rights Due Diligence (HRDD), as well as conducting business in accordance with the UN Sustainable Development Goals (SDGs); and (2) promoting ESG factors to be integrated in business operations, work processes, and environmental risk management of business operators.

Key Result 4: The capital market has an ecosystem that is suitable, flexible, and responsive to facilitate development and supervision in line with the changing landscape, and is ready to connect and is recognized in the international arena

Rationale

Global volatility together with the COVID-19 pandemic have substantially accelerated the size and speed of the capital market's changing landscape. In order for all sectors in the capital markets to adapt

for survival and face increasing competition, it is necessary that the capability of the Thai capital market be enhanced to ensure continuation and competitiveness. In this regard, market participants will be supported in their efforts to ensure strong and quality growth as well as their ability to seize opportunities; appropriate regulation and supervision will be imposed such that they do not hinder business operations; standards will be enhanced to be equivalent with those of the international arena; and efficiency of investor protection mechanisms will be enhanced to ensure capital market's reliability and recognition. In parallel, the capital market is to be enhanced to ensure its important roles in the international fora while also establishing networks and alliances. Subsequently, the Thai capital market will become well-recognized and become of interest, which will then support the attractiveness and strength of the market.

Strategic Direction and Key Initiatives

1. Laying out policies and directions for development and supervision over securities businesses to be consistent with, and abreast of, the changing landscape. Activities in this regard include (1) the studying of securities business landscape on the topic, "Landscape of Thai securities businesses after COVID-19 and under digital disruption"; (2) enhancing risk-based supervision (RBA) on business operators by revising risk inspection to be in accordance with significant activities of business operators while also emphasizing on monitoring and inspecting business operations, and conducting onsite inspection when business operators are detected with high risks; and (3) supporting the National Strategy in the area of prevention and suppression of money laundering and terrorist financing, while also preparing to apply for Financial Action Task Force (FATF) membership.

2. Cooperating with international regulators to advance connectivity and promote cross-border products to strengthen relationship or economy. The efforts in this regard include (1) establishing standards that are on par with those of the international level; proceeding with protocols for hosting the IOSCO Annual Meeting 2023; and making preparations for participating in the making of an international agreement framework to promote economic and social cooperation in various aspects; as well as (2) promoting the Thai capital market to be recognized in the area of sustainable finance and financial technology in both regional and

international arenas. For instance, the activities include participating in the efforts to enhance capital market according to deliverables under framework of Asia-Pacific Economic Cooperation (APEC) at the APEC Finance Ministers' Meeting (APEC FMM), joining in establishing ASEAN standards according to key initiatives of ASEAN Capital Market Forum (ACMF), and promoting the making of Memorandum of Understanding (MOU) with new alliances on information exchange regarding developments and regulatory approaches as well as proceeding with actions under existing MOUs on a continuous basis, etc.

Key Result 5: Investors have the capabilities in developing strong financial health

Rationale

The COVID-19 pandemic situation has continued to cast widespread impacts on the economy. A large number of people face the problem of income insufficiency and consequently accumulate short-term debts to use for consumption. This circumstance reveals the public's problems regarding their financial health, from their lack of financial resiliency during crisis to their inability to save money and make long-term investments to support their retirement. Furthermore, the majority of the public lack financial literacy; however, they tend to use technology and innovation more frequently, which consequently attracts new forms of frauds and scams as well as cybercrime via digital channels. These issues further deteriorate the current state of poverty and inequality. It is thus imperative for regulatory agencies to support the public such that they are able to manage their financial health more efficiently and protect themselves from frauds and scams.

Strategic Direction and Key Initiatives

1. Encouraging the public to appropriately use the capital market as a channel for accumulating wealth and to serve their needs. Activities in this regard include (1) supporting asset management companies in managing portfolios for retail investors, which will enable investors to invest correspondingly to their needs and risk profile, while also supports the working and younger generations to invest regularly, (2) proposing amendment to the Provident Fund Act B.E. 2530 (1987) to be more consistent with and efficiently become a part of the compulsory savings of the private sector workforce in the formal system under the Draft National Pension Fund B.E. ...

2. Promoting capital market literacy in the aspects of knowledge for investment and self-protection against scams, and digital literacy to support the use of capital market services. Activities include (1) equipping investors with knowledge to become "smart investors" by utilizing benefits from capital market of digital age and various use of tools to respond to each target group's needs, (2) supporting investors' skill building regarding investments in various types of assets, especially digital assets that are new products with high growth and high volatility, (3) sharpening investors' knowledge to keep pace with risks and frauds in various forms, and (4) collaborating with alliances to provide financial knowledge to target groups more inclusively.

Innovative Organization Plan

Presently, establishment of innovations are vital and necessary for transformation of both public and private sectors. The Public Sector Innovation Center defines the government innovation as “ideas, methods and concepts for organizational development, work process, service delivery as a result of establishment, development, enhancement, extension or application of knowledge and practice guidelines with impacts toward improved efficiency, effectiveness and quality of government agencies’ work implementation.” Such government innovation will push for the public service system 4.0 in accordance with Thailand 4.0, on which the government puts its emphasis to support the country’s development for changes. Given these, the SEC finds it necessary to establish a strategy for an innovative organization to define goals, guidelines for development, key projects and performance indicators clearly and concretely. Therefore, the SEC sets its three-year development plan with the following two goals.

The first goal: The SEC employees create extension and stand ready for changes, allowing new ideas, practices guidelines and concepts for higher work efficiency.

The second goal: The SEC becomes an innovative organization, adopting digital technology to provide convenient services, lessen burden and satisfy stakeholders with accountability.

The Innovative Organization Plan consists of the following, guidelines for development and key projects.

1. Enhance Innovators

1.1 Innovation house as the area for exchanging creative ideas, organizing activities, providing knowledge and advice for the employees who need innovative ideas or start innovations.

1.2 Build up the employees through 4Cs:
(1) Commitment. Formulating strategies, policies, processes, and determining roles and responsibility of high-level executives who will play an important role in driving and promoting innovations; **(2) Culture.** Building up culture, values, attitudes, incentives and safe-zone feeling at the workplaces to accommodate innovation development, and encouraging the employees to extend their ideas through key events like SEC Hackathon or SEC Mini Hackathon; **(3) Capability.** Enhancing organizational leaders, innovators and innovation supporters’ roles, and equipping the employees for innovation development; **(4) Co-creation.** Establishing innovative idea process via use of

thinking processes like design thinking, service design and other innovative thinking tools. Stakeholders are allowed to take part in these processes.

1.3 Focus on four dimensions of wellness for work efficiency and long-term sustainability of the organization: **(1) Spiritual wellness** to lessen work stress for the employees’ happy working; **(2) Physical wellness** to promote the employees with good health; **(3) Social wellness at workplaces** to encourage good relationship among the employees with the “Cooperation” value, safe-zone feeling, and communication and co-working skills; and **(4) Social wellness in the society/communities** to build up values of givers for the society and communities through activities.

2. Upgrade Work Process through Innovations

2.1 SEC Digital Services Project to upgrade services and work process with digital technology. The work process is designed with digital technology to comply with laws and satisfy stakeholders in the integrated way.

2.2 Data-driven Processes Project to promote and foster culture in using data for work implementation, making decision in policy-setting, supervision and key risks monitoring with convenient usage forms.

2.3 Tech Experiment Project to apply technology and innovations that meet Hackathon competition for the SEC’s real works as a means to solve problems and improve work efficiency.

3. Establish Engagement and Perception

The innovative thinking process is used to improve the real work processes by organizing workshops to bring engagement, gain understanding or realize ideas and thinking toward development of such innovation for actual improvement.



Corporate Governance



SEC Board



Mr. Pichit Akrathit
Chairman

Appointed
2 June 2020

Experience and contributions

Mr. Pichit Akrathit obtained a B.A. in Economics and an M.B.A. from Thammasat University and a Ph.D. in Economics from the University of Texas at Austin, USA. Prior to this appointment, he had served in several key positions. For example, Deputy Minister of Transportation, Chairman of the State Railway of Thailand, Director and Head of the Audit Committee of the Government Pension Fund, Director of Thailand Future Exchange Plc., Chairman of the Board of Directors of Small and Medium Enterprise Development Bank of Thailand, Director and Chairman of the Risk Management Committee of the Stock Exchange of Thailand, Director of Thailand Securities Depository Co., Ltd., Chairman of the Thai Credit Guarantee Cooperation and Director and Executive Director of the Export-Import Bank of Thailand.

Other current roles

Expert Member of the State Enterprise Policy Committee and Director of the State Enterprise Evaluation Committee, the State Enterprise Policy Office, the Ministry of Finance.



Mr. Krisada Chinavicharana
Permanent Secretary, Ministry of Finance
Ex Officio Commissioner

Appointed
1 October 2020

Experience and contributions

Mr. Krisada Chinavicharana obtained an LL.B. from Chulalongkorn University and an M.B.A. from University of New Haven, USA. Prior to taking office as Permanent Secretary of the Ministry of Finance, he had served in several key positions at the Ministry of Finance. For example, Director-General of the Customs Department, Director-General of the Excise Department, Director, Fiscal Policy Advisor, Deputy Director and Director of the Legal Affairs Bureau, the Fiscal Policy Office. Positions at other agencies include Chief Secretary (Economics and Finance), the Office of Economic and Financial Affairs, Royal Thai Embassy to the United Kingdom and Europe based in London, Director of Bangchak Corporation Plc., Director of the Bank of Thailand and Director of the Bank for Agriculture and Agricultural Cooperatives.

Other current roles

Chairman of Krungthai Bank Plc. and Director and Member of the Remuneration Committee of PTT Plc.



Mr. Boonyarit Kalayanamit
Permanent Secretary, Ministry of Commerce
Ex Officio Commissioner

Appointed
1 October 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, USA. 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, Ambassador and Permanent Representative of Thailand to the World Trade Organization in Geneva and Inspector-General of the Ministry of Commerce.

Other current roles

Director of the Office of Insurance Commission and Director of the Board of Tourism Authority of Thailand.



Mr. Sethaput Suthiwartnarueput
Governor, Bank of Thailand
Ex Officio Commissioner

Appointed
1 October 2020

Experience and contributions

Mr. Sethaput Suthiwartnarueput obtained academic degrees in Economics, namely a B.A. (highest honors) from Swarthmore College, and an M. Phil. and a Ph.D. from Yale University, USA. His previous key positions include Director of Osotspa Plc., Director of Puey Ungphakorn Institute for Economic Research and Member of the Monetary Policy Committee of the Bank of Thailand, Independent Director, Chairman of the Risk Management Committee, Member of the Nominating and Remuneration Committee and Member of the Corporate Governance and Sustainable Development Committee of PTT Exploration and Production Plc., Executive Chairman of Thailand Future Foundation, Director of TMB Bank Plc., Executive Vice President of Siam Commercial Bank Plc., President of SCB Asset Management Co., Ltd., Senior Vice President of the Stock Exchange of Thailand, Senior Economist at the World Bank, Washington D.C., and Business Analyst, McKinsey & Co., New York, USA.

Other current roles

Member of the National Economic and Social Development Council, Director of the Board of the Office of Insurance Commission and Deputy Chairman of the Bank of Thailand Board.



Mr. Sarawut Benjakul
Commissioner

Appointed
11 May 2015 – 10 May 2019
(the first term)
11 May 2019 onwards (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, United Kingdom, Master of Laws in International Legal Studies from the American University and Master of Laws from Howard University, USA. He has versatile experiences in laws and has served in several key positions, including Secretary-General of the Office of the Judiciary, Secretary-General of the Institute of Legal Education Thai Bar Association, Chairman of the Board of the State Railway of Thailand, Chief Judge of Sakonnakorn Province Juvenile and Family Court, Chief Judge of Office of the President of the Supreme Court and Deputy Secretary-General of the Office of the Judicial Affairs.

Other current roles

Special Advisor to the Office of the Judiciary, Chairman of the Airports of Thailand Plc., Expert Member (Monetary and Banking) of the Special Case Committee, the Department of Special Investigation, Ministry of Justice, Chairman of the Council of Mahasarakham University, Honorary Member of Prince of Songkla University Council and the Council of King Mongkut's Institute of Technology Ladkrabang, Chairman of the Transaction Committee of the Anti-Money Laundering Office.



Mr. Krairit Euchukanonchai
Commissioner

Appointed
16 April 2021

Experience and contributions

Mr. Krairit Euchukanonchai obtained a Bachelor's Degree in Science from Chulalongkorn University and a Master of Business Administration (Banking and Finance) from North Texas State University, USA. Previously, he held various key positions, including Chairman of the Board of Directors, Independent Director and Member of the Audit Committee of PTT Plc., Chairman of the Mass Rapid Transit Authority of Thailand, Director of PTT Exploration and Production Plc., Chairman and Chairman of the Risk Management Committee of Krungthai Asset Management Plc. and Director of Siam Commercial New York Life Insurance Plc.

Other current roles

Chairman of PTT Exploration and Production Plc., Commissioner (Finance) of the Office of Insurance Commission, Vice Chairman of the Board of Directors, Chairman of the Executive Committee and Chairman of the Risk Management Committee of Krungthai Bank Plc., Independent Director and Chairman of the Audit and Risk Committee of Advance Info Service Plc. and Chairman of the Board of Directors of V Group Honda Cars Company Limited and its subsidiaries and Director of the subsidiaries.



Mr. Viput Ongsakul
Commissioner

Appointed

24 September 2018 – 15 April 2021

(the first term)

16 April 2021 onwards (the second term)

Experience and contributions

Mr. Viput Ongsakul obtained a bachelor's degree in Industrial Engineering from Chulalongkorn University, Master's and Doctorate Degrees in Industrial Engineering from Texas Tech University, USA. He was Dean of Business School and Assistant President for Quality Assurance at the National Institute of Development Administration (NIDA), Member of the Academic Council and the Committee of Monitoring and Evaluation of Suratthani Rajabhat University.

Other current roles

Associate Professor at NIDA Business School, Advisor Affiliate of Center for Competitiveness, University of Fribourg, Switzerland, Member of the Monitoring and Evaluation Subcommittee of the Digital Economy and Society Development Fund, Office of the National Digital Economy and Society Commission and the Academic Subcommittee, Government Easy Contact Center (GECC), Office of the Permanent Secretary, the Prime Minister's Office,



Mr. Subhak Siwaraksa
Commissioner

Appointed

8 May 2019 – 15 April 2021(the first term)

16 April 2021 onwards (the second term)

Experience and contributions

Mr. Subhak Siwaraksa obtained a BA in English Literature and Economics from Georgetown University, Washington D.C., an MA in Law and Diplomacy from Fletcher School of Law and Diplomacy, Tufts University, Massachusetts, and a Ph.D. 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 current roles

Board Director and Member of the Monetary Policy Committee of the Bank of Thailand, Country Chairman of Jardine Matheson (Thailand) Ltd., Independent Director of Prudential Life Assurance (Thailand) Plc., Independent Director of Bangkok Dusit Medical Services Plc., and Independent Director of Samitivej Plc. and Independent Director of Thai Wah Plc.



Mr. Prasan Chuaphanich
Commissioner

Appointed

11 May 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, Executive Management Program from Ivey School of Business, University of Western Ontario, Canada. He also attended the Leading Professional Services Firms from Harvard Business School, Boston, USA and an Honorary Doctorate Degree in Accounting from Kasem Bundit University. 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 Subcommittee on Reform of International Economy and Other Economic Matters, the National Reform Council and Chairman of the Board of Directors, the Thai Institute of Directors.

Other current roles

Advisor to the Prime Minister, Commissioner (Accounting) of the Committee on Dumping and Subsidy of the Ministry of Commerce, Commissioner of the State Enterprise Policy Commission, Member of Public Sector Audit and Evaluation Committee, Independent Director and Chairman of the Audit Committee of Siam Commercial Bank Plc., Independent Director and Chairman of the Audit Committee of Kerry Express (Thailand) Plc.



Mrs. Nuntawan Sakuntanaga
Commissioner

Appointed
11 May 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.

Other current roles

Independent Director and Chairman of the Audit Committee of Union Pioneer 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
Secretary-General
Commissioner and Secretary

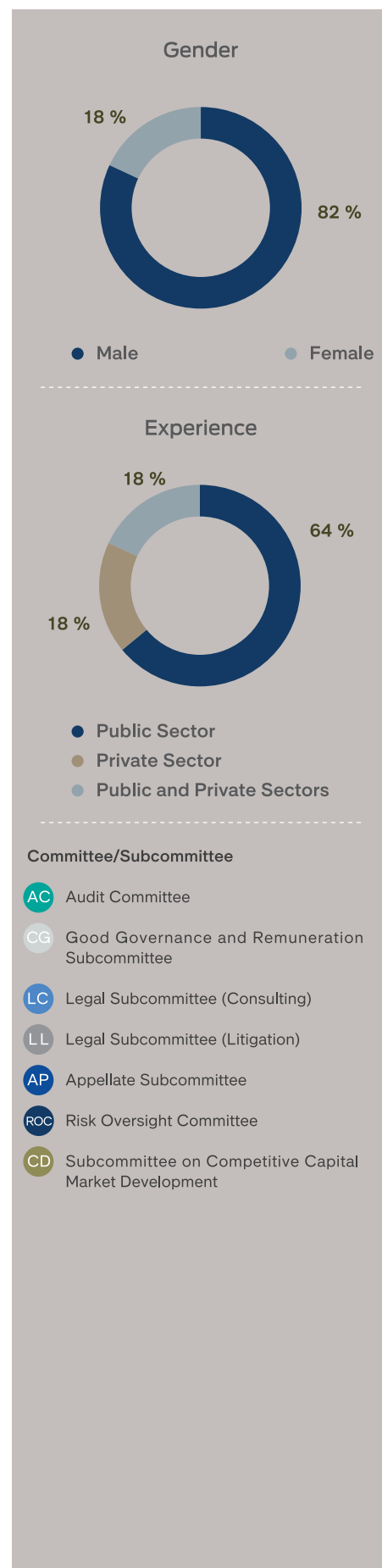
Appointed
1 May 2019

Experience and contributions

Miss Ruenvadee Suwanmongkol obtained an L.L.B (1st Class Honors, Gold Medal) from Chulalongkorn University, Barrister at Law from the Institute of Legal Education Thai Bar Association, an L.L.M (International Business Law) from Harvard Law School, Cambridge Massachusetts and an M.B.A. from Walter A. Haas School of Business, University of California at Berkeley, USA. Prior to this appointment, she had served in several key positions at the Ministry of Justice, including Director-General of the Legal Execution Department, Director-General of the Probation Department, Inspector, Deputy Spokesperson, Deputy Director of the Office of Justice Affairs, Deputy Director-General of the Rights and Liberties Protection Department.

Other current roles

Member of the Public Sector Development Commission, the Office of the Public Sector Development Commission, Director of the Law Reform Committee, the Office of the Council of State, Member of the National Reform Committee on Public Administration, Director of the Bank for Agriculture and Agricultural Cooperatives, Director of the Thailand Oil Palm Board and Advisor to the Committee on Economics, Monetary and Finance, the Senate.



Capital Market Supervisory Board



Miss Ruenvadee Suwanmongkol
SEC Secretary-General
Chairman

Appointed
1 May 2019

Experience and contributions

Miss Ruenvadee Suwanmongkol obtained an L.L.B (1st Class Honors, Gold Medal) from Chulalongkorn University, Barrister at Law from the Institute of Legal Education Thai Bar Association, an L.L.M (International Business Law) from Harvard Law School, Cambridge Massachusetts and an M.B.A. from Walter A. Haas School of Business, University of California at Berkeley, USA. Prior to this appointment, she had served in several key positions at the Ministry of Justice, including Director-General of the Legal Execution Department, Director-General of the Probation Department, Inspector, Deputy Spokesperson, Deputy Director of the Office of Justice Affairs, Deputy Director-General of the Rights and Liberties Protection Department.

Other current roles

Member of the Public Sector Development Commission, the Office of the Public Sector Development Commission, Director of the Law Reform Committee, the Office of the Council of State, Member of the National Reform Committee on Public Administration, Director of the Bank for Agriculture and Agricultural Cooperatives, Director of the Thailand Oil Palm Board and Advisor to the Committee on Economics, Monetary and Finance, the Senate.



Mrs. Sirivipa Supantanet
SEC Deputy Secretary-General
Board Member

Appointed
12 June 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 at the Financial Institution Monitoring and Analysis Department, the Bank of Thailand.



Mr. Pornchai Thiraveja
Director-General, Fiscal Policy Office
Board Member

Appointed
1 October 2021

Experience and contributions

Mr. Pornchai Thiraveja obtained a Bachelor of Accounting from Thammasat University, a Master of Business Administration (Finance) from College of Notre Dame, USA, a Master of Political Science (Public Administration) from Thammasat University, a Doctor of Management (Public Management) from Suan Dusit University and a Doctor of Philosophy Program in Non-Formal Education from Chulalongkorn University. He had served in significant positions, including Director of Krungthai Asset Management Plc., Director of MFC Asset Management Plc., Director of PTT Regional Treasury Center Pte. Ltd. (PTTRTC), Vice Chairman of Thailand Post Company Limited and Director of Islamic Bank of Thailand.

Other current roles

Chairman of the Deposit Protection Agency, Director of the Bank of Thailand, Member of Financial Institutions Policy Committee and Director of Electricity Generating Authority of Thailand.



Mrs. Saranya Chindavanig
Board Member

Appointed

18 January 2016 – 18 August 2020

(the first term)

19 August 2020 onwards (the second term)

Experience and contributions

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

Other current roles

Chairperson of the Subcommittee on Consideration of Regulations on Issuance and Offering for Sale of Equity Instruments, Governance of Securities Issuing Companies and Securities Acquisition for Business Takeovers, Member of the Subcommittee on Consideration of Regulations on Supervision of Intermediaries and Market, the Securities and Exchange Commission.



Mr. Ekachai Chongvisal
Board Member

Appointed

18 January 2016 – 18 August 2020

(the first term)

19 August 2020 onwards (the second term)

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, USA. He held various key 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 current roles

Chairman of the Subcommittee on Consideration of Regulations on Asset Management and Member of the Subcommittee on Consideration of Regulations on Property Funds, Infrastructure Funds and Real Estate Investment Trusts, the Securities and Exchange Commission.



Mr. Ayuth Krishnamara
Board Member

Appointed

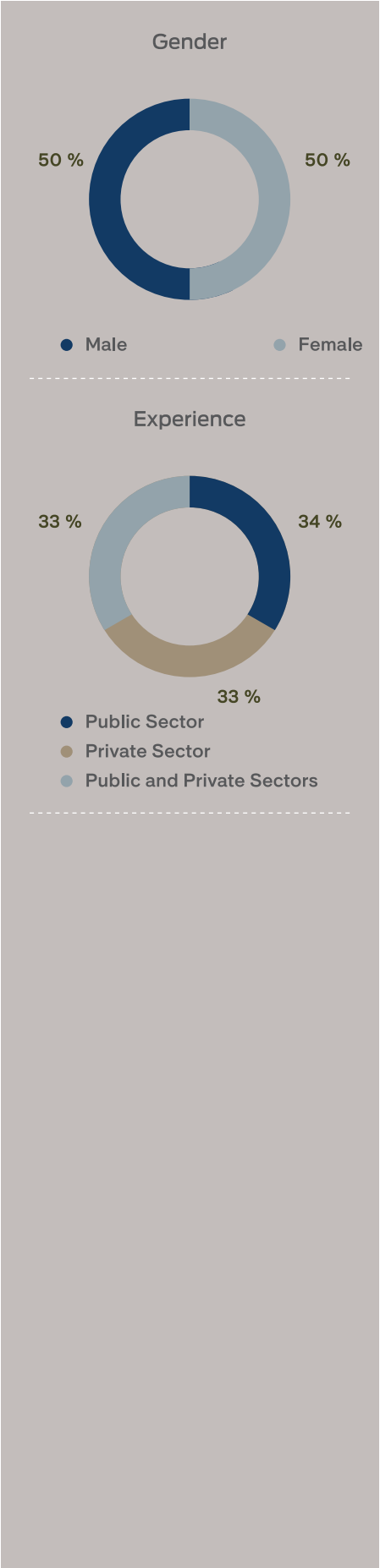
25 July 2018

Experience and contributions

Mr. Ayuth Krishnamara obtained a BSC in Chemical Engineering from Lehigh University, Bethlehem, and an MBA from Pepperdine University, Los Angeles, USA. He held various positions at Bangkok Bank Plc., 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 Director of Bualuang Ventures Co., Ltd., Director of the Asian Bankers Association (ABA), Taiwan. Vice Chairman of BBL Asset Management Co., Ltd., Chairman of the Basel Club, the IFRS Club and the Thai Forex Club of Thai Bankers Association.

Other current roles

Chairman of the Subcommittee on Consideration of Regulations on Sales of Investment Product and Provision of Investment Advice, Chairman of the Subcommittee on Consideration of Regulations on Property Funds, Infrastructure Funds and Real Estate Investment Trusts, Member of the Subcommittee on Consideration of Regulation on Issuance and Offering of Debt Securities, Derivatives and Structured Products and Expert Member of the Auditing Advisory Committee, the Securities and Exchange Commission. Other key positions include Expert Member of the Financial Institutions Policy Committee, Expert Member of the Steering Committee for the Corporate Bond Stabilization Fund and External Expert on Risk Management Standards for Financial Institutions and Companies under Commercial Bank Financial Business Group, the Bank of Thailand.



Executive Officers

As of 31 December 2021



Miss Ruenvadee Suwanmongkol
Secretary - General

Deputy Secretary – General



Mrs. Sirivipa Supantanet



Mrs. Waratchya Srimachand



Mr. Sakkarin Ruamrangsri

Assistant Secretary – General



Mrs. Nataya Niyamanusorn



Mrs. Charuphan Intararoong



Mrs. Praoporn Senanarong



Mr. Thawatchai Kiatkwankul



Mr. Thawatchai Pittayasophon



Miss Jomkwan Kongsakul



Mr. Anek Yooyuen



Miss Archinee Pattamasukhon



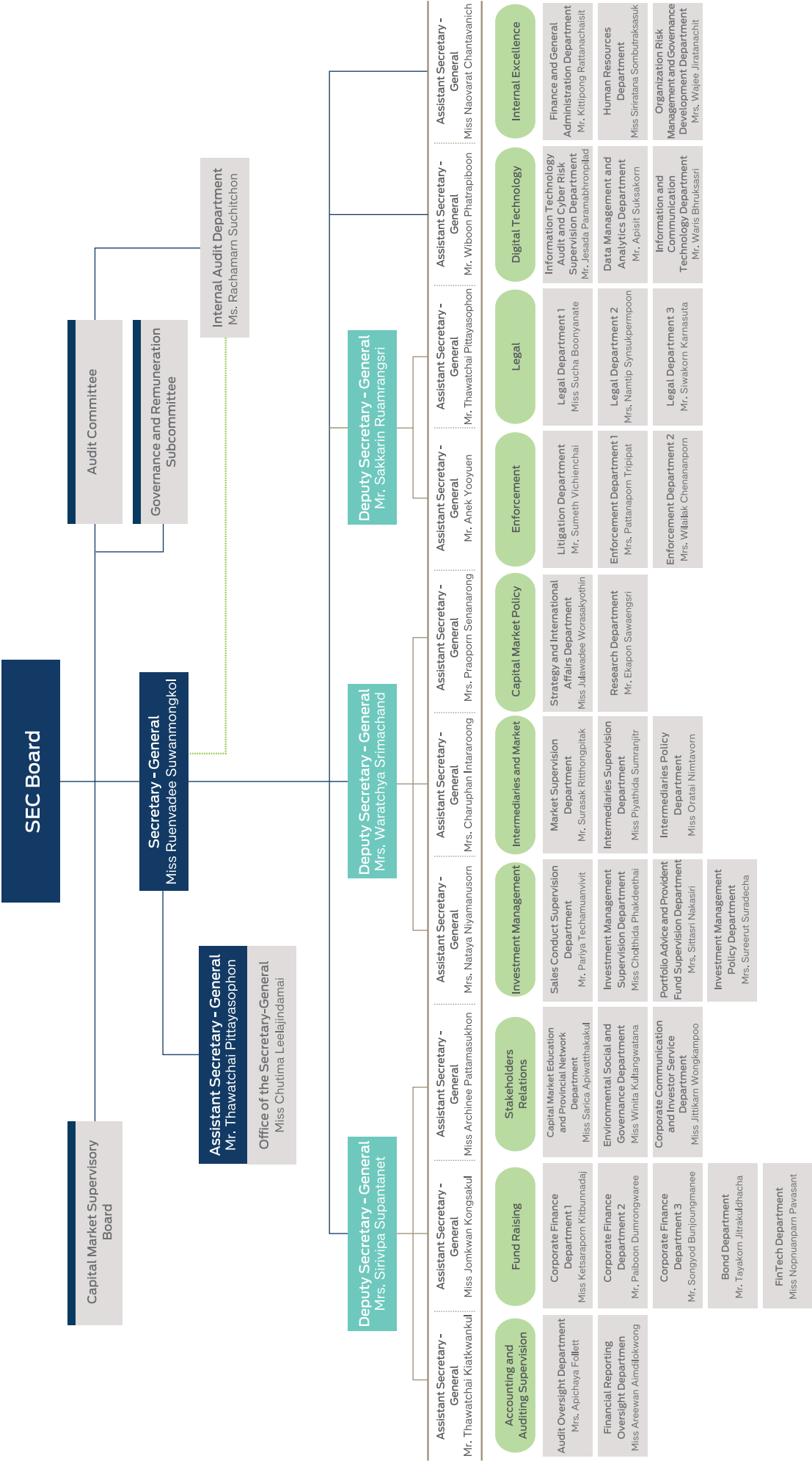
Mr. Wiboon Phatrapiboon



Miss Naovarat Chantavanich

As of 31 December 2021

SEC Structure



Formation, Roles, and Practice Guidelines 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 subcommittees 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 subcommittees 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 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) Secretary-General of the SEC Office as Board member and Secretary. The Chairman, the expert members and the Secretary-General shall hold office for a four-year term and may be re-appointed, but not for 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) Secretary-General as Chairman, (2) Deputy Secretary-General appointed by Secretary-General, (3) 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 experience managing listed company or securities company. The expert members shall hold office for a four-year term and may be re-appointed, but not for more than two consecutive terms.

2. Check and Balance Mechanism

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

2.1 Audit Committee

The Audit Committee is responsible for supervising and reviewing 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 the Code of Ethics and the 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 shall consist of not less than three but not more than five members. Of this total, at least two members shall be expert members of the SEC Board and the appointed members shall be competent or have experience in accounting, finance, law or capital market. The term of office for the Audit Committee shall be as follows:

- (1) Audit Committee members who also serve on the SEC Board including expert members shall have a term of office identical to their term on the SEC Board.

- (2) Other members excluding the SEC Board shall hold office for a four-year term and may be re-appointed, but not for more than two consecutive terms.

2.2 Good Governance and Remuneration Subcommittee

The Good Governance and Remuneration Subcommittee'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 Subcommittees and the Secretary-General. The Subcommittee consists of up to four members including expert members from the SEC Board, each holding office for a two-year term.

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

Assessment on duty performances of the SEC Board and the CMSB is conducted annually, both on the group and individual levels, to review their respective duty performances and improve further development under good governance principles.

4. Ongoing Board Development

The SEC Board and the CMSB emphasize the importance of sufficient inputs on rules and regulations, new developments and technological implementation in the capital market in the interest of supervision of businesses therein. In 2021, the SEC invited Board members to participate in events hosted by the SEC and activities co-organized by the SEC and other organizations, both local and international. These occasions were held virtually via digital channels due to the ongoing spread of the COVID-19 pandemic. For example, (1) The seminar titled, “The 1st SEC Thailand International Digital Asset Webinar: “Policy Implication for Digital Asset Regulation: A Peek at Global Movements,” (2) The SEC Capital Market Symposium 2021, (3) Lecture on “Thailand as a Financial Center: Financial Center Overview / Developing a Successful Financial Center and Key Considerations for Thailand by guest expert from Citibank, (4) Participation in Singapore FinTech Festival Expo 2021 (SFF 2021), and (5) Discussion on the topic, “ISQM: Regulators’ Perspectives towards the Application of ISQM Standard to Audit Firms in the Capital Market,” etc.

5. The Meeting Attendance of the Boards and Subcommittees

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 decisions, the SEC Board may ask for additional information from the Board’s Secretary.

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

To constitute a quorum, not less than half of the total members shall attend each meeting. Members of the SEC Management may attend the meetings with relevant topics. Any member of the SEC Board having a conflict of interest in any agenda item is required to declare such conflict and thus shall be excluded from participating in the consideration of such agenda item.

In this respect, the meetings of the CMSB, the Audit Committee and the appointed Subcommittees shall follow similar guidelines.

Details of the meetings of each Board and the Subcommittees for the year 2021 are as follows:

5.1 SEC Board

Position	Name	Total Attendance/ No. of Meetings				Remarks
		SEC Board	Audit Committee	Appellate Subcommittee	Good Governance and Remuneration Subcommittee	
Chairman	Mr. Pichit Akrathit	18/18	-	-	-	
Ex-officio Members	Ministry of Finance					
	Mr. Krisada Chinavicharana	16/18	-	-	-	
	Permanent Secretary of the Ministry of Commerce					
	Mr. Boonyarit Kalayanamit	18/18	-	-	-	

5.1 SEC Board (Continued)

Position	Name	Total Attendance/ No. of Meetings				Remarks
		SEC Board	Audit Committee	Appellate Subcommittee	Good Governance and Remuneration Subcommittee	
Ex-officio Members	Governor of the Bank of Thailand Mr. Sethaput Suthiwartnarueput	18/18	-	-	-	Mr. Ronnadol Numnonda attended the meeting on behalf of Mr. Sethaput Suthiwartnarueput at the 5 th meeting.
Expert Members	Mr. Sarawut Benjakul	18/18	-	-	5/10	
	Mr. Yokporn Tantisawetrat	7/18	3/11	-	-	Holding office until 15 April 2021
	Mr. Krairit Euchukanonchai	11/18	8/11	-	-	Holding office from 16 April 2021
	Mr. Viput Ongsakul	18/18	11/11	-	10/10	
	Mr. Subhak Siwaraksa	18/18	-	2/2	5/10	
	Mr. Prasan Chuaphanich	18/18	11/11	-	10/10	
	Mrs. Nuntawan Sakuntanaga	18/18	-	2/2	10/10	
Member and SEC Secretary-General						
Secretary	Miss Ruenvadee Suwanmongkol	18/18	-	-	-	

5.2 Capital Market Supervisory Board (CMSB)

Position	Name	Total attendance/ No. of meetings	Remarks
Chairman	SEC Secretary-General Miss Ruenvadee Suwanmongkol	15/16	
Ex-officio Members	SEC Deputy Secretary-General Mrs. Sirivipa Supantanet Director General of the Fiscal Policy Office Miss Kulaya Tantitemit Mr. Pornchai Thiraveja Fiscal Policy Adviser Mr. Wuttipong Jittungsakul	16/16 8/16 4/16 3/16	Holding office until 30 September 2021 Holding office from 1 October 2021 Attending the meeting on behalf of Director General of the Fiscal Policy Office
Expert Members	Mrs. Pornanong Budsaratragoon Mrs. Saranya Chindavanig Mr. Ekachai Chongvisal Mr. Ayuth Krishnamara	9/9 16/16 16/16 16/16	Resigned effective on 20 July 2021

6. Remuneration of the Boards and Executives

6.1 Details of the remuneration of the boards and subcommittees

The Securities and Exchanges Act contains provisions that the SEC Board and the subcommittees

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

Remuneration of the Boards and Subcommittees

Unit: Baht

Remuneration	SEC Board		Capital Market Supervisory Board (CMSB)		Audit Committee		Legal Subcommittee/ Good Governance and Remuneration Subcommittee/ Appellate Subcommittee		Draft Regulation Considering Subcommittee/Other Subcommittees	
	Chair	Member	Chair	Member	Chair	Member	Chair	Member	Chair	Member
Monthly stipend ^{1/}	56,250	45,000	45,000	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 have the specified characteristic ^{2/}	-	-	-	140,000	-	-	-	-	-	-

Remark: ^{1/} According to the Ministry of Finance's Letter No. Gor Kor 1007/3874 regarding Improvement of Remuneration of the SEC Board and the Subcommittees Appointed by the SEC Board, effective from 27 February 2017.

^{2/} The specified characteristic 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, in which case such expert member must be able to perform additional work under the prescribed conditions.

Remuneration of the SEC Board in 2021

Unit: Baht

Name	Position	Remuneration as Chair/Member			Total
		SEC Board	Audit Committee	Other Subcommittees	
Mr. Pichit Akrathit	Chairman	1,237,500.00	-	-	1,237,500.00
Mr. Krisada Chinavicharana	Member	940,000.00	-	-	940,000.00
Mr. Boonyarit Kalayanamit	Member	990,000.00	-	-	990,000.00
Mr. Sethaput Suthiwartnarueput	Member	965,000.00	-	-	965,000.00

Remuneration of the SEC Board in 2021 (Continued)

Unit: Baht

Name	Position	Remuneration as Chair/Member			Total
		SEC Board	Audit Committee	Other Subcommittees	
Mr. Ronnadol Numnonda	Representative of BOT Governor	25,000.00	-	-	25,000.00
Mr. Sarawut Benjakul	Member	990,000.00	-	210,000.00	1,200,000.00
Mr. Yokporn Tantisawetrat	Member	332,500.00	196,875.00	-	529,375.00
Mr. Krairit Euchukanonchai	Member	657,500.00	424,233.88	-	1,081,733.88
Mr. Viput Ongsakul	Member	990,000.00	540,000.00	120,000.00	1,650,000.00
Mr. Subhak Siwaraksa	Member	990,000.00	540,000.00	264,000.00	1,794,000.00
Mr. Prasan Chuaphanich	Member	990,000.00	-	150,000.00	1,140,000.00
Mrs. Nuntawan Sakuntanaga	Member	990,000.00	-	210,000.00	1,200,000.00
Miss Ruenvadee Suwanmongkol	Member and Secretary	990,000.00	-	-	990,000.00

Remuneration of the Capital Market Supervisory Board in 2021

Unit: Baht

Name	Position	Remuneration as Chair/Member/Additional Remuneration			Total
		CMSB	Other Subcommittees	Additional Remuneration	
Miss Ruenvadee Suwanmongkol	Chairperson	975,000.00	-	-	975,000.00
Mrs. Sirivipa Supantanet	Member	800,000.00	-	-	800,000.00
Miss Kulaya Tantitemit	Member	468,571.00	-	-	468,571.00
Mr. Pornchai Thiraveja	Member	200,000.00	-	-	200,000.00
Mr. Wuttipong Jittungsakul	Fiscal Policy Adviser	60,000.00	-	-	60,000.00
Mrs. Pornanong Budsaratragoon	Member	444,516.13	18,000.00	925,806.45	1,388,322.58
Mrs. Saranya Chindavanig	Member	800,000.00	24,000.00	1,680,000.00	2,504,000.00
Mr. Ekachai Chongvisal	Member	800,000.00	23,000.00	1,680,000.00	2,503,000.00
Mr. Ayuth Krishnamara	Member	800,000.00	14,000.00	1,680,000.00	2,494,000.00

6.2 Remuneration of the Management

In 2021, the SEC Management consisting of Secretary-General, Deputy Secretary-Generals, and Assistant Secretary-Generals, altogether 14 persons, received compensations, for example, salaries, provident fund contribution, car allowance, petrol expenses and medical expenses totaling 100,161,468.88 baht.

6.3 Remuneration of auditor

The remuneration of the auditor for the audit of the financial statements for the financial year 2021 was 660,000 baht.

Organizational Management

The SEC is committed to moving towards an agile organization and puts an emphasis on the operational results. Its goals are to enhance efficiency to achieve its mission, exercise its supervision directly and effectively without excessive burden. The SEC also aims to attain good governance and provide services to the public with convenience, speed, transparency and traceability. Its success and operating results are described in the following details.

Good Governance and Organizational Culture

1. Setting the SEC Policy toward the Anti-Corruption Organization. All directors, executives and officials shall abide by the policy.

2. Appointing the Committee for Integrity to enhance ethics and reinforce integrity of the SEC's operations. The SEC Secretary-General is Chairman.

3. Preparing Anti-Fraud and Corruption. In 2021, the SEC formulated a high-level executive map driving improvement, development and enrichment of morality and integrity, and ensured disclosure of information in the SEC website with the following success and operating results.

Learn from the outside

- Organizing special lectures in performing duties with integrity, transparency and no corruption in state agencies by lecturers from the National Anti-Corruption Commission and instructors from Faculty of Economics, Chulalongkorn University.

- Participating consistently in activities with Anti-Corruption Organization of Thailand.

Cultivate moral values

- Cultivating the moral characters for new employees by the SEC executives, having them be aware of honesty, integrity and transparency, and engaging the

employees consistently through two-way communications periodically. This action emphasized the channels for complaints or whistleblowing, protection measures and follow-up of assets borrowing and return correctly. The SEC adheres to its duty responsibility, correct principles and governance, and conveys the No Gift Policy. Some activities were adjusted to continue online according to situations with tests of knowledge and understanding for continuous improvement plans.

- Participating in activities with the Center for Morality Promotion (Public Organization) to develop the organization through the moral standard. The project on "Providing Financial and Investment Knowledge" under morality, aiming to promote "Knowledge and Sharing." This focused on sharing financial and investment knowledge for employees in the project to enhance capabilities of new generations toward the capital markets and the SEC gave them opportunities to work according to the government policy with success monitoring. It was found that there were the project participants applying the knowledge and achieving their financial targets.

Start from yourself

- Expressing the executives' points of view in work, reflecting their honesty, integrity, and anti-fraud and corruption. Such expression extended from the announcement of intention or exemplification of morality in work execution to activities for the employees' opinions and perspectives on self-practices for work transparency by sharing the motto "Integrity" in line with the values.

- Communicating the Code of Ethics, Code of Conduct for Employees and Code of Conduct for Computer Use with surveys and signing in the Codes.

4. Report on risk evaluation of fraud in conflicts of interest. Sufficient measures are established with an annual internal audit report on frauds and corruption.

As the SEC pays attention to the operations with integrity, transparency and fairness, it issues the key policies and participates in activities expressing the value “Integrity.”

Examples: Issue the SEC Code of Ethics for operators, the Code of Conduct for Employees and the Employee Disciplines as the guidelines for the employees to perform their duties and behave themselves.



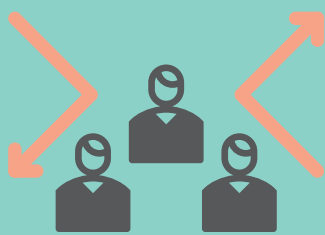
Consistency of No Gift Policy



Morality and transparency evaluation by ITA with increase in 2021 score to 93.79



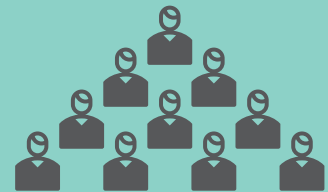
Received the Honorable Mention at 9th NACC Integrity Awards 2019



Joined the Anti-corruption Day since 2011



Channels for complaints or whistleblowing, frauds and wrongdoings of the executives and employees



Training on work with honesty, integrity and transparency by NACC speakers

Upgrading of Compliance with Related Laws and Regulations

1. Obtaining the “Data Governance Award” for the second consecutive year. The award is typically granted to state agencies transforming into the high-level digital government as a good role model for government service units and state agencies. The SEC was one among five state agencies granted the award that promotes governance in the state information at the departmental level.



2. Preparing the Personal Data Protection Act, B.E. 2562 (PDPA) with governance, guidelines for practices, awareness raising for personal data protection for the employees. Related works and data flows were developed and improved for the PDPA.

Work Efficiency

1. Structure and Implementation in Support for the Agility Culture in Quick Response to Changes and Value Creation for Stakeholders

- Promoting inter-departmental works for knowledge integration, less work problems from division of work, and agility culture in the organization. Training courses were provided for agile leadership and agile teamwork workshops for all levels of the employees with follow-up of each team’s agile practices and work prioritization.

- Appointing a working group to execute supervisory tasks and development of rapidly changing digital assets businesses for flexibility, centralized supervision and orders for a certain period (from October 16, 2021 to June 30, 2022). This also aimed to study

the management direction, possibility and appropriateness. The results will be used for the organizational restructuring and workforce allocation to be in line with the future direction.

2. Enhance the Employees' Readiness, Work Procedures and Work Process

• Individual Capability for Adjustment to Changes

- o Equipping the employees for work readiness through the agile work culture to cope with the future direction.

- o Establishing a pilot project to improve efficiency of work procedures through testing and innovation development areas for a new work style (Sandbox) such as e-memo, e-services, etc.

- o Developing capabilities of the employees to be in line with the organization's direction through online learning platforms for their anytime anywhere learning. Such capabilities extend from knowledge, required skills for necessary/urgent positions to other skills.

• Capability of Responsiveness with Speed as the Regulator

- o Preparing necessary data items and summary reports of key information covering information for policy decision-making and proactive mission execution, and stakeholders' demand.

- o Upgrading information services into the capital markets data center with information for stakeholders' use and extension.

• Upgrading of Services

- o Appointing a working group to upgrade services for the public and improve service channels for higher efficiency in the following details.

- Allowing the public to receive services with convenience, speed and satisfaction through online system improvement including e-submission.

- Increasing convenience for information usage through improvement of website and interactive voice response.

• Efficiency of News and Communications Management

- o Monitoring situations, make decision and communicate in a timely manner in order to allow people and related parties to gain knowledge and understanding correctly and lessen negative impacts.

- o Raising public awareness on the SEC's roles by upgrading communications into a broader and proactive level with public relations activities of key

events and projects via offline and online media. Such PR activities included warnings against tricks for investment fraud, SEC applications - SEC Check First/SEC Bond Check in Google Ads Campaign. In addition, the SEC prepared courses aiming to build up understanding and engagement of major stakeholders and had experts to help analyze perspectives toward its identity, roles and duties in order to define the communications strategies and plans accordingly.

• Upgrading toward Cybersecurity

- o Achieving internationalization through ISO27701 and ISO27001 certification for digital assets data system.

- o Proceeding with cyber threat management testing for operators, executives and other related parties to ensure the plan can handle cyber threats and major data protection.

3. Consistent Operations under the Covid-19 Pandemic

- Upgrading the contingency plan by reviewing the business continuity plan for the pandemic and the guidelines for making decision in an emergency case.

- Ensuring the COVID-19 prevention measures with care of the employees, and launch measures/tools for emergencies by upgrading in line with the government measures.

- Shifting the work pattern, meetings, document receiving-delivery to online for continuity of service and work execution. The testing and innovation development areas for the new norm of work included e-memo and e-services. In addition, online learning platforms were adopted to allow the employees for development of knowledge and skills anywhere anytime.

- Allowing the employees to give their opinions for working from home and anywhere in the long term as a means for preparation.

Human Resource Management

Policy and Practice Guidelines for Human Resource Management

In 2021, the human resource management of the SEC consists of the executive development plan for succession and management continuity, individual development plans following the executive development plan, and the policy to promote and support modern organizational culture to keep pace with the global situations. The organization is required to stay alert and be well prepared for changes. These will drive the organization toward a success as set in its vision and mission.

The SEC's roles are supervising and performing tasks as set in its vision and mission, and paying attention and adhering to the organizational culture particularly implementation with integrity and transparency. The commission also establishes ethical standards for its employees to carry out their operations in order to ensure confidence among all related parties in terms of conflicts of interest and use of inside information, as well as encourages whistle blowing to prevent frauds, wrongdoings and accusations that may undermine its operational credibility. In 2021, the SEC issued its code of ethics for its workforce. The code of ethics contains regulations which require the SEC's employees, contracted employees, workers or other operators to perform work and uphold merits in accordance with the ethical standards as specified under the Ethical Standards Act B.E. 2562 (2019), in the following, seven principles.

(1) Loyalty to the core national institutions, i.e., Nation, Religion and Monarchy, as well as the Democratic Form of Government with His Majesty the King as Head of State

(2) Integrity, good conscious and accountability to duties

(3) Decisiveness and proper and fair conduct,

(4) Contribution for public interest more than one's own benefits and public mindedness

(5) Focus on work effectiveness,

(6) Fair and impartial duty performance,

(7) Setting good examples and protecting the image of the organization.

Human Resources Development

The SEC promotes the human resources development systematically and consistently in order to enhance its employees' literacy and capacity with required knowledge, skills and behavior to cope with the organization's targets and direction. In 2021, the SEC's human resources development guidelines and models focused on the following main aspects.

1. Fostering of ideas to accommodate flexible working culture in the new normal age, and adaptability skills

- Creation of an agile mindset and agile work culture.

- Support for working from home with online work tools.

- Encouragement of expansion in learning present and future work skills and knowledge through special online lectures on Fridays by experts and instructors in capital markets and others.

2. Development and upgrade of digital literacy with focus on course formulation and development of digital literacy to satisfy necessity for development of the following groups of executives and employees.

2.1 Group of executives:

with emphasis on leadership development in the digital age was emphasized. The courses included Digital Transformation Leadership, Digital Business Management and Digital CEO.

2.2 Group of general employees:

with emphasis on developing digital knowledge and skills, analytical and critical thinking, data management and analytics, effective communication skills for cooperation, and prevention of cyber threats.

2.3 Group of digital and information technology employees:

with emphasis on enhancing knowledge and skills in digital technology, information technology, security and risk assessment, prevention of cyber threats, development of work systems and applications, as well as developing knowledge and skills for the purposes of supervision, consultation, monitoring and inspection, and assessment on appropriateness and technological application safety of agencies under the SEC's supervision.

3. Leadership development.

This aspect focuses on the roles of the executives who follow the direction of new generations demanding work independence and flexibility. In 2021, the executives played more roles as the supporters who extended opportunities, based on agile management, coaching skills, and the give-and-take skills for suggestions. Besides, all levels of the executives were encouraged to participate in external leadership development courses to expand their management perspectives and establish collaborative networks with other executives from both public and private sectors.

4. Enhancement of capital market knowledge.

The SEC sets the guidelines to provide proper capital market knowledge for operators, starting from new employees and entry-level employees. These employees are required to understand a broad picture of the ecosystems

of money and capital markets, business operations under the SEC's supervision, and its mission and supervisory principles. The courses required include Regulatory School designed and executive by the SEC, and capital-market knowledge courses for in-depth work skills like inspection and risk management. In addition, in 2021, the SEC concentrated on providing knowledge and understanding about financial technology and digital assets for its efficient supervision.

5. Support of secondment programs among related, public and private organizations in the country and overseas. The SEC seconded one entry-level management executive to work with global market regulator for three years at Madrid, Spain.

6. Addition of learning channels through international online platforms. Aside from online capital market knowledge courses given by the SEC in the learning management system, the SEC allows its employees to access international online platforms for new knowledge and skills to cope with global changes with self-learning and development at anywhere and anytime. Such tool satisfies the human resources development, particularly during the COVID-19 pandemic when the employees have worked from home throughout a year. The SEC set activities to stimulate its employees' learning consistently.

In addition, the year 2021 was the year the SEC initiated a program to develop its employees by career path. The career path development was set concretely to allow the employees to foresee their advancement in the organization and to set their goals and prepare themselves with their supervisors and the SEC's supports.

Employee Performance Appraisal

The SEC emphasizes that its executives and employees gain knowledge and understanding of goals and strategic plans. Therefore, the vision and common goals in 2021 were communicated, following the high-level executives' strategic plans, to the employees, while the 2021 common goals and key performance indicators were established from the beginning of the year. Performance appraisal was conducted mid-year with recommendations for work improvement.

Activities for Promotion of Employee Engagement

The SEC has a policy to encourage and support the employees' participation in activities for fostering good relationship and engagement, pledging allegiance to the Nation, Religion and the Monarch, and promoting

awareness and responsible actions towards society, communities and the environment. Such activities were organized on a continuing basis throughout 2021, including staff relations events, initiatives cultivating the SEC Corporate Values (Open-mindedness, Insightfulness, Cooperation and Integrity) and the SEC Working Principles (Proactiveness, Promptness, Discretion and Cooperation), social activities on national and traditional holidays (such as Coronation Day, HM the King's and HM the Queen's Birthdays and Songkran Day, etc.), and various volunteering projects to contribute to the development of the communities, society and the environment.

In 2021, Thailand and other countries across the world have suffered adverse impacts from the COVID-19 pandemic consistently. The SEC has consistently communicated with its employees, expressing its concerns and extending advice to them in order to deal with the pandemic situations. Online employee relations activities were held. These online activities included Songkran Festival, Pang Puriye, exercise after working at home like Fit@home and Fit@home challenge, or activities of sports clubs (Football Club, E- sport Club, Bike Club, Walk-Run for Health Club) and recreational clubs (Photography Club, Dharma Club). These clubs shifted their activities to online to cope with the prolonged pandemic.

Total Employees and the Number of Employees by Core Function.

Given the human resource management of the SEC, 86% of total employees are in the core functions and the remaining 14% in the support functions in the following details by function.

Function	Percent	Number (Person)
Fundraising and Accounting	22	156
Business Operators	22	153
Law and enforcement	22	154
Communication and Policy	10	70
Digital Technology	10	69
Total core functions	86	602
Support functions	14	96
Total	100	698

Risks to labor shortage and labor distribution in core functions

In 2021, there were 86 new employees. The SEC prioritizes attention and preparation of new employees. The online orientation program through the SEC Family activity was conducted for three sets of the new employees in 2021, allowing them to relate and learn the corporate values (Open-mindedness, Insightfulness, Cooperation and Integrity) and the four core principles (Proactiveness, Promptness, Discretion and Cooperation). Each set consisted of 24-30 new employees. In addition, supervisors coached them throughout the working time with online mandatory training courses (academy.sec.or.th) and voluntary courses (LinkedIn Learning and Skillane). Other activities were held to help the SEC employees relax from work. The SEC activities were diverse, consisting of relations, exercising and recreational via online platforms.

Regarding recruitment, the SEC is presently accelerating its recruitment for digital technology functions like information technology, data management and analytics, and digital assets business supervision. These functions are in high demand in the labor market with high competition. Therefore, the SEC has prepared its workforce in such groups in the future, for example, by providing scholarships for its employees and other persons, having internship students both from cooperative education framework and during semester breaks, organizing roadshows in education institutions. These attempts aim to introduce the SEC and provide capital market knowledge for students, while persuading the groups in such functions to work with the SEC through a special employment conditions – contracted employment in order to recruit competent persons faster. Meanwhile, the SEC continues to focus on development and upgrade its employees to execute new functions with new skills to cope with future changes. In 2021, the turnover rate was 10% and eight employees retired.

Remuneration to the Employees

With respect to total employee remuneration, the SEC has the remuneration policy regarding knowledge, competency, fairness and individual performance. This remuneration policy consists of: (1) Basic salary payable to the employees in accordance with position levels, work experience and complexity, and the labor market situation in the country by adhering to the principles of equity within and outside the organization; (2) Other remunerations payable in accordance with work

characteristics such as professional fees, annual bonuses, etc.; and (3) Other welfare and fringe benefits such as contributions at 12% of the employee's salary to the provident fund. Investment alternatives for the employees include the life path investment policy and other investment policies in assets and securities with acceptable risks and long-term good returns, while the provident fund is also added to workers' welfare. Other welfare and fringe benefits are medical treatment expenses for the employees and their family members (i.e., father, mother, spouse and children), child tuition fees, office vehicle allowances, and communications expenses, etc.

Human Resource Management during the COVID-19 Pandemic

Amid the COVID-19 pandemic, the SEC issued 14 measures, allowing its employees and workers to work from home for their safety, controlling and prevention COVID-19 infection, and their good health. The SEC's work-from-home policy was established, demanding its employees and workers to work at the office in the case of necessity or urgency only. The work systems, implementation, communications all were executed by online means for flexibility and efficiency. Examples are online document delivery and receiving, tele conference, receiving external document via electronics means, signing in official document sent out, online meetings for procurement process. During the work-from-home period, the SEC supported its employees and workers the computers and internet fees consistently, while helping them to deal with their stress, arising from the COVID-19 pandemic and working from home, with health consulting services from psychologists and psychiatrists via online and phones.

In a case that the employees find it necessary to work at the office, the SEC prepares occupational safety and health equipment such as washing gel, equipment to clean the office and central areas, different lunch breaks to avoid overcrowding, and plastic panel settings. The SEC's employees and workers, and other persons are required for screening with the temperature check and COVID-19 test result before entering the buildings. The COVID-19 test result shall be no more than seven days from testing. In addition, the SEC has requested the state service the first and second COVID-19 vaccines as well as the booster doses for the employees on a voluntary basis.

Organizational Sustainability Development

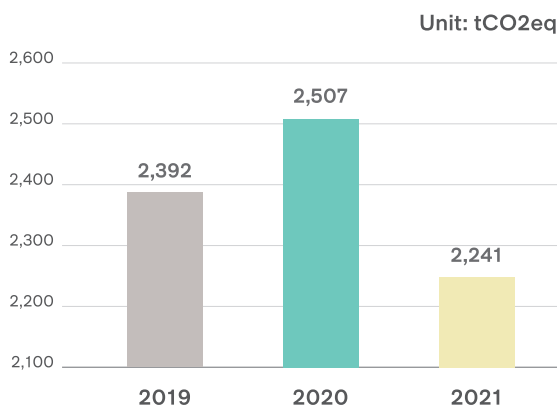
The SEC gives priority to operation in accordance with the good governance principles and considers the impacts on the society and the environment to ensure efficient and strong growth for both the organization and stakeholders. This operational approach will eventually contribute to the sustainable growth of the economy and the society. In 2021, key progresses on sustainability development are as follows:

Environmental Sustainability management

1. Greenhouse Gas Management: The SEC has endorsed the community voluntary emission reduction program for the second consecutive year by contributing 448,200 baht to Yasothon Municipality's soil amendment production from organic waste, which resulted in a reduction of 2,241 tons of carbon dioxide equivalent.

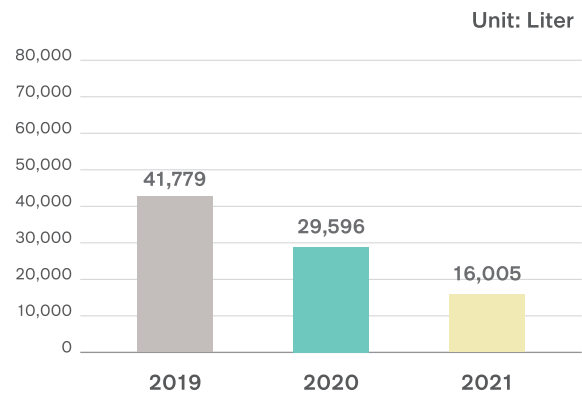


Greenhouse Gas Emission

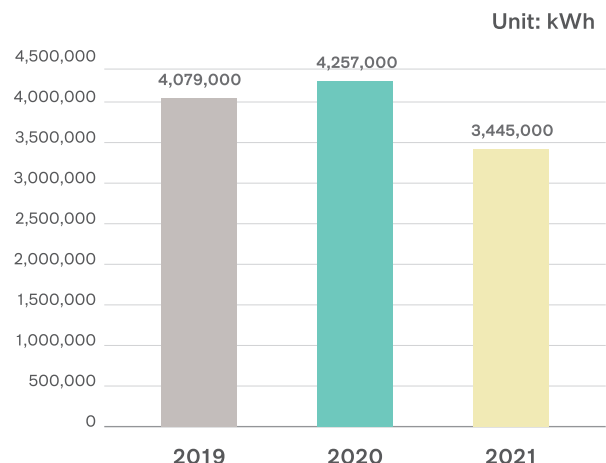


2. Energy management: The SEC has been registered as a control building pursuant to the Energy Conservation Promotion Act B.E. 2535 (1992), as amended in 2007, and the Notification on Energy Conservation Policy. The Energy Management Committee has been appointed to supervise the SEC's energy management in compliance with the Act. In 2021, the SEC organized workshops under the Energy Conservation Campaign and other activities during the Energy Week to promote the staff's awareness and engagement in the SEC's energy saving initiatives. In addition, to ensure cost-effective energy consumption, the SEC controlled energy consumption on a necessary basis and in response to the COVID-19 situation. For example, reducing the air-conditioning hours, setting air-conditioners at an optimum temperature, and cutting down on fuel consumption by reducing the transportation service rounds of the vehicle fleet. In overall, these energy conscious efforts contributed to a 54 percent reduction of fuel and electricity consumption in 2021 compared with the 19 percent reduction in the preceding year.

Fuel consumption



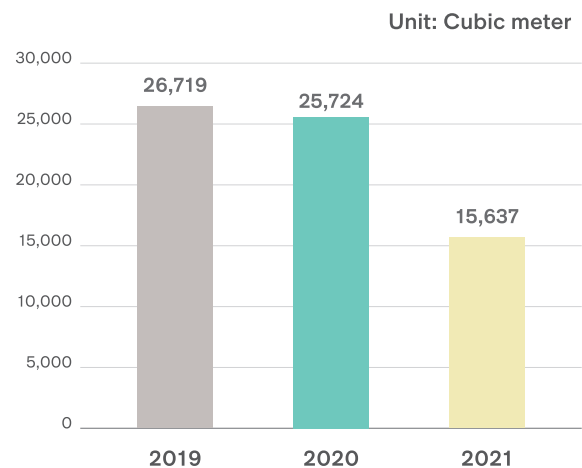
Electricity consumption





3. Water management: The SEC continued implementing the Wastewater Management and Water Saving Policy. Activities over the year included campaigning for less water consumption, using leftover water for other purposes on a continuing basis, replacing regular faucets with automatic, touchless ones on every floor to automatically control water flow, reduce bacterial residues and save tap water on each use. In addition, treated water from the Reused Wastewater Treatment System was used to water plants outside the SEC Building, resulting in less wastewater released to the public space and the optimum use of water resource. The installment of the Reused Wastewater Treatment System is scheduled for completion in 2022.

Water consumption



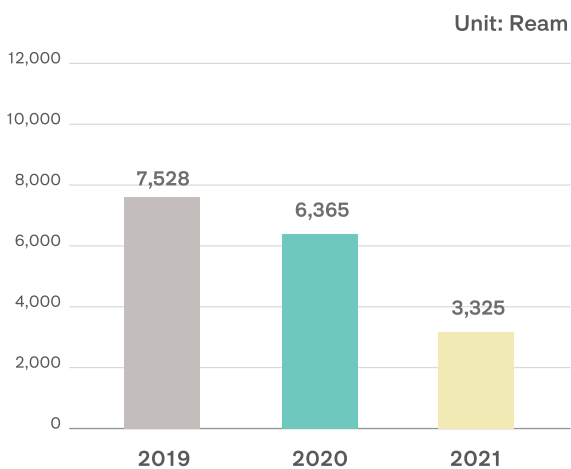
In 2021, the inspection of the wastewater samples at the SEC Building showed results within the standard levels allowed by law, as follows:

Sampling spots	pH	BOD	SS	Sulfide	TDS	Oil and Grease	TKN
End pipe	7.2	2	8	0.5	194	≤ 5	0
Standard level	5-9	30	40	1	500	20	35

4. Garbage, Waste and Pollution Management

- In 2021, the SEC continued the Less Paper Use Campaign by, for example, sending seminar documents via electronic files, using both sides of paper, accepting e-signature for authorization, and minimizing paper use, etc. As a result, the paper consumption at the SEC dropped 47.8 percent from the consumption in 2020.

Paper consumption



- The SEC managed wastes in the building to the fullest extent. Recycling and reuse helped to reduce general waste. Reducing food waste to landfill, a major cause of greenhouse gas, helped to mitigate greenhouse gas emission. In 2021, thanks to these efforts, 922 kilograms of organic fertilizers were produced from food waste composting machine, and given to employees and visitors for fertilizing their plants. Food waste to landfill was reduced by 3.948 tons, translated into a reduction of greenhouse gas emission at the amount of 10.436 tons of carbon dioxide equivalent.



- The SEC made a 50,000-baht donation to the Resources Management for Sustainability (3R) Foundation, generated from the SEC No Waste Campaign – a pilot project for SEC executives to participate in waste management activities and endorse the 3Rs Principle of Reduce, Reuse and Recycle to enable optimum use of natural resources and reduce the amount of waste and carbon emission.



Social Sustainability Management

1. Giving priority to gender diversity, women's rights, equality and fairness: SEC employees have equal opportunities for career growth according to their capability and without discrimination. The SEC workplace values respect for teamwork and welcomes gender diversity. In this regard, the SEC has laid out guidelines for promoting equality, preventing unfair, discriminating treatment based on genders, and prohibiting violation of human rights of workers. The SEC maintains a professional working environment where sexual violation or harassment will not be tolerated. However, preventive and solving measures will be implemented promptly should there be such an incident. In addition, the SEC has declared the intent to endorse “the Promotion of Equality and Elimination of Unfair Gender Discrimination Initiative” of the Department of Women's Affairs and Family Development. In this regard, the SEC has laid out a policy and guidelines covering all six areas⁵ of the Initiative and has also signed the Memorandum of Understanding on Promotion of Gender Responsive Budgeting (GRB) with the Department.

2. Participating in Community and Society Development: The SEC continued to raise employees' awareness of social and environmental responsibility and promoted their contribution to the cause. Activities were organized to improve the quality of life of vulnerable people, allowing them to earn a living to support themselves and their families. In 2021, social activities include:

- Organizing the Offering Ceremony of the Royal Kathin Robe, graciously bestowed by His Majesty the King through the SEC, to the congregation of monks at Wat Chaiyo Worawihan Temple, Chaiyo District, Ang Thong Province, on 6 November 2021. The event helped to carry on the national art and cultural heritage;



- Granting scholarships and donating teaching aid, computers, sports equipment and office supplies to Wat Chaiyo School (Perm Kasemsuwan 4), Chaiyo District, Ang Thong Province. These contributions allowed poor students with good academic performance to continue their education while relieving financial burdens on their families, and supported the school's administration in improving teaching approaches and educational activities to keep pace with constant changes in the modern world;



- Supporting the underprivileged and vulnerable people in earning a living to support themselves and their families. For example, commissioning visually impaired people and former female inmates who have been trained in chiropractic massage therapy and voluntarily work with Social Health Enterprise (SHE) to give massage service to relieve office syndrome symptoms of executives and employees four days a week, and buying bags made of traditional loincloth by disabled people from the Center for Promotion of Jobs for Persons with Disabilities, Pak Kret District, Nonthaburi Province, to give them to new recruits and interns as a welcome gift;

- Reconstructing the SEC Website to provide more convenient reading features for visually impaired persons to participate in public hearings, and organizing a workshop series on preparation of documents in more appropriate formats for related departments. The new disability-friendly features were launched in October 2021.

⁵ I.e., Dress Code / Appropriate Space Arrangement / Recruitment and Applicant Qualifications / Language and Gestures and Documents / Selection of Board Directors or Appointments / Prevention and Solution for Sexual Violation or Harassment in the Workplace.

The website will be further developed by an outsourced developer to accommodate other vulnerable groups;

- Donating one million baht to Chulabhorn Hospital through the Bhadramaharajanusorn Foundation under the Royal Patronage of Professor Dr. HRH Princess Chulabhorn Mahidol, to support the hospital and medical professionals in procuring necessary devices and supplies for treatment of COVID-19 patients;



- Making a separate donation to Bamrasnaradura Infectious Diseases Institute and the Thai Red Cross Society at an equal amount of 400,000 baht to support the funding for purchases of medical supplies and help people affected by the COVID-19 situation;



- Funding the “Media Production for Promotion of Life Skills of Autistic Children and Children with Special Needs” Project under the community networks of the Autistic Thai Foundation. The fund supported the production of media for a subject category-based learning system for 1,000 autistic children and children with special needs;

- Giving 400 sets of cooked food boxes and drinking water for Chatuchak District Office to distribute to residents in the district area, as part of the volunteering campaign to improve the quality of life for the happiness of people;



- Giving 400 sets of cooked food boxes and drinking water for Chatuchak District Office to distribute to residents in the district area who were affected by the COVID-19 situation, as part of the “Sharing What We Have” volunteering campaign to celebrate the auspicious occasion of Her Majesty the Queen’s Birthday;



- Giving 400 sets of cooked food boxes and drinking water for Chatuchak District Office to distribute to residents in Chokchai Ruemmitra and Klong Praya Wek communities, as part of the “United for Harmony, Environmental Protection, and Better Quality of Life” volunteering campaign in commemoration of H.M. King Bhumibol Adulyadej The Great Memorial Day, the National Day, the Father’s Day and the Harmony’s Day.





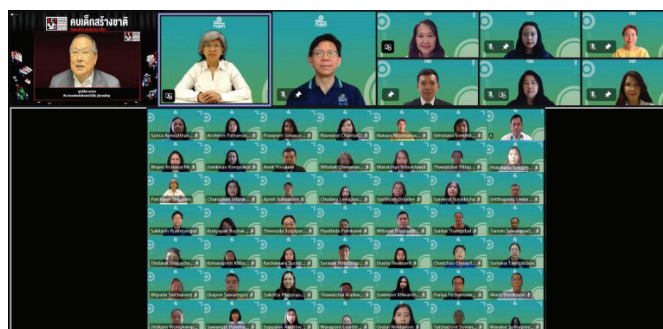
Governance Sustainability Management

1. Issuing the Notification of the Office of the Securities and Exchange Commission Re: Intention to Perform Duties with Integrity, Transparency and Governance and demonstrating readiness to take responsibility in executing the mission with due care and without shortcomings. The SEC implements the 24-hour availability complaint handling policy whereby complainants may contact the Secretary-General directly via email or telephone;

2. Participating in the Integrity and Transparency Assessment (ITA), organized by the Office of the National Anti-Corruption Commission (NACC). All governmental agencies nationwide are required to participate in the assessment to improve their operational efficiency by endorsing transparency, integrity and corruption-free commitment. In 2021, the SEC joined the ITA for the third time and received the overall assessment score of 93.79, an improvement from 91.79 percent in the preceding year. The higher score was contributed by the improvement of three core areas, namely operational processes, prevention of corruption, and communication efficiency;

3. Participating in the 10th NACC Integrity Awards Project organized by the NACC. It was the SEC's second year participation. The SEC was one of the 17 agencies to receive the Transparent Organization Honorable Mention. The award criteria were divided into four areas: (1) Readiness to take responsibility to service users, stakeholders, society and the environment when executing the mission or providing services, and having policy and guidelines for solving problems arising from the impacts and establishing an efficient complaint handling protocol, (2) Adherence to legal justice, having guidelines for complying with all the laws governing the mission and assignments, (3) giving priority to respect for human rights of workers, partners and complying with international codes of ethics, and (4) executing the mission and having a transparent procurement system to prevent corruption and bribery;

4. Joining the virtual Anti-corruption Day Campaign 2021 under the theme, “Young Generations for the Nation’s Prosperity” to reaffirm the SEC’s commitment to fighting against corruption and demonstrate the SEC’s stand against corruption in all shapes and forms even in the midst of COVID-19 incidence;



5. Joining the virtual International Anti-corruption Day 2021 Campaign under the theme, “Zero Tolerance: Thai People against Corruption” to reinforce the SEC’s stand against corruption and continued cooperation with all sectors in committedly solving corruption problems.



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 added 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 business operator inspection in appropriate and 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, and add complaint tracking channels for investors' direct use. 	<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"> • Having fundraising channels in response to the demands and business contexts with reasonable costs. • Ability to gain knowledge and appropriate advice on fundraising. • Opportunity to offer securities for sale in a timely manner. • Regulations without excessive burdens. • 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. • Review regulations and streamline duties to eliminate unnecessary burdens. • Conduct public/stakeholder hearings prior to issuing or amending regulations. • Give advice to stakeholders to allow proper compliance with rules and regulations. • Organize regular meetings with relevant stakeholders to listen and share views and opinions with one another. 	<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' effective 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. • Having strength and capable of operating business according to proficiency. • Regulators are aware of and understand business directions shifting in line with changing environments. • Having knowledge and understanding of the regulators' expectations and opportunity to share opinions or be informed of new regulations before they become effective. • Convenient contact and cooperation with regulators. 	<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 and duties that cause unnecessary burdens. • Conduct public/stakeholder hearings prior to issuing or amending regulations. • Clarify new regulations and organize workshops/training sessions for company officials to ensure their understanding of the intention of the new regulations as well as proper and consistent compliance. • Create good relationship to promote efficient cooperation. • Adjust guidelines for supervising and examining potential risks in business operation to be more forward looking with a focus on work 	<ul style="list-style-type: none"> • Businesses shall operate and provide services for the best interest of their 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, and shall promote competitive edge. • Implement diverse supervisory tools. • Develop service procedure that is useful and convenient for business operators. • Intermediaries shall have a good oversight culture and operate business essentially for the best interest of investors.

3. Securities and Derivatives Business Operators (Continued)

Demands	Key Actions	Policies and Principles
	<p>monitoring and supervising material transactions of business operators.</p> <ul style="list-style-type: none"> Promote knowledge building and understanding, and communicate expectations in key work systems as well as roles and responsibilities of company directors to strengthen self-discipline. Provide a one-stop service center for inquiries, communication, cooperation and tracking updates. Require intermediaries to put in place an appropriate system for providing services and advice to ensure that investors receive complete, accurate and updated information. 	

4. Crowdfunding Portals/ ICO Portals/ Digital Asset Business Operators

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> Fair and equitable competition. Regulators recognize and understand business directions. Regulators create an ecosystem that is appropriate and conducive to business operation. Having knowledge and understanding of the regulators' expectations and an opportunity to share opinions and be informed of new regulations before they become effective. 	<ul style="list-style-type: none"> Study business trends and regulatory guidelines in foreign markets to lay out business directions. Review regulations to be in line with changing situations. Seek stakeholders' comments and suggestions before issuing or amending regulations. Clarify new regulations to ensure the understanding of the intention thereof and proper compliance. Communicate and raise awareness to provide knowledge and understanding to stakeholders. 	<ul style="list-style-type: none"> Business shall have stability and operate and provide good services to clients, while managing 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.

5. Market Professionals (Auditors, Financial Advisors, Asset Appraisers, Credit Rating Agencies, Investment Consultants, Investment Planners and Securities Analysts, etc.)

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> Convenient and speedy process for applying for a license, approval or renewal. 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 workshops/ 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.

6. Relevant Associations (Association of Securities Companies (ASCO) and the Federation of Thai Capital Market Organizations (FETCO) etc.)

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> Support for their 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 to exchange information and opinions. Support associations' activities in terms of personnel, data and budget (as the case may be). Participate in / organize relationship enhancing activities. 	<ul style="list-style-type: none"> Close collaboration shall be encouraged to meet mutual goals. Convenience shall be rendered including a center to gather members' views and opinions.

7. Stock Exchange/ Derivatives 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 share information and opinions. 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. Close collaboration and discussion shall be continued to meet mutual goals.

8. 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 communication and notify the issues under observation • Ensure polite communication and notify the issues under observation or the cause for interrogation. • 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. • Appropriate adjustments shall be made to the environment and methods in response to the COVID-19 situation. This includes post ponement to testimony at the peak of the pandemic, improvement of the methods for witness testimony, space arrangement to ensure safety, and requirement of ATK test in case a testimonial procedure is necessary, etc.

9. 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 high-value 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 in compliance with the rules and the guidelines under the Law on Purchasing and Procurement.

10. 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 SEC employees. 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.

11. Other regulatory agencies (the Government, the Ministry of Finance, the Bank of Thailand, the Office of Insurance Commission, the Anti-Money Laundering Office 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 that the supervision and development of the capital market are consistent and efficient in support of the technological and innovative development and the role of the capital market in the economic system. 	<ul style="list-style-type: none"> Organize conferences / seminars to share information and 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.

12.Foreign Organizations (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.

13.Media

Demands	Key Actions	Policies and Principles
<ul style="list-style-type: none"> News and information with clear and accurate details of the SEC's roles and responsibilities and relevant tasks on the supervision of the Thai capital market. 	<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. Cooperate and communicate with the media closely and regularly through various channels. 	<ul style="list-style-type: none"> Media members shall be treated with politeness, fairness and good service-mindedness.

Risk Management

Risk Management Policy and Framework

The SEC manages two core risks systematically, i.e., **Capital Market Risk and Enterprise Risk**. Under the Risk Management Structure, the Risk Management Policy and Framework is approved by the SEC Board and overseen, to ensure proper compliance, by the Risk Oversight Committee (ROC), which comprises representatives from the SEC Board, the Secretary-General and risk management experts. In this regard, the Risk Management Committee (RMC), comprising senior executives, implements the approved Risk Management Policy and Framework, monitors progresses in managing the Enterprise Risk sufficiently and appropriately, and makes adjustments in response to the changing environment.

Enterprise Risk Factors

In managing the Enterprise Risk, the SEC applies a risk management framework in accordance with the international standards of the COSO Enterprise Risk Management – Integrated Framework (2004) and is in the upgrading process towards the COSO Enterprise Risk Management Framework: Integrating with Strategy and Performance (2017). The Enterprise Risk is reviewed annually or upon occurrence of significant events. In addition, the SEC takes into consideration studies and information from global trends, supervisory guidelines of foreign regulators, interviews with representatives from the SEC Board and senior executives, the monitoring results of the key risk indicators in the key risk summary report as well as the results of the Control Self-Assessment (CSA). This is to identify enterprise risk issues extensively, assess risk levels, and design a risk management plan for each issue. In this regard, resources are allocated in response to the level of severity and the urgency of respective risks.

The SEC identifies key Enterprise Risks as follows: Policy/Strategy, Human Resources and Work Process Data. In 2021, the COVID-19 pandemic crisis became another potential Enterprise Risk. The SEC formulates the risk management framework, monitors and reports the implementation progresses on a continuing basis. Specifically, the SEC reports to the RMC on a monthly basis, to the ROC on a quarterly basis, and to the SEC Board twice a year or upon occurrence of significant events.

Achievements in Risk Management and Strengths in Handling Enterprise Risk

The review of the Enterprise Risk showed the SEC's achievements in managing risks and the organization's strengths over the years. For example, (1) proactive policy in timely response to situations and changes, (2) dedicated human resources, (3) development of information readiness and underlying technologies, (4) effective work processes to serve the goals and keep pace with risks, (5) improvement of compliance oversight to ensure readiness for effective compliance with new laws, (6) adherence to good governance principles to ensure transparency, integrity and fairness (to date, no corruption or conflicts of interest have been found), and (7) sound financial position and adequate liquidity for operation.

In this regard, the SEC has put in place the risk review process and sufficient measures for continuing risk management to enable an integrated risk management plan and promote a stronger risk management culture.

Capital Market Risk

The SEC emphasizes the importance of monitoring and managing Capital Market Risk to build market confidence and mitigate potential risks. In operation, the SEC has to maintain a balance between acceptable risk levels and expectations of stakeholders. Risk management and operational continuity is an important element in the SEC culture that needs to be handled efficiently. It is critical to manage high risks that could affect the capital market on a timely and continuing basis. In this regard, several processes are involved, for example, a comprehensive and timely identification of risks, an assessment of the occurrence possibility and potential impacts of the identified events, and the management of risks at an acceptable level. Concurrently, appropriate costs and expected results of such processes must be taken into consideration along with regular monitoring and reporting of risks to ensure appropriate and prompt management of the risks. Additionally, the SEC has made preparations for the implementation of the capital market contingency plan and cooperated with relevant external organizations to ensure efficiency of the cross-agency cooperative mechanism and information sharing. In addition, a joint action plan has been laid out for close collaboration.

In 2021, the Thai capital market was surrounded by internal and external pressures, especially the continuing effects of the COVID-19 outbreak from 2020. Fortunately, the market managed to regain stronger confidence in 2021 thanks to the increasing vaccination percentage, the economic activities that began to see a sign of recovery, and listed companies' announcement of better operating performance than in the middle of the outbreak. However, other risk factors needed to be monitored such as supply chain disruption, rising energy prices and stricter financial policies of developed countries in the effort to curb inflation. Central banks of developed countries are likely to increase the interest rates in

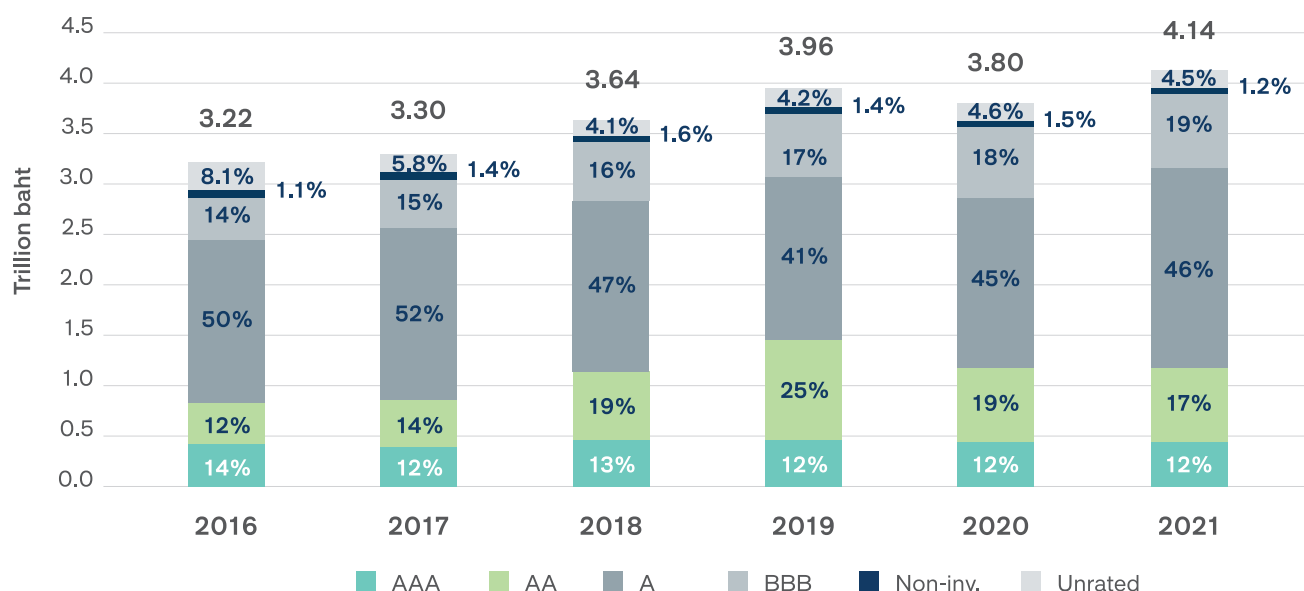
the following phases, which could translate into increasing costs of loan rates for Thai businesses.

Major details of the capital market risk management in 2021 are as follows:

1. Bond market

Despite a slowdown in 2020, the overall corporate bond market value increased in 2021 with the outstanding value of 4.14 trillion baht at the end of the year, accounting for an 8.9 percent increase from the end of 2020. Most corporate bonds received Group A credit rating or higher, accounting for 75 percent of the total outstanding value of all corporate bonds in 2021.

Figure 1: Outstanding Value of Corporate Bonds Categorized by Credit Rating



Source: Domestic offering for sale of Baht bonds only, excluding government bonds

In 2021, the offering value totaled 1.67 trillion baht, an increase from the total offering value of 1.25 trillion baht in the preceding year. Most of the offered products were long-term bonds with an average maturity term of 5.3 years, a slight increase from 5.07 years in 2020. This was due to the upward trend forecast of the interest rates and the lower risk of credit spread of corporate bonds. Major issuers concentrated in the Energy and Utility, Commerce, and Food and Beverage sectors, whose fundraising objectives were to repay previous loans and to increase liquidity. The proportion of public offering of long-term bonds was relatively similar to the preceding year's proportion of 29 percent, and more than 90 percent of the bond issuers had investment grade rating.

In the group of non-investment grade and unrated bonds, with low-quality, high-risk characteristics, more secured bonds were increasingly offered for sale to gain investor trust. Most of the capital raised from these bonds was for debt repayment. More than 71 percent of the secured bond issuers were in the Property Development sector.

In any case, in 2021 the overall requests for extension of maturity periods of companies in the non-investment grade and unrated group were relatively similar to those in the preceding year. At the end of 2021, there were 17 issuers (41 issues) with the total outstanding value of 18,438 million baht (0.45 percent of the total issuance). Of this, four were new issuers with the total issuance value of 4,625 million baht and the average extension

period of one year and four months. The interest rates were raised and partial debts were repaid mostly by unrated issuers in the Property Development sector.

With regard to the default risk considering credit rating downgrade in 2021, it was found that 28 companies were downgraded, compared with 36 companies in 2020. Most of them were in the investment grade group⁶ in the Energy and Utility, Property Development and Commerce sectors.

In addition, in 2021, one bond issuer entered into the business rehabilitation process, namely Asia Capital Group Public Company Limited.

Measures for controlling the impacts and managing risks of the COVID-19 situation

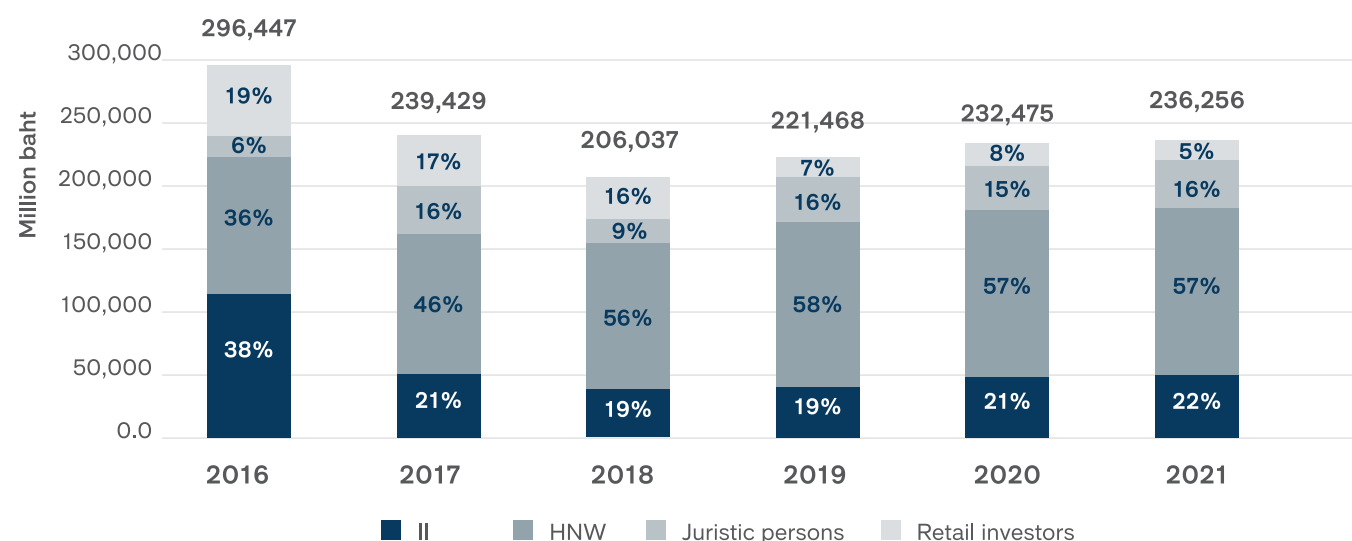
The COVID-19 pandemic crisis caused widespread impacts on economic activities, including the operations of real estate-related businesses and fundraisers via the bond market. The outbreak could affect such companies' liquidity and ability to operate business and repay debts. The SEC has, therefore, issued regulations for establishment and management of stressed bond funds investing mainly in products such as distressed bonds, bonds with extended maturity period, and bonds whose issuers were under debt rehabilitation plan, etc. The stressed bond funds are established exclusively for ultra-high net worth investors or institutional investors (UI funds) with at least 60 percent of the total net asset value (NAV) invested in stressed bonds in any financial

year to mitigate potential impacts. The management of stressed bonds is in compliance with the regulations governing UI funds and in line with the investment policy and in consideration of the best interest of investors. Additionally, the stressed funds require at least 10 unitholders and are exempted from the filing fees on fund establishment and registration. The regulations became effective on 16 December 2021.

Search for Yields in Bonds

Under a long period of low interest rates, investors continued to search for high yields in the bond market and their behaviors in this regard showed that individual investors were the majority investors of high risk corporate bonds⁷. At the end of 2021, high net worth investors and general investors invested in risk bonds at the total value of 146,742 million baht or 62 percent of the total value of risk bonds. In this regard, the SEC has revised the governing regulations to focus on the quality of disclosure and prohibit sale to high net worth investors in a private placement for no more than 10 investors. Meanwhile, institutional investors invested in risk bonds at the total value of 51,582 million baht or 22 percent of the total value of risk bonds. The average interest rate of risk bonds issued in 2021 with a maturity term of one to three years was 5.27 percent per annum, a decrease from the average interest rate of risk bonds at 6.76 percent per annum in 2020. This was due to the stable low-level policy rates, reflecting a downward trend of the overall risk.

Figure 2: Outstanding Value of Risk Bonds Categorized by Investor Types



Source: Domestic offering for sale of Baht bonds only, excluding government agencies.





⁶ 23 companies in the investment grade group were downgraded.

⁷ High risk corporate bonds means non-investment grade bonds and unrated bonds.

The SEC has defined new categories of investor types suitable for different levels of acceptable risks of investors (risk profile) by adding the criteria of investors' knowledge and experience and analysis on suitability of investment products for each investor type. This is to alleviate the risk of investors' lack of actual knowledge

and understanding of the characteristics and risks of the invested products although they have passed the criterion of financial position. Issued on 24 December 2021, the new criteria for categorization of investor types will become effective as from 1 October 2022.

Figure 3: Criteria for Categorization of Products with Investor Types

Investor		Examples of Products	Retail	HNW	UHNW	II
Product type ¹						
matched	Type 1	Shares, rated bond ² , inv grade perp ³ , REIT, DW ⁴ , futures, Principal protected SN, general MF	✓	✓	✓	✓
	Type 2	SME board, unrated bond ² , non-inv grade perp ³ , Principal unprotected SN, non-diversified fund	—	✓	✓	✓
	Type 3	Unrated perp ³ , hedge fund ⁵ , stressed bond fund, PE trust ⁶	—	—	✓	✓
mismatched	Impact Limit	PP of shares / debentures convertible debenture (CD)				✓*
	Damage Limit	Crowdfunding (CFD)/ ICO		✓	✓	✓

¹ Product types changed from QIP/ risky/ super risky to Type 1/ Type 2 / Type 3, respectively

² **Rated / unrated bonds** include subordinated bond (sub bond), securitized bond and BASEL & IC tier II

³ **Perpetual bonds (prep)** include BASEL & IC tier I with similar features to perp

⁴ DW is as defined under the Derivatives Act

⁵ Hedge funds (UI fund) include stressed bond fund

⁶ PE trust offered for sale to ≤ 10 investors



- Shares / CD to ≤ 10 investors and 50 million baht at any given period except shares
- Shares of Asset Management Companies to ≤ 50 investors or 20 million baht in a 12-month period
- * Debentures to ≤ 10 institutional investors in a four-month period, without investment limit
- * Debentures to ≤ 10 HNW, UHNW and ≤ 50 million baht at any given period



- CFD ≤ 100,000 baht (in reviewing process)
- ICO ≤ 300,000 baht

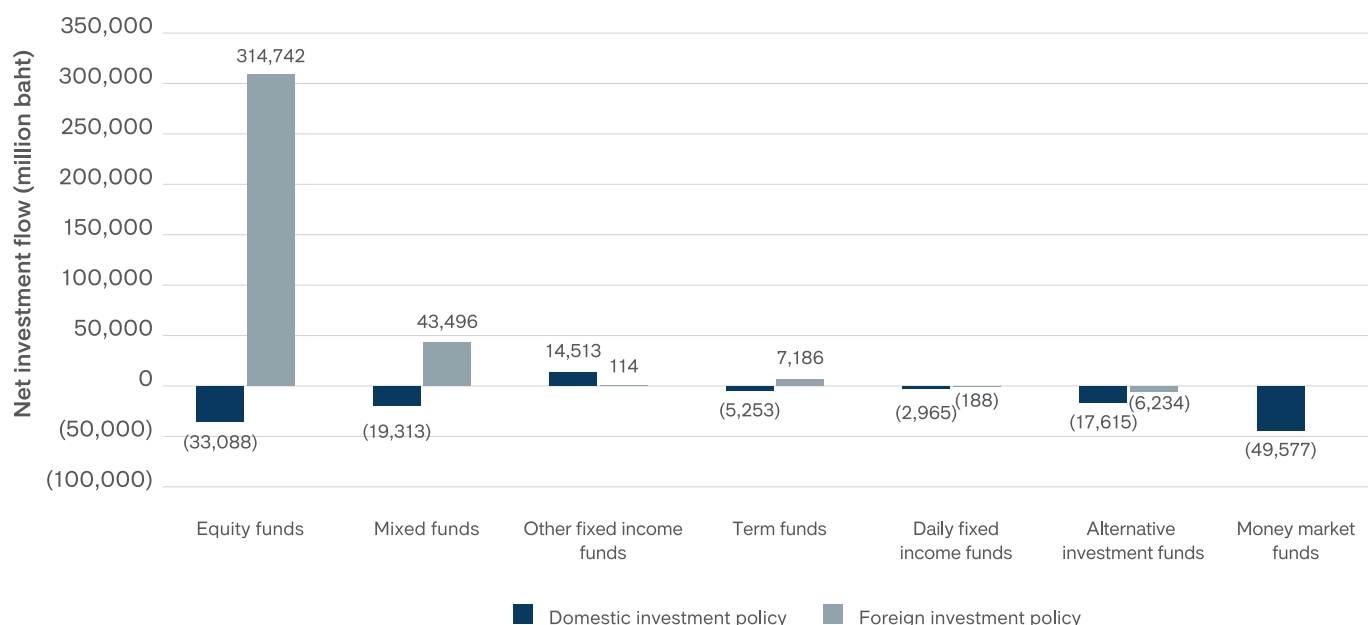
2. Mutual fund management business

In 2021, the global economy began to see the sign of recovery from the severe impacts of the COVID-19 incidence in the preceding year thanks to the positive factor of vaccination that resulted in effective control of the spread and the alleviation of severe symptoms in the affected public. In addition, the ongoing financial relief measures contributed to accelerating economic growth rates in the countries with high rates of vaccination, mostly developed countries, which in turn generated a positive effect on risk funds, as seen in the rising stock index in all regions of the world, for example. On the other hand, there was uncertainty in the economic growth rates of emerging markets because the vaccination rates of the populations were significantly lower and thus made the investment in these emerging markets relatively less attractive. Consequently, the investment capital flow tended to move toward risk products in developed countries.

As a result, foreign investment funds, especially those mainly investing in developed countries, attracted growing interest from investors, as reflected in the increasing net asset values. The net capital inflow to foreign investment funds was 360 billion baht. Of this total, 310 billion baht flew into equity funds, followed by 43 billion baht entering mixed funds. Meanwhile, the net capital outflow from domestic funds was 110 billion baht. Of this total, money market funds and daily fixed income funds (Daily FI) generated the largest outflow of 53 billion baht, followed by equity funds with the outflow of 33 billion baht (Figure 4).

The tendency of rising inflation as a result of economic recovery in developed countries led to central banks' increasing planning of monetary measures to tackle the rising inflation issue. For example, the United States and European countries began to signal the implementation of stricter monetary measures in the following phases. As a result, the return rates of long-term government bonds continued on the upward adjustments over the year.

Figure 4: Net Investment Flow of Mutual Funds Categorized by Fund Types (January – December 2021)

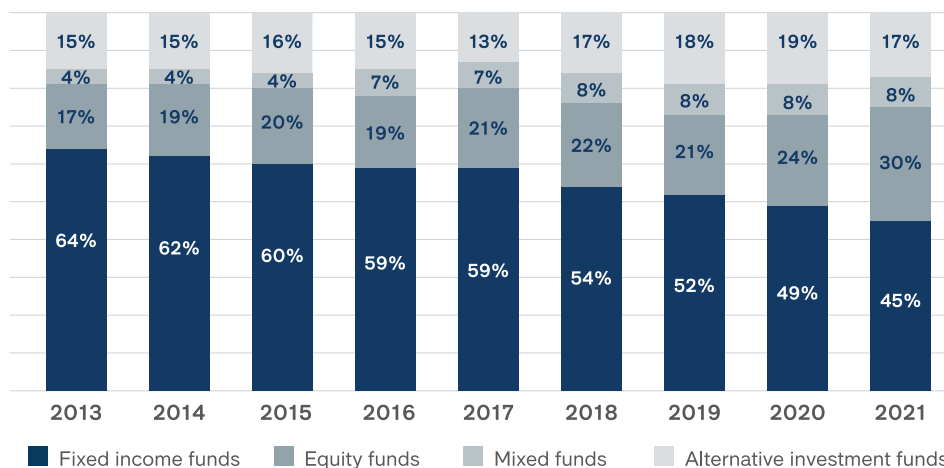


Adjustment of Mutual Funds in Response to Increasing Return Rates

The tendency towards implementation of stricter monetary policy through the increase of policy interest rates of central banks of developed countries resulted in an upward trend of return rates of both government bonds and corporate bonds. By extension, the financial markets of developed countries attracted more investment interest. By comparison, investment in the markets of developing countries became less attractive. Against this backdrop, there was a tendency of fund flow across both country groups. Therefore, under the context of investment with international connectivity, the Thai mutual fund industry received both positive and negative impacts due to the changing investment factors.

Changes in the mutual fund industry under rapid economic recovery and disparity between developed and developing countries led to adjusting investment trends in the industry. Upon assessment of the net asset values categorized by types of funds, it was found that the investment portfolios tended to diversify. The net asset values of equity funds, alternative investment funds and mixed funds grew and the implication of the growth in such funds was contributed by the investment policy that focused mainly on foreign investment. On the contrary, investment in fixed income funds tended to be on constant decline (Figure 5).

Figure 5: Investment Portfolios Categorized by Fund Types (January - December 2021)



The pressure of inflation control by central banks through the increase in policy rates generated potential impacts on returns and risks of certain fixed income funds, namely money market funds (MMF) and daily fixed income funds (Daily FI), which resulted in a rush in redemption of investment units and an impact on the overall liquidity risk of funds. Nevertheless, such risk was in a manageable level because the redemption remained normal (Figure 6). In addition, 80 percent of the MMF investments consisted of government bonds,

an upward trend compared to the preceding year and the holding of a large sum of high liquidity assets (instruments transferred to cash within the following day of the transaction date (T+1)). Meanwhile, 41 percent of the investment of Daily FI consisted of government bonds while 52 percent was invested in corporate bonds with A credit rating or higher and the holding of high liquidity assets was 37 percent, a decline from the preceding year but still higher than the long-term average (Figure 7).

Figure 6: Net Investment Flow of MMF and Daily FI (January – December 2021)

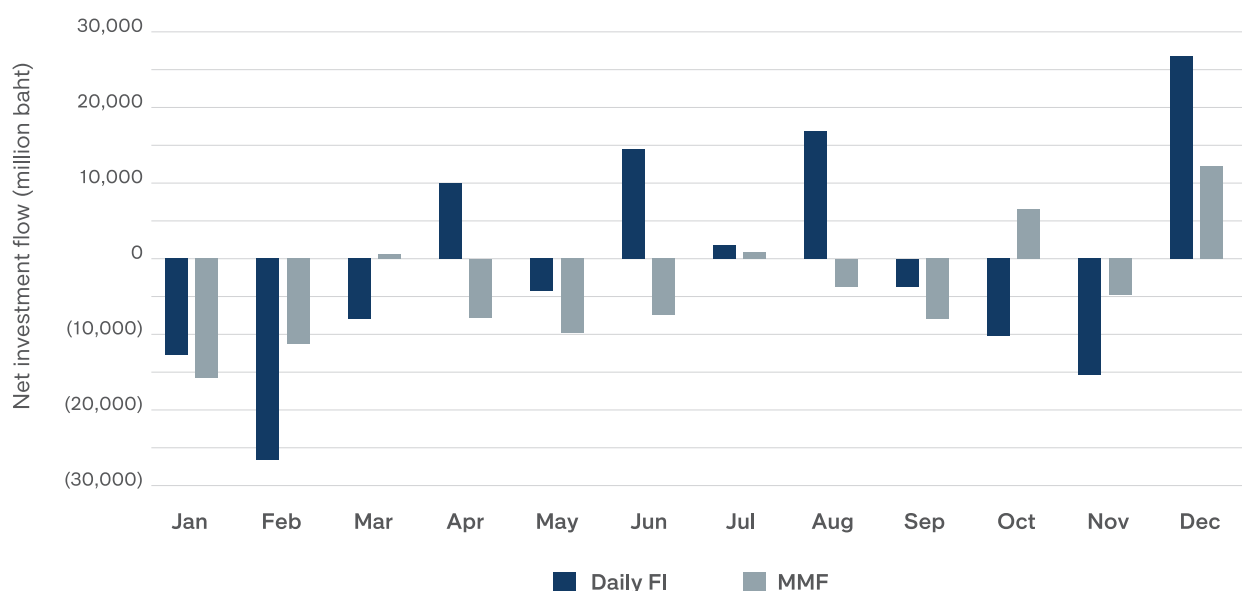
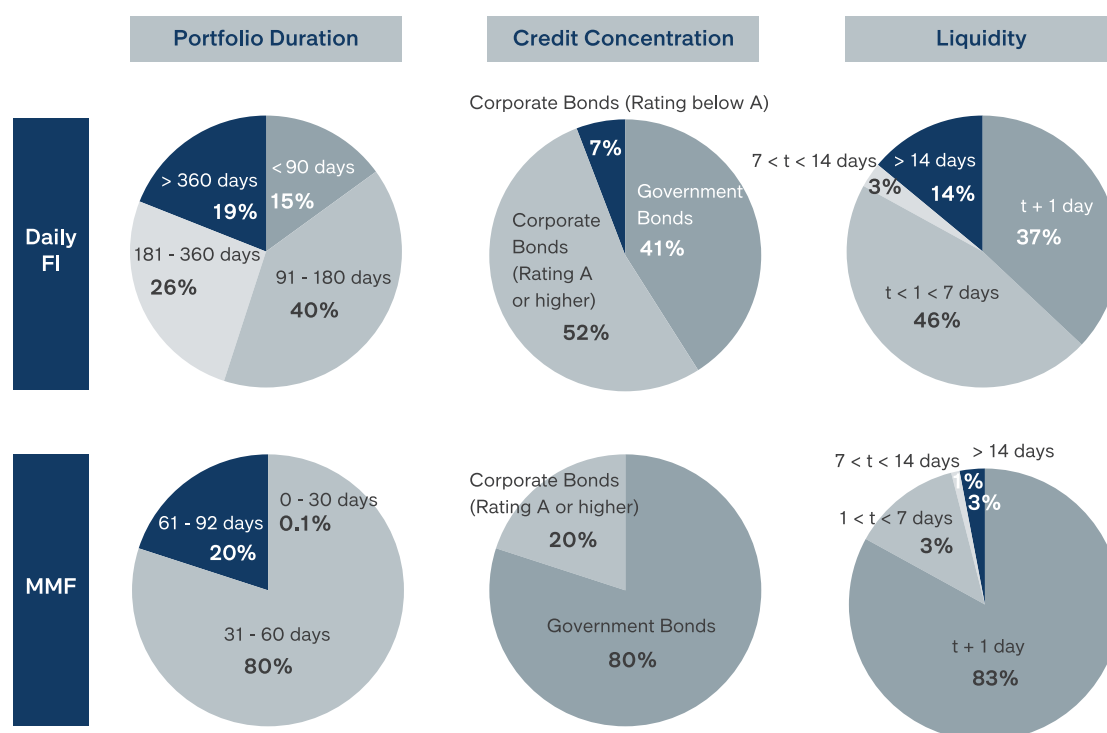


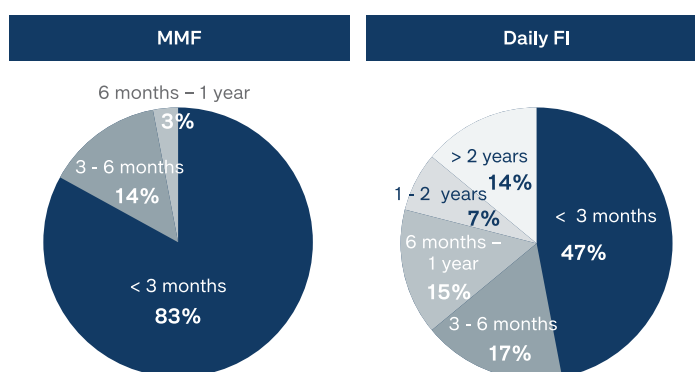
Figure 7: Investment Risk of MMF and Daily FI (December 2021)



Regarding the outstanding duration of the invested debt securities of MMF and Daily FI, it was found that the invested assets of MMF had an average duration lower than Daily FI and 83 percent of the MMF investment focused on assets with the outstanding duration not

longer than 90 days, while 47 percent of the Daily FI investment mainly went to debt instruments with the outstanding duration no longer than three months and 21 percent of the holding of long-term assets had the outstanding duration longer than one year (Figure 8).

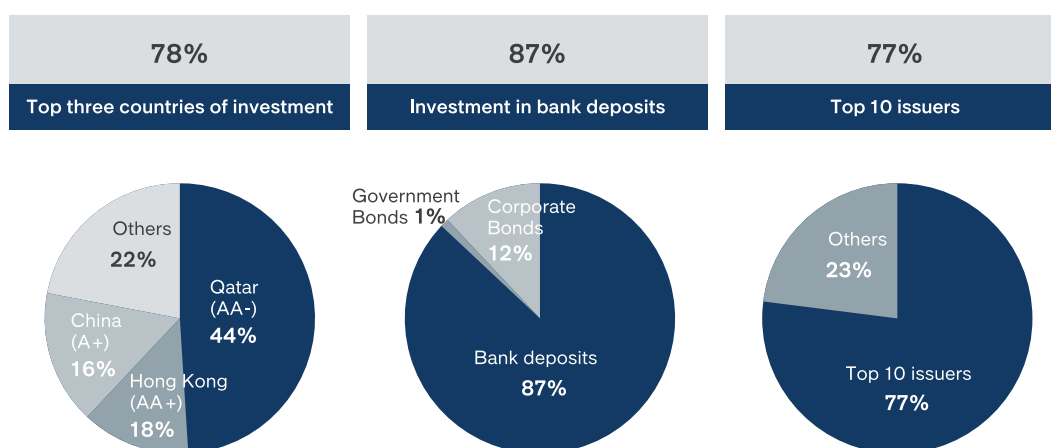
Outstanding Duration of Invested Assets of MMF and Daily FI (December 2021)



Regarding term funds, the invested instruments were issued by good quality issuers without liquidity risk from the fund structure. However, the overall investments were exposed to concentration risk. The top three jurisdictions of term fund concentration were Qatar,

Hong Kong and China, accounting for 78 percent of the total investment. In terms of products, 87 percent was invested in bank deposits. The top 10 issuers of term fund concentration accounted for 77 percent of the total investment (Figure 9).

Figure 9: Concentration of Term Funds (December 2021)



Proactive Measures for Handling Risks and Promoting Sustainable growth of Mutual Fund Industry

In 2021, the SEC organized various projects in cooperation with other financial regulators as well as fostered cooperation with business operators to enhance the mutual fund industry's readiness and sufficient tools for tackling potential risks. This efforts provided the SEC with information and data for analyzing risks and evaluating key connectivity points to prepare appropriate handling measures. The SEC's projects and initiatives are summarized as follows:

Meetings with Heads of Asset Management Companies

The SEC organized meetings between heads of asset management companies and senior executives of the SEC to exchange views and discuss issues related to the roles of the Board of Directors in fostering corporate governance culture as a way to promote and develop asset management business from the policy level to enable businesses to grow sustainably under the current context of change.

Amendment to the Regulations related to Liquidity Risk of Mutual Funds

The regulations related to liquidity risk management of mutual funds were amended in compliance with international guidelines to allow asset management companies to improve their efficiency in managing

liquidity risk, establishing an efficient risk oversight framework, producing a risk management procedure from the first step of product design, assessing risks and resilience under crisis situations, and putting in place various tools for managing liquidity risk according to the same standards to handle irregular market conditions. These efforts aimed to enhance fairness to unitholders in overall and reduce the chance of systemic risk.

Macro Stress Test in the Financial System

A macro stress test in the financial system was a cooperation among financial sector regulators in assessing risks, analyzing channels and detecting vulnerable points in transmitting risks in each industry under a stress test scenario of the overall economy in order to lay out guidelines for preventing problems and preparing appropriate and timely measures.

Supervisory Stress Test

A supervisory stress test is a cooperation between the SEC and asset management companies in stress testing the mutual fund industry. The main objective was to raise awareness of such companies about the importance of testing resilience under crisis situations. The testing procedure was in accordance with international guidelines and covered updated risk factors. The project also provided a channel for sharing knowledge on risk management among business operators and regulators.

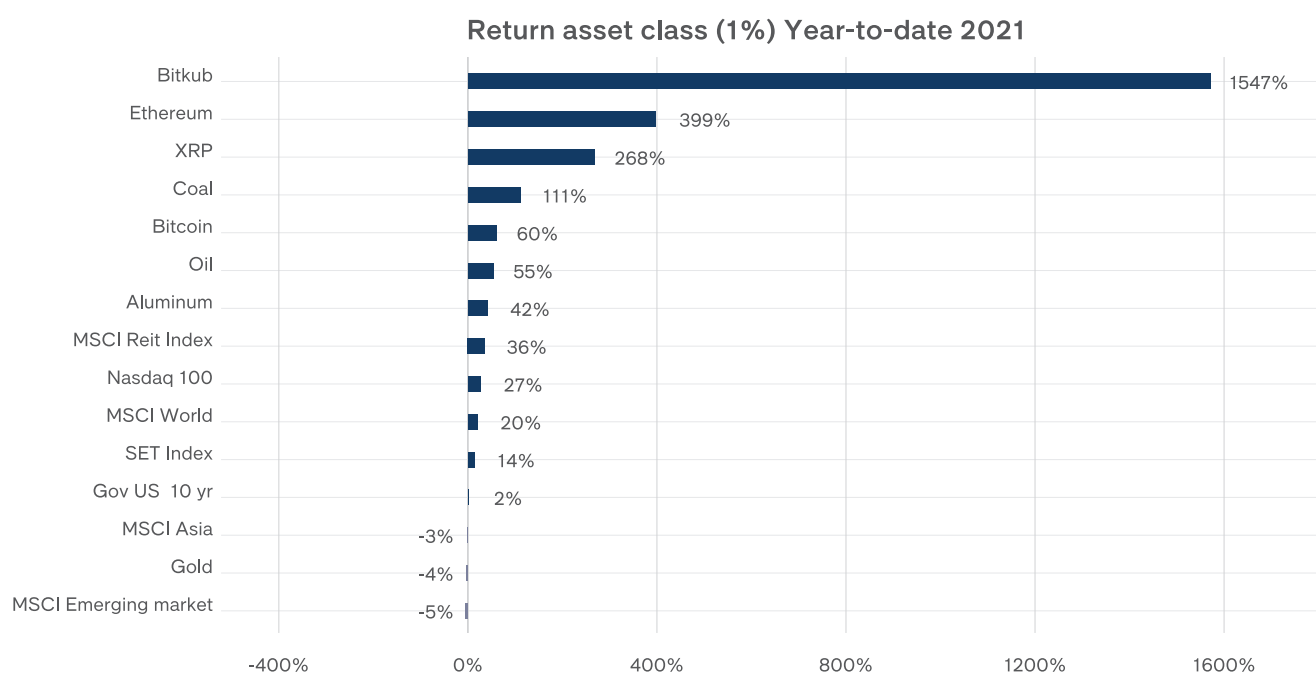
Crisis Simulation Exercise

The SEC organized a crisis simulation exercise to clarify with asset management companies regarding the implementation of the liquidity crisis management plan and test collaboration and communication flows with unitholders for the benefit of revising and developing a crisis management plan of asset management companies in preparation for potential crisis in the future.

3. Digital Assets

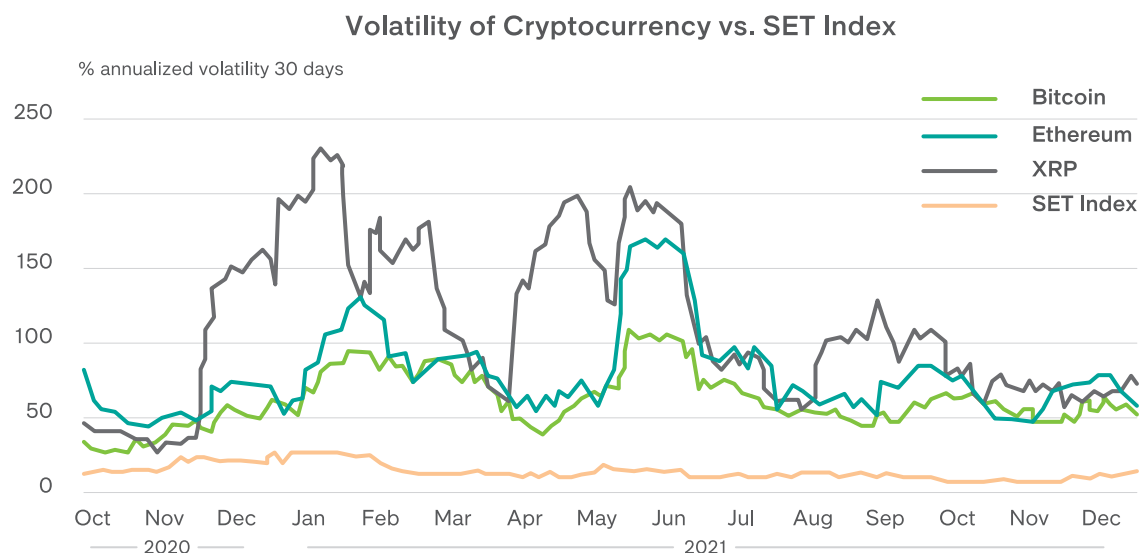
Digital assets consist of cryptocurrencies and digital tokens. Cryptocurrencies highly fluctuate. In 2021, they generated significantly higher returns in comparison to securities, gold and oil and concurrently imposed very high risk. Therefore, interested investors are advised to study information on digital assets carefully and make sure that they are able to tolerate such associated high risks before making investment decisions.

Figure 10: Overview of Returns of Global Digital Assets in 2021



Source: Bloomberg, as of 31 December 2021

Figure 11: Fluctuation of Global Digital Assets in 2021

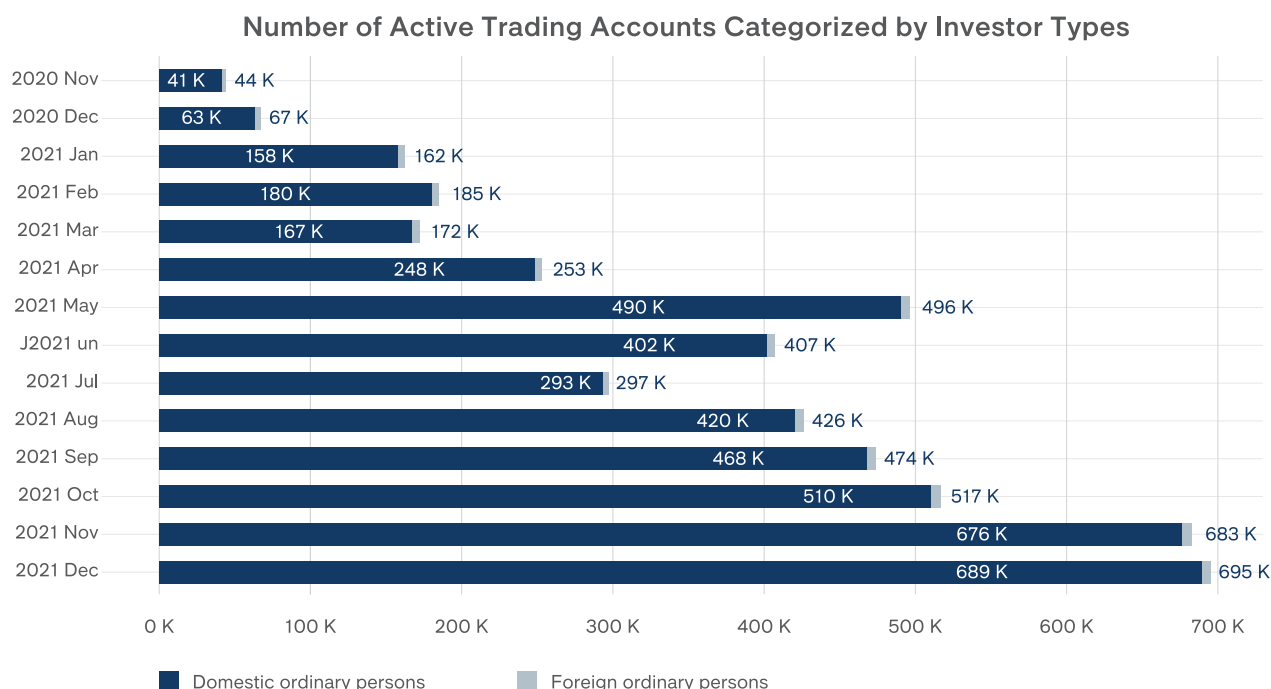


In 2021, the prices of digital assets highly fluctuated while digital asset business operators in Thailand tended to launch proactive marketing campaigns. As a result, increasing new comers including young generations became attracted to digital assets especially cryptocurrencies in the hope of gaining quick returns while they lacked sufficient knowledge and understanding of the products and were unlikely to be able to tolerate potential damage. Therefore, to ensure an appropriate investor protection mechanism for the risk levels of the digital products in a similar manner to the protection mechanism for other products in the capital market, the SEC is proposing to issue regulations on qualifications of investors based on their knowledge and understanding of the characteristics and risks of the targeted products, as well as their investment experience and their risk profile. In addition, investors would have to pass an exam on investment knowledge to be qualified to invest in

digital assets. In case of the underage's opening of a trading account, the SEC has disseminated the SEC Circular No. Kor Tor. (Wor) 3/2565 Re: Providing Services of Digital Assets to the Underage, dated 8 January 2021 to clarify the guidelines for providing digital asset business services to the underage to be in line with the same standards and in compliance with the Civil and Commercial Code. This is also to prevent legal risk to the underage regarding the effectiveness of legal contract and to digital asset business operators regarding the lawfulness of the executed juristic acts.

During 2021, the total number of active trading accounts was on a continuing rise. The most active trading accounts in December 2021 totaled approximately 695,000 accounts. Of this, about 689,000 accounts belonged to domestic ordinary persons. As of December 2021, there were 2.27 million activated trading accounts.

Figure 12: Number of Trading Accounts of Digital Assets in Thailand



At the end of December 2021, the total number of the trading accounts was 2.27 million.

Regarding readiness for service provision, digital asset business operators are required to make system preparations such as an account opening system, a trading system, an asset custody system, a money deposit and withdrawal system, a system for collecting and assessing clients' information and a complaint handling system, etc. In 2021, the SEC emphasized building engagement with digital asset business operators. Compliance meetings were organized to communicate the expectations of their self-supervision with guest speakers from relevant agencies such as the Office of Anti-money Laundering. In addition, the SEC disseminated a circular to provide clarifications and to raise awareness of digital asset business operators regarding more efficient self-supervision. Also, off-site activity monitoring and on-site compliance inspection were conducted.

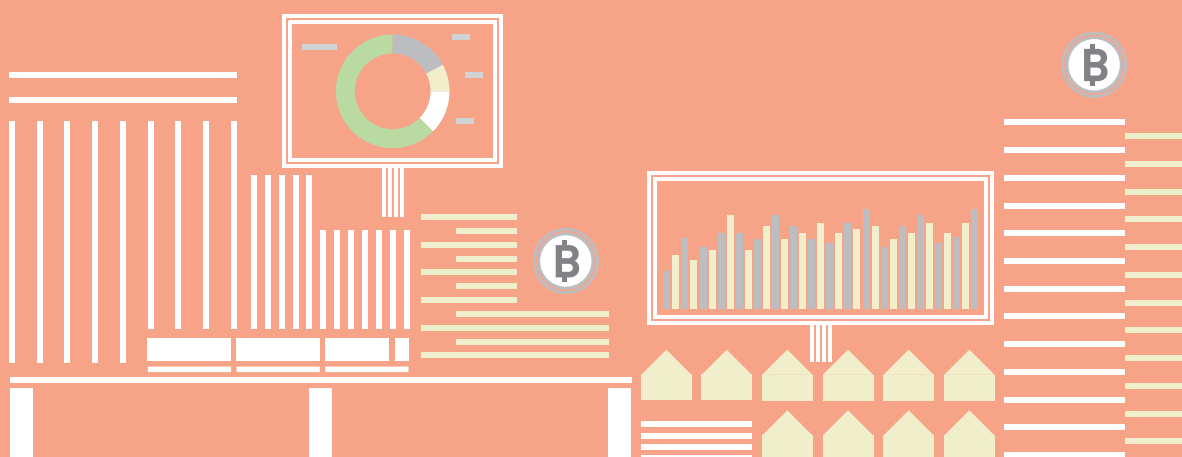
Moreover, the SEC cooperated with other enforcement authorities such as the Office of Anti-money Laundering to revise the oversight rules to be in line with international standards. Discussion topics included the exploitation of digital assets as a tool for committing an offense with the use of blockchain technology, which allows viewing of transactions without disclosing the identities of the transaction makers. In addition, privacy coin, a type of cryptocurrency, can conceal transaction data, thus making it easy to commit an offense.

The SEC is therefore proposing supervisory approaches that would prevent digital asset business operators from providing services on privacy coins in such a way that would facilitate wrongdoing or allow the use of such coins as a channel for evading inspection or asset freeze by enforcement authorities. The new oversight guidelines are expected for launch in the first quarter of 2022.

Over the years, the SEC has found public frauds with potential involvement with digital assets in various ways, including the use of digital assets as a tool for committing illegal acts. Therefore, to ensure that investors have adequate knowledge and understanding before making investment decisions and to warn the public against falling victim to scammers, the SEC has promoted the public's access to fundamental knowledge on cryptocurrencies and other digital assets. In this regard, the SEC has cooperated with the Thai Digital Asset Association, digital asset business operators and experts in the field to launch free online educational courses on a continuing basis, starting with Crypto 101 series published on Start-to-Invest and SEC Facebook Pages. Also, news and alert lists are disseminated via SEC Check First application to warn the public of digital asset business operators who offer digital assets for sale or provide digital asset business services without license.



Financial Information



Report of the SEC Board on Internal Control over Financial Reporting

The SEC Board oversees the operation of the SEC by establishing and maintaining appropriate, adequate and effective internal control over financial reporting in accordance with the internal control standards and rules prescribed by the Ministry of Finance, which are in conformity with the internal control framework stipulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Such internal control aims to provide reasonable assurance that the SEC's financial reports are accurately and completely presented in all material aspects, and abide by the Thai Financial Reporting Standards. In addition, internal control intends to ensure that assets are safeguarded and proper handling procedures are in place if any irregularity is found.

The SEC Board assigns the Audit Committee, consisting of independent expert members, to perform duties pursuant to the Audit Committee Charter, which include reviewing and giving opinions on adequacy and effectiveness of the internal control. The Audit Committee also provides recommendations to the SEC Management on the good, efficient and effective internal control, and reports to the SEC Board. The Audit Committee Report is also disclosed in the Annual Report.

The SEC Board is of the opinion that the internal control over the SEC's financial reporting is appropriate and effective and provides reasonable assurance on the reliability of the SEC's financial reports for the year ending 31 December 2021.



(Mr. Pichit Akkrathit)
Chairman



(Miss Ruenvadee Suwanmongkol)
Secretary-General

Audit Committee Report 2021

The Audit Committee (AC) is appointed by the SEC Board, consisting of three independent expert members of the SEC Board, namely:

From 1 January to 12 May 2021

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

Since 13 May 2021

- | | |
|-------------------------------|----------|
| 1. Mr. Krairit Euchukanonchai | Chairman |
| 2. Mr. Viput Oongsakul | Member |
| 3. Mr. Prasan Chuaphanich | Member |

In 2021, the AC convened 11 scheduled meetings with full attendance of all members. The meetings were held with the Internal Audit Department (IAD), the SEC Management, the Risk Management Committee (RMC) and the State Audit Office of the Kingdom of Thailand (SAO).

The AC performs duties and responsibilities pursuant to the Audit Committee Charter (AC Charter), which are in line with the Securities and Exchange Act B.E. 2535 (1992), as well as the Internal Audit Standards and Rules for Government Agencies B.E. 2561 (2018) prescribed by the Ministry of Finance and the International Standards for the Professional Practice of Internal Auditing. In so doing, the AC provides independent opinions and recommendations on good governance for sustainable development, internal control, risk management and compliance with applicable laws and regulations to ensure that the SEC's operation is appropriate, efficient, and effective.

In 2021, the AC's key performances were summarized as follows:

1. Review of the AC Charter

The AC reviewed and endorsed the revision of the AC Charter and the AC Manual in compliance with the amended Internal Audit Standards and Rules prescribed by the Ministry of Finance. Moreover, the AC reviewed the revision of the Internal Audit Charter in line with the AC Charter and the AC Manual.

2. Review and Advice on Internal Control System

The AC reviewed the SEC annual internal control assessment in accordance with the Internal Control Standards and Rules for Government Agencies prescribed by the Ministry of Finance B.E 2561 (2018), which are in conformity with the internal control framework stipulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The internal auditor concluded that the internal control of the SEC was adequate and in continuous compliance with the Internal Control Standards and Rules of the Ministry of Finance above.

3. Review of Good Governance

The AC considered and gave advice on the SEC's good governance practices such as the audit reports on compliance with the Procurement Act B.E. 2560 (2017) of some specific procurement projects, reporting of securities and derivatives holding of the Capital Market Supervisory Board members, and reporting of IT Demand Management, etc.

4. Review of Risk Management and Consideration of Connected Transactions, Conflicts of Interest or Potential Frauds

The AC and the RMC held a joint meeting to assure the alignment of risk management with internal audit elements. To increase the efficiency of risk management, the AC provided recommendations for improving efficiency of the implementation of the risk management plan, responding to digital asset trends in terms of the purpose of law and effective regulation as well as handling of cyber risk.

The AC also followed up on the handling of complaints related to the SEC's operation on a regular basis. An emphasis was given to the improvement of the whistle blowing procedure with attention to protective measures for complainants, whistleblowers or persons cooperating in fraud investigation, including setting up the SLA (Service Level Agreement) in process, to enhance efficiency of the handling process.

5. Review of Financial Reports and Financial Information of the SEC

The AC reviewed the appropriateness and effectiveness of the SEC's financial reporting process to ensure that the SEC's financial reports were accurately presented in all material aspects. The AC also considered the SEC's 2021 financial reports as reviewed by the IAD. The IAD viewed that such reports disclosed adequate and appropriate information without any issues of inaccurate reporting in accordance with the Thai Financial Reporting Standards (TFRS). Respectively, the AC agreed with the external auditor from the SAO that the financial reports of the SEC were fairly and reliably presented, abided by the TFRS, and adequately disclosed material information. Additionally, the AC met with the external auditor in the absence of the SEC Management and the IAD to ensure independent discussion.

6. Review of Compliance

The AC reviewed the following compliance of the SEC: (1) consultation on compliance with the Personal Data Protection Act (PDPA) B.E. 2562 (2019), (2) Personal Information Management System (PIMS) in accordance with ISO/IEC 27701:2019, (3) Information Security Management System (ISMS) in accordance with ISO/IEC 27001:2013, (4) Technical Vulnerability Management under the SEC IT Security Policy, and (5) assessment of the IT security on the computer networking and system. The observations on non-compliance issues were reported to the AC; however, the AC opined that such issues had insignificant impacts and amended plans were proposed for completeness. Overall, the AC concluded that the SEC had sufficient supervision over compliance with the applicable laws, regulations and relevant requirements.

7. Oversight of the IAD

The AC approved the 2022 Internal Audit Plan and the IAD's budget. The AC encouraged the IAD to propose a roadmap to foster internal auditors' potential on a continuing basis. The AC also followed up on the progressive report of internal audit performances on a quarterly basis. In addition, the AC gave advice to the IAD concerning the External Quality Assessment Review (EQAR) to improve effectiveness of audit work in line with the changing internal and external environments and to ensure international standard work performance. The AC also considered and gave recommendations for improving the Internal Audit Performance Evaluation Form to increase efficiency and effectiveness of the Internal Audit.

Overall, in fulfilling the duties and responsibilities independently under the AC Charter, the AC viewed that the SEC was substantially equipped with internal control system, good governance, and risk management, without observation on significant control deficiency. The SEC's operation was carried out in compliance with the relevant laws and regulations. In addition, the financial reports were prepared in accordance with the TFRS and adequately disclosed material information.



(Mr. Krairit Euchukanonchai)
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, 2021, 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 2021, 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's 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.

(Wilaiwan Promyu)

Director of Financial and Procurement Audit Office No.5

(Siriporn Chudong)

Senior Professional Level

Securities and Exchange Commission, Thailand

Statement of Financial Position

As at December 31, 2021

Unit: Baht			
	Notes	2021	2020
Assets			
Current assets			
Cash and cash equivalents	4.1	134,795,539.05	310,187,349.46
Short-term investments	4.2	715,000,000.00	365,000,000.00
Receivables and accrued revenues	4.3	771,532,396.13	683,313,944.92
Other current assets	4.4	5,624,047.38	7,616,051.58
Total current assets		1,626,951,982.56	1,366,117,345.96
Non-current assets			
Long-term investments	4.5	7,104,624,380.80	6,438,897,630.84
Property, plant and equipment	4.7	866,704,423.58	912,894,441.97
Right-of-use assets	4.8	9,328,868.59	9,396,624.88
Intangible assets	4.9	115,870,055.57	120,384,535.05
Other non-current assets	4.10	79,601,341.63	75,951,122.02
Total non-current assets		8,176,129,070.17	7,557,524,354.76
Total assets		9,803,081,052.73	8,923,641,700.72

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, 2021

Unit: Baht			
	Notes	2021	2020
Liabilities and funds			
Current liabilities			
Payables and accrued expenses	4.11	112,236,284.91	188,646,595.73
Current provisions for employee benefits		41,135,737.00	38,637,399.47
Current portion of lease liabilities		4,498,380.00	4,823,946.00
Total current liabilities		157,870,401.91	232,107,941.20
Non-current liabilities			
Lease liabilities	4.12	5,986,990.00	5,827,420.00
Non-current provisions for employee benefits	4.13	1,068,623,953.94	1,002,859,679.22
Other non-current liabilities		17,376,407.67	16,736,666.38
Total non-current liabilities		1,091,987,351.61	1,025,423,765.60
Total liabilities		1,249,857,753.52	1,257,531,706.80
Funds			
Initial capital		1,250,532,337.10	1,250,532,337.10
Special reserve for capital market development	4.14.1	1,710,450,716.02	1,690,130,949.75
Reserve for a permanent parking building	4.14.2	474,603,300.00	474,603,300.00
Reserve	4.14.3	4,128,215,372.70	3,967,030,289.62
Accumulated revenues over expenses		977,848,794.12	181,504,849.35
Other components of funds	4.15	11,572,779.27	102,308,268.10
Total funds		8,553,223,299.21	7,666,109,993.92
Total liabilities and funds		9,803,081,052.73	8,923,641,700.72

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

(Miss Ruenvadee Suwanmongkol)
Secretary-General

(Mr. Kittipong Rattanachaisit)
Director, Finance and General Administration Department

Securities and Exchange Commission, Thailand

Statement of Comprehensive Revenues and Expenses

For the year ended December 31, 2021

Unit: Baht

	Notes	2021	2020
Revenues			
Fee income	4.16.1	1,028,228,379.97	851,512,024.60
Contribution from the Stock Exchange of Thailand	4.16.2	910,367,635.80	668,859,270.01
Investment income	4.16.3	446,381,786.13	135,645,584.84
Interest income		1,172,191.99	1,980,178.55
Other income		10,110,980.06	4,984,909.10
Total revenues		2,396,260,973.95	1,662,981,967.10
Expenses			
Human resources expenses	4.17	1,128,687,890.45	1,085,288,428.85
Administrative expenses	4.18	283,119,340.66	287,322,806.25
Depreciation and amortization		100,954,237.07	99,498,790.15
SEC Board and sub-committees remuneration	4.19	28,409,502.89	28,713,250.00
Interest expenses		2,021,928.76	973,608.77
Total expenses		1,543,192,899.83	1,501,796,884.02
Revenues over expenses from operation		853,068,074.12	161,185,083.08
Revenues and expenses for capital market development	4.20		
Revenues for capital market development		152,622,311.29	43,136,282.99
Expenses for capital market development		27,841,591.29	22,816,516.72
Revenues over expenses for capital market development		124,780,720.00	20,319,766.27
Revenues over expenses		977,848,794.12	181,504,849.35
Other comprehensive revenues and expenses			
Items that will be reclassified subsequently to Profit or Loss :			
Losses on investment measured at fair value		(90,735,488.83)	(33,858,221.94)
Other comprehensive revenues under expenses for the year		(90,735,488.83)	(33,858,221.94)
Total comprehensive revenues over expenses		887,113,305.29	147,646,627.41

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, 2021

Notes	Initial capital	Reserve for a permanent parking building	Special reserve for capital market development	Reserve			Other components of funds					Total
				transferred from revenues over expenses	transferred from a permanent office building	transferred from reserve for a permanent parking building	Total	Accumulated revenues over expenses	Gain(loss) on changes in value of investments	Unrealized gain (loss) on foreign exchange	Total other components of funds	
Balance as of January 1, 2020												
Recognition of derivatives	1,250,532,337.10	500,000,000.00	1,645,988,599.76	2,364,163,197.66	1,254,700,000.00	-	3,616,863,197.66	290,871,662.14	233,160,790.90	(21,539,514.01)	211,621,276.89	7,517,877,073.55
Cumulative effects of changes in accounting policies	-	-	-	-	-	-	-	-	586,292.96	-	586,292.96	586,292.96
	-	-	19,911,410.94	56,129,668.87	-	-	56,129,668.87	-	(76,041,079.81)	-	(76,041,079.81)	-
Balance as of January 1, 2020 as restated												
Revenues over expenses transferred to general reserve	1,250,532,337.10	500,000,000.00	1,665,900,010.70	2,420,292,866.53	1,254,700,000.00	-	3,674,992,866.53	290,871,662.14	157,706,004.05	(21,539,514.01)	136,166,490.04	7,518,463,366.51
Revenues over expenses transferred to special reserve for capital market development	-	-	-	266,640,723.09	-	-	266,640,723.09	(266,640,723.09)	-	-	-	-
Transferred from reserve for a permanent parking building to reserve	-	(25,396,700.00)	-	-	-	25,396,700.00	25,396,700.00	-	-	-	-	-
Revenues over expenses for the year	-	-	-	-	-	-	-	181,504,849.35	-	-	-	181,504,849.35
Other comprehensive revenues and expenses												
Actuarial loss	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on change in value of investments	-	-	-	-	-	-	-	-	(39,192,216.49)	5,333,994.55	(33,858,221.94)	(33,858,221.94)
Total comprehensive revenues over expenses	-	(25,396,700.00)	24,230,939.05	266,640,723.09	-	25,396,700.00	292,037,423.09	(109,366,812.79)	(39,192,216.49)	5,333,994.55	(33,858,221.94)	147,646,627.41
Balance as of December 31, 2020												
	1,250,532,337.10	474,603,300.00	1,690,130,949.75	2,686,933,589.62	1,254,700,000.00	25,396,700.00	3,967,030,289.62	181,504,849.35	118,513,787.56	(16,205,519.46)	102,308,268.10	7,666,109,993.92
Balance as of January 1, 2021												
Revenues over expenses transferred to general reserve	4.14	-	-	161,185,083.08	-	-	161,185,083.08	(161,185,083.08)	-	-	-	-
Revenues over expenses transferred to special reserve for capital market development	4.14	-	20,319,766.27	-	-	-	-	(20,319,766.27)	-	-	-	-
Transferred from reserve for a permanent parking building to reserve	4.14	-	-	-	-	-	-	-	-	-	-	-
Revenues over expenses for the year	-	-	-	-	-	-	-	977,848,794.12	-	-	-	977,848,794.12
Other comprehensive revenues and expenses												
Actuarial loss	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on change in value of investments	4.15	-	-	-	-	-	-	-	(112,323,141.92)	21,587,653.09	(90,735,488.83)	(90,735,488.83)
Total comprehensive revenues over expenses	-	-	20,319,766.27	161,185,083.08	-	-	161,185,083.08	796,343,944.77	(112,323,141.92)	21,587,653.09	(90,735,488.83)	887,113,305.29
Balance as of December 31, 2021												
	1,250,532,337.10	474,603,300.00	1,710,450,716.02	2,848,118,672.70	1,254,700,000.00	25,396,700.00	4,128,215,372.70	977,848,794.12	6,190,645.64	5,382,133.63	11,572,779.27	8,553,223,299.21

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, 2021

Unit: Baht

	2021	2020
Cash flows from operating activities		
Revenues over expenses	977,848,794.12	181,504,849.35
Adjustments to reconcile revenues over expenses to net cash received by (paid from) operating activities		
Interest income	(97,079,095.55)	(92,485,704.65)
Dividend income	(53,994,068.69)	(52,801,788.27)
(Gain) Loss on sales of investments	(347,656,525.11)	113,220,945.71
Unrealized gain on equity instruments and REIT	(86,336,972.59)	(147,485,134.52)
Gain (Loss) on foreign exchange rate from investments	(13,520,325.07)	769,821.59
Loss on disposal of assets	694,054.54	122,064.56
Depreciation and amortization	100,954,237.07	99,498,790.15
Interest expenses	2,021,928.76	973,608.77
Employee benefit expenses	71,053,038.53	105,699,079.47
Revenues over expenses from operating activities before change in operating assets and liabilities	553,985,066.01	209,016,532.16
(Increase) decrease in operating assets		
Receivables and accrued fee income and other income	(88,276,658.32)	(131,956,440.54)
Other current assets	2,391,570.35	(396,667.94)
Loans to employees	(2,851,718.00)	664,586.74
Receivables - contract deposits and guarantees	(6,415,920.00)	-
Short-term deposits with obligation (welfare)	5,058,000.00	13,416,414.00
Increase (decrease) in operating liabilities		
Payables and accrued expenses	(20,516,040.13)	(93,576,233.47)
Payables - contract deposits and guarantees	639,741.29	(694,502.26)
Employee benefit paid	(2,790,426.28)	(1,861,668.16)
Net cash flows from (used in) operating activities	441,223,614.92	(5,387,979.47)

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, 2021

Unit: Baht

	2021	2020
Cash flows from investing activities		
Net payment for investment in short-term bonds	(350,000,000.00)	(1,056,017.50)
Proceeds from interest	111,267,560.60	107,165,502.28
Proceeds from dividend	54,016,162.85	53,939,786.78
Proceeds from sale of investments	8,114,630,005.13	13,228,303,387.60
Payment for the purchase of investments	(8,464,939,537.54)	(13,372,888,369.82)
Proceeds from disposal of assets	1,590,000.00	296,000.00
Payment for the purchase of property, plant and equipment	(50,218,727.05)	(23,656,941.07)
Payment for the purchase of intangible assets	(27,713,493.32)	(23,367,025.52)
Net cash flows used in investing activities	(611,368,029.33)	(31,263,677.25)
Cash flows from financing activities		
Payments of lease liabilities	(5,247,396.00)	(6,634,162.00)
Net cash flows used in financing activities	(5,247,396.00)	(6,634,162.00)
Net decrease in cash and cash equivalents	(175,391,810.41)	(43,285,818.72)
Cash and cash equivalents at the beginning of year	310,187,349.46	353,473,168.18
Cash and cash equivalents at the end of year	134,795,539.05	310,187,349.46
Supplemental cash flows information		
Items not effecting cash flows :		
Payable from purchase of securities	25,157,341.08	52,882,823.91
Payable from purchase of property, plant and equipment and intangible assets	380,000.00	28,535,747.66
Total	25,537,341.08	81,418,571.57

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, 2021

1. General information

The Securities and Exchange Commission, Thailand (The SEC) was established on May 16, 1992 under the Securities and Exchange Act B.E. 2535 (SEA) with the duty to supervise and develop the Thai capital market to be able to operate more efficiently.

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

The SEC Office has the power and duty to:

- a. perform any act for the implementation of the SEC's resolutions;
- b. supervise 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, registration and any other 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. 2535 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, a license, or for operating the business as licensed;
- c. the issuance of rules relating to the duties of a subcommittee;
- 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.

2. Basis for the 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 2543, including Thai Financial Reporting Standards under the Accounting Professions Act B.E 2547 and interpretations of accounting standards promulgated by the Federation of Accounting Professions (TFAC).

The SEC's financial statements are prepared and presented 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. Judgments may also cause significant risks and 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 Financial reporting standards that became effective in the current period

During the period, the SEC have adopted the revised financial reporting standards and interpretations of financial reporting standards which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements.

2.3 Financial reporting standards that become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management is currently evaluating the impact of these financial reporting standards to the financial statements in the year when they are adopted.

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 without investment objectives.

3.2 Investments

Classification of 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.

Investments in 2 private funds are considered as long-term investment funds. 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.

3.3 Financial instruments

Classification and measurement of financial assets and financial liabilities

Financial assets (Debt instruments)

The SEC classifies debt instruments as financial assets subsequently measured at amortised cost or fair value in accordance with the SEC's business model for financial assets management and the contractual cash flows characteristics of the financial assets as detail below:

- Financial assets measured at amortised cost only if the financial assets is held as business model to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets measured at fair value through other comprehensive revenues and expenses only if the financial assets is held as business model to collect contractual cash flows and to sell financial assets, and the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The SEC has classified the investments in equity instruments as the financial asset measured at fair value through revenues and expenses.

The SEC reviewed and assessed existing financial assets as at January 1, 2020, based on the facts and circumstances that existed at that date and concluded the following significant changes on the SEC's financial assets as regards their classification and measurement:

- Cancel the classification of investments in the available-for-sale debt and equity securities.
- Classify available-for-sale debt investments to be financial asset measured at fair value through other comprehensive revenues and expenses.
- Classify equity investments to be financial asset measured at fair value through revenues and expenses.
- Initially recognize derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Change in the fair value of derivatives are recognized through revenues and expenses.

Financial liabilities

The adoption of these set of financial reporting standards has no impact on the SEC's classification of financial liabilities. The SEC continue to classify all financial liabilities as measured at amortised cost.

3.4 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 the SEC will obtain the future economic benefits associated with the replacements and the cost of the asset can be reliably measured. 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 improvement	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.

3.5 Right-of-use assets

The SEC recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the amount of the lease liability initially recognized, adjusted for any lease payments made at or before the commencement date, initial direct costs incurred, and estimated costs of dismantling and removing the underlying asset, restoration the site of the underlying asset or restoration of the underlying asset to the condition required by the terms and conditions of the leases, less any lease incentive received under the contract.

The ROU asset is depreciated using the straight-line method from the commencement date to the end of the useful life of the ROU asset or the end of the lease term, whichever comes first.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date which discounted by the interest rate implicit in the lease, if the rate can be readily determined. Otherwise, the SEC will use the average interest rate.

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

3.6 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

3.7 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.

3.8 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. 2530 since August 9, 1993. The Fund's investment policy has 41 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 provisions 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.

3.9 Revenue recognition

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

3.9.1 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: Revenues is recognized according on income each year.
- Business undertaking fees: Revenues is recognized on an accrual basis.
- Other fees: Revenue is recognized when request form and fee are received by the SEC.

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

3.9.3 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.

3.9.4 The SEC has continued a relief measure to alleviate the impacts of the COVID-19 pandemic on securities issuers. The relief measure for issuers of all types of securities allows reduction of the annual registration statement fee (annual fee) for the year 2021. This continuing measure initiated in 2020 contains the followings:

1. Waiver of the annual fee for small-sized listed companies with the shareholder's equity not exceeding Baht 500 million, and issuers of any securities other than shares, for example, debentures, derivatives warrants and real estate investment trusts;

2. A 30-percent rate reduction for medium and larger-sized listed companies with the shareholder's equity worth Baht 500 million or more.

In addition, an extension of the annual fee payment due date from May 2021, to the end of December 2021.

3.10 Expenses Recognition

Expenses are recognized on an accrual basis.

3.11 Financial risk management

To manage investment risk, the SEC sets policy that its investment proportion at a risk level of $\text{VaR}_{0.05} = 9$ 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 of cash and cash equivalent in both Thai Baht currencies and foreign currencies, local and overseas debt instruments and equity 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.

3.11.1 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 monitored by private fund managers.

Unit: Million Baht

Book value as at December 31, 2021

	Fixed rate			Adjustable	None	Total	Interest rate (Percent per year)
	Within 1 year	1-5 years	Over 5 years	interest rate Up to the market rate	Interest rate		
Financial assets							
Cash and cash equivalents	-	-	-	129.50	5.29	134.79	0.00-0.81
Short-term investments	715.00	-	-	-	-	715.00	0.50-0.55
Private Fund							
- Cash and cash equivalents	-	-	-	18.45	-	18.45	0.00-0.25
- Bond	154.24	2,121.25	2,420.60	-	-	4,696.09	0.00-5.35

Unit: Million Baht

Book value as at December 31, 2020

	Fixed rate			Adjustable	None	Total	Interest rate (Percent per year)
	Within 1 year	1-5 years	Over 5 years	interest rate Up to the market rate	Interest rate		
Financial assets							
Cash and cash equivalents	-	-	-	305.44	4.52	309.96	0.00-1.20
Short-term investments	365.00	-	-	-	-	365.00	0.80-0.90
Private Fund							
- Cash and cash equivalents	-	-	-	31.50	-	31.50	0.00-1.25
- Bond	307.96	2,111.84	1,773.19	-	-	4,192.99	0.00-4.16

3.11.2 Credit Risk

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

3.11.3 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 at fair value based on market price (mark to market) and invested in derivative instruments (Derivatives) to hedge the foreign currency exposure and / or to manage portfolios efficiently.

3.12 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 “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

3.13 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 conversion 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

	2021	2020
Bank deposits	134.80	310.19
Total	134.80	310.19

4.2 Short-term investments

Unit: Million Baht

	2021	2020
Fixed deposits (due date within 1 year)	715.00	365.00
Total	715.00	365.00

4.3 Receivables and accrued revenues

Unit: Million Baht

	2021	2020
Receivables from the sale of securities	22.63	26.09
Business undertaking fee	464.65	410.02
Contribution from the SET	215.84	194.53
Accrued interest and dividend managed by private fund managers	21.11	17.94
Prepaid expenses	34.54	21.43
Annual registration statements fee	9.21	10.37
Interest income from Fixed deposits with Government Housing Bank and Others	0.99	0.36
Interest income from saving and fixed deposits	0.55	1.65
Administrative fine	0.12	0.12
Miscellaneous receivables	1.57	0.61
Receivable - Employees	0.01	0.05
Input tax	0.17	0.02
Advances	0.14	0.12
Total	771.53	683.31

4.4 Other current assets

Unit: Million Baht

	2021	2020
Loans to employees not exceeding 1 year	2.15	1.73
Value added tax pending receipt of tax invoice	3.00	5.39
Deferred interest	0.47	0.49
Total	5.62	7.61

4.5 Long-term investments

Unit: Million Baht

	2021	2020
Managed by private fund managers		
- Current and saving deposits	18.45	31.50
- Investment in debt and equity instruments and alternative investments	7,086.17	6,407.39
Total	7,104.62	6,438.89

Investment in debt and equity instruments and alternative investments consisted of:

Unit: Million Baht

	2021		2020	
	Cost	Fair value	Cost	Fair value
Debt instruments	4,689.90	4,696.09	4,074.48	4,192.99
Equity instruments	1,897.38	2,186.56	1,904.14	2,120.86
Alternative investments	182.84	203.52	86.73	93.54
Total	6,770.12	7,086.17	6,065.35	6,407.39

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

Debt instruments consisted of:

Unit: Million Baht

	2021	2020
Bonds	2,173.52	1,972.74
Debentures	2,522.57	2,220.25
Total	4,696.09	4,192.99

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, 2021, as follows:

Unit: Million Baht

	Level 1	Level 2	Total
Investments			
Debt instruments	-	4,696.09	4,696.09
Equity instruments	2,186.56	-	2,186.56
Alternative investments	203.52	-	203.52

The valuation and inputs for Level 2 valuation

The fair value of local and foreign debt instruments 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, 2021									
	Cost				Accumulated depreciation				Net
	January 1,2021	Increase (Decrease)	December 31,2021		January 1,2021	Increase (Decrease)	December 31,2021		
Land	162.15	-	-	162.15	-	-	-	-	162.15
Office building and building	840.49	0.45	-	840.94	197.29	27.56	-	224.85	616.09
Building improvement	0.08	-	-	0.08	0.08	-	-	0.08	-
Furniture and fixture	65.85	0.99	(0.72)	66.12	59.05	2.74	(0.69)	61.10	5.02
Office equipment	536.55	23.90	(31.01)	529.44	439.32	43.19	(30.99)	451.52	77.92
Vehicles and equipment	3.98	-	(3.50)	0.48	1.57	0.17	(1.62)	0.48	-
CIP- Building improvement	1.10	4.42	-	5.52	-	-	-	-	5.52
Total	1,610.20	29.76	(35.23)	1,604.73	697.31	73.66	(32.94)	738.03	866.70

Depreciation for the year ended December 31, 2021 amounting to Baht 73.66 million

Unit: Million Baht

Balance as at December 31, 2020									
	Cost				Accumulated depreciation				Net
	January 1,2020	Increase (Decrease)	December 31,2020		January 1,2020	Increase (Decrease)	December 31,2020		
Land	162.15	-	-	162.15	-	-	-	-	162.15
Office building and building	840.49	-	-	840.49	169.74	27.55	-	197.29	643.20
Building improvement	0.08	-	-	0.08	0.08	-	-	0.08	-
Furniture and fixture	65.44	0.57	(0.16)	65.85	56.09	3.12	(0.16)	59.05	6.80
Office equipment	498.89	42.26	(4.60)	536.55	402.40	41.02	(4.10)	439.32	97.23
Vehicles and equipment	5.60	-	(1.62)	3.98	2.83	0.36	(1.62)	1.57	2.41
CIP- Building improvement	1.10	-	-	1.10	-	-	-	-	1.10
Total	1,573.75	42.83	(6.38)	1,610.20	631.14	72.05	(5.88)	697.31	912.89

Depreciation for the year ended December 31, 2020 amounting to Baht 72.05 million

The gross values of the property, plant and equipment that are fully depreciated but still in use are Baht 297.04 million and Baht 303 million as at the end of 2021 and 2020, respectively.

4.8 Right-of-use assets

Unit: Million Baht

Balance as at December 31, 2021									
	Cost				Accumulated depreciation				Net
	January 1,2021	Increase	(Decrease)	December 31,2021	January 1,2021	Increase	(Decrease)	December 31,2021	
Land	1.03	-	-	1.03	0.39	0.39	-	0.78	0.25
Office building	2.81	4.69	(2.81)	4.69	1.60	1.60	(2.81)	0.39	4.30
Vehicles	10.78	-	(1.37)	9.41	3.23	2.77	(1.37)	4.63	4.78
Total	14.62	4.69	(4.18)	15.13	5.22	4.76	(4.18)	5.80	9.33

Depreciation for the year ended December 31, 2021 amounting to Baht 4.76 million

Unit: Million Baht

Balance as at December 31, 2020									
	Cost				Accumulated depreciation				Net
	January 1,2020	Increase	(Decrease)	December 31,2020	January 1,2020	Increase	(Decrease)	December 31,2020	
Land	1.03	-	-	1.03	-	0.39	-	0.39	0.64
Office building	2.81	-	-	2.81	-	1.60	-	1.60	1.21
Vehicles	14.47	-	(3.69)	10.78	-	3.23	-	3.23	7.55
Total	18.31	-	(3.69)	14.62	-	5.22	-	5.22	9.40

Depreciation for the year ended December 31, 2020 amounting to Baht 5.22 million

4.9 Intangible assets

Unit: Million Baht

Balance as at December 31, 2021									
	Cost				Accumulated amortization				Net
	January 1,2021	Increase	(Decrease)	December 31,2021	January 1,2021	Increase	(Decrease)	December 31,2021	
Licensed software	186.21	3.85	-	190.06	116.05	12.59	-	128.64	61.42
System development	54.66	7.29	-	61.95	22.17	9.93	-	32.10	29.85
CIP-Licensed software	15.38	9.07	-	24.45	-	-	-	-	24.45
CIP-System development	2.35	0.07	(2.27)	0.15	-	-	-	-	0.15
Total	258.60	20.28	(2.27)	276.61	138.22	22.52	-	160.74	115.87

Amortization for the year ended December 31, 2021 amounting to Baht 22.52 million

Unit: Million Baht

Balance as at December 31, 2020									
	Cost				Accumulated amortization				Net
	January 1,2020	Increase	(Decrease)	December 31,2020	January 1,2020	Increase	(Decrease)	December 31,2020	
Licensed software	184.48	1.73	-	186.21	102.33	13.72	-	116.05	70.16
System development	40.09	14.57	-	54.66	14.48	7.69	-	22.17	32.49
CIP-Licensed software	3.81	11.57	-	15.38	-	-	-	-	15.38
CIP-System development	5.79	2.20	(5.64)	2.35	-	-	-	-	2.35
Total	234.17	30.07	(5.64)	258.60	116.81	21.41	-	138.22	120.38

Amortization for the year ended December 31, 2020 amounting to Baht 21.41 million

4.10 Other non-current assets

Unit: Million Baht

	2021	2020
Fixed deposit for employee welfare	66.82	71.88
Loans to employees	5.58	3.14
Deferred interest	0.31	0.46
Deposits and guarantees	6.89	0.47
Total	79.60	75.95

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

4.11 Payables and accrued expenses

Unit: Million Baht

	2021	2020
Human resources expenses payables	13.02	3.23
Accrued expenses	54.37	82.98
Payables	30.11	90.54
Revenue department payables	13.12	10.93
Others	1.62	0.96
Total	112.24	188.64

4.12 Lease liabilities

Unit: Million Baht

	2021	2020
Beginning balance	10.65	20.51
Cash flow		
Principle payment of lease liabilities	(5.25)	(6.63)
Non-cash change		
Additions (Decrease) from contract amendment	5.08	3.23
	10.48	10.65
<u>less</u> Current portion	(4.50)	(4.82)
Ending balance	5.98	5.83

4.13 Non-current provisions for employee benefits

Unit: Million Baht

	2021	2020
Changes in present value of employee benefit obligations during period		
Present value of obligations at the beginning of year	1,002.86	937.66
Benefits paid	(2.79)	(1.86)
Current service cost	48.03	47.90
Interest cost	20.52	19.16
Obligations at the end of year	1,068.62	1,002.86

Unit: Million Baht

	2021	2020
Amount recognized as expenses in the statement of comprehensive revenues and expenses		
Current service cost	48.03	47.90
Interest cost	20.52	19.16
Total	68.55	67.06

Actuarial assumptions

	2021	2020
Discount rate	2.2%	2.2%
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%	4.5%
Mortality rate	Thai Mortality Table 2017 adjusted with a death rate of 3 percent per year.	Thai Mortality Table 2017 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 employee benefit obligation under defined benefit plan.

Unit: Million Baht

	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(274.54)	405.96	(262.71)	390.69
Salary increase rate (1% change)	1.14	(0.97)	0.96	(0.82)
Medical inflation rate (1% change)	397.07	(274.03)	371.95	(256.86)
Employee turnover rate (20% change)	(17.04)	18.00	(14.99)	15.79
Mortality Improvement rate (1% change)	190.22	(198.93)	178.34	(186.14)

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

Employee benefits expected to pay	2021	2020
Expected to pay within a year	4.08	3.19
Expected to pay in 2 – 5 years	23.80	20.10
Expected to pay in 6 – 10 years	65.14	55.43

4.14 Reserve

Minister of Finance has approved the SEC's reserve under section 26 of the SEA according to the Ministry 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. 2546 and the Trust for Transactions in Capital Market Act B.E. 2550, 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 section 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:

4.14.1 Special reserve for capital market development

Unit: Million Baht		
	2021	2020
Beginning balance	1,690.13	1,645.98
<u>Add</u> Additional allocation	20.32	24.24
Cumulative effects of changes in accounting policies	-	19.91
Total	1,710.45	1,690.13

4.14.2 Reserve for a permanent parking building

Unit: Million Baht		
	2021	2020
Beginning balance	474.60	500.00
<u>Less</u> Transferred to general reserve	-	(25.40)
Total	474.60	474.60

4.14.3 Reserve

Unit: Million Baht

	2021	2020
Beginning balance	2,686.93	2,364.16
<u>Add</u> Additional allocation	161.19	266.64
Cumulative effects of changes in accounting policies	-	56.13
Total general reserve	2,848.12	2,686.93
Reserve for a permanent office building	1,254.70	1,254.70
Reserve for a permanent parking building	25.40	25.40
Total	4,128.22	3,967.03

4.15 Other components of funds

Unit: Million Baht

	2021	2020
Beginning balance	102.31	211.62
<u>Add</u> Recognition of derivatives	-	0.59
Total	102.31	212.21
<u>Less</u> Gain (Loss) on change in value of investments	(112.33)	(39.19)
Unrealized gain (loss) on foreign exchange	21.59	5.33
Cumulative effects of changes in accounting policie	-	(76.04)
Ending balance	11.57	102.31

4.16 Revenues

4.16.1 Fee income

Unit: Million Baht

	2021	2020
Annual fees from		
Securities businesses	273.94	255.23
Listed companies	118.07	118.72
Asset management businesses	76.97	73.28
Limited brokerage, dealing and underwriting of investment units (LBDU) businesses	26.90	26.96
Bond Dealers and underwriters	56.06	53.37
Total	551.94	527.56
Other fees from		
Fees for filing registration statements	208.56	133.71
Other fees	267.73	190.24
Total	476.29	323.95
Total fee income	1,028.23	851.51

4.16.2 Contribution from the Stock Exchange of Thailand

Unit: Million Baht

	2021	2020
Contribution collected based on		
SET	904.67	666.86
TFEX	5.70	2.00
Total	910.37	668.86

4.16.3 Investment income

Unit: Million Baht

	2021	2020
Income from investment in private funds		
Interest income	94.89	88.70
Dividend income	53.99	52.80
Unrealized gain on equity instruments and REIT	86.34	147.49
Gain (Loss) on sale of investments	347.66	(113.22)
Gain (Loss) on foreign exchange	13.52	(0.77)
Other income	0.19	-
Total	596.59	175.00
Income from investments (internally managed)	2.19	3.78
Total	598.78	178.78
<u>Less</u> Income from investment for capital market development	(152.40)	(43.14)
Balance	446.38	135.64

4.17 Human resources expenses

Unit: Million Baht

	2021	2020
Expenses for executives	100.16	91.51
Expenses for employees	1,028.53	993.78
Total	1,128.69	1,085.29

4.18 Administrative expenses

Unit: Million Baht

	2021	2020
Wage	109.76	93.80
Repair and maintenance expenses	30.34	29.88
Rental expenses	28.27	25.02
Employee development expenses	24.81	40.55
Consultant fee	21.12	17.94
Expense for public relations	18.74	17.94
Utilities expenses	12.62	16.14
Subscription and news services	10.25	6.88
Office supplies	3.91	7.05
Communication expenses	1.69	1.38
Vehicle expenses	0.97	1.06
Travel expenses	0.42	3.65
Other expenses	20.22	26.03
Total	283.12	287.32

4.19 SEC Board and sub-committees remuneration

Unit: Million Baht

	2021	2020
Committees/Subcommittee benefits for executives	2.86	2.91
Committees/Subcommittee benefits for commissioners	25.55	25.80
Total	28.41	28.71

4.20 Revenues and expenses for capital market development

Unit: Million Baht

	2021	2020
Revenues for capital market development		
Income from investment for capital market development	152.40	43.14
Administrative fines	0.22	-
Total	152.62	43.14
Less Expenses for capital market development		
Financial literacy, investor education and other activities	(27.84)	(22.82)
Total	(27.84)	(22.82)
Revenues over expenses for capital market development	124.78	20.32

4.21 Contingent liabilities

4.21.1 As at 31 December 2021, The SEC had capital commitments of Baht 264.46 million, service commitments of Baht 203.96 million and temporary building lease commitments of Baht 39.75 million.

4.21.2 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 284.77 million as follows:

1. The first case, with a claim of Baht 0.48 million, involves the allegedly 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.

2. The second 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.

3. The third 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.

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

5. The fifth 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.

6. The sixth 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.

7. The seventh case, with a claim of Baht 150.26 million, involves the allegedly unlawful issuance of notification on civil penalty causing the plaintiff to have untrustworthy characteristics of director and executive of securities issuing company and listed company. The case is now under the consideration of the Central Administrative Court.

8. The eighth case, with a claim of Baht 0.34 million, involves the alleged negligence to properly supervise the complaint on manipulating the gold futures and SET50 futures price, causing damage to the plaintiff. The case is now under consideration by 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.

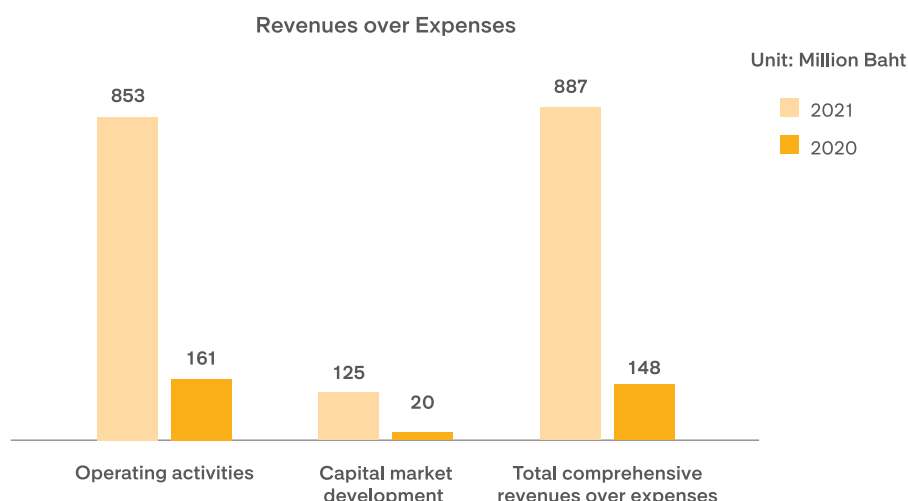
4.22 Approval of the financial statements

Secretary-General of the SEC has approved the financial statements for issuance on February 22, 2022.

Financial Highlights

Overview of the operating performance for the year ending 31 December 2021

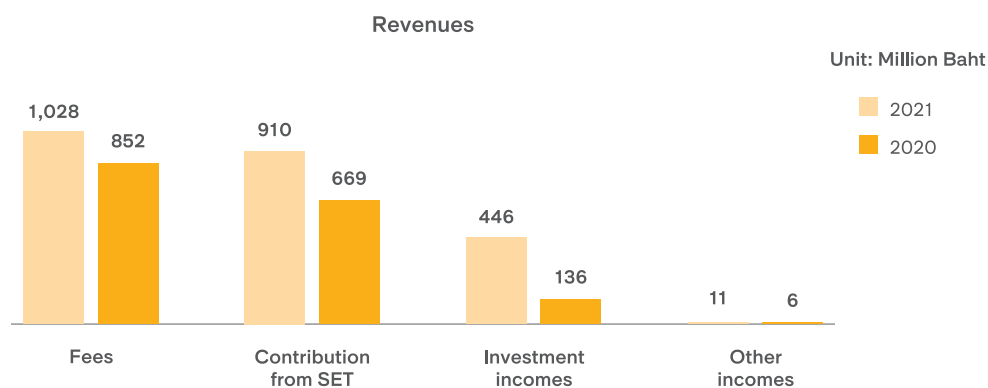
In 2021, the SEC recorded the total revenues of 2,396 million baht and the total expenses of 1,543 million baht. The revenues over operating expenses amounted to 853 million baht. After adding 125 million baht of the revenues over expenses for capital market development, the revenues over expenses reached 978 million baht. However, a loss of 91 million baht was incurred from the valuation of investment. As a result, the total comprehensive revenues over expenses 887 million baht.



1. Analysis of the Operating Performance

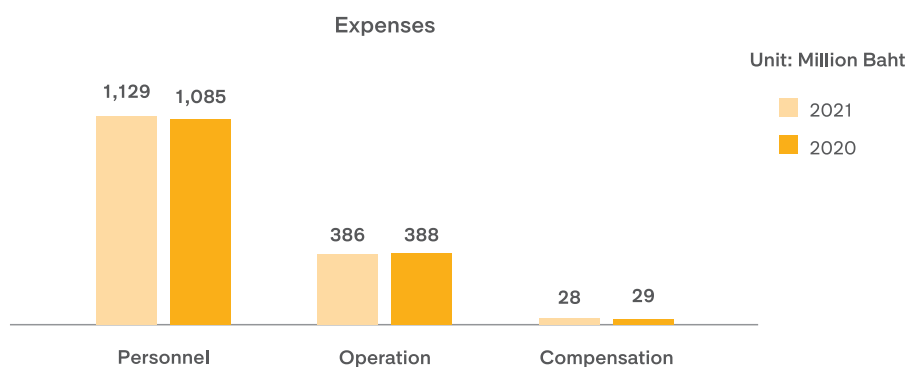
1.1 Revenues

The SEC's revenues comprise fees collected from securities business operators, listed companies and digital asset businesses, as well as contribution from the Stock Exchange of Thailand (SET) and investment income. In 2021, the SEC's revenues increased by 733 million baht, or a 44 percent rise compared to the revenues in 2020, thanks to the increasing trading value, which was the base for the calculation of the SET contribution, from 68,607 million baht/day in 2020 to 93,846 million baht/day in 2021. Investment income grew from the capital gains from securities sales and unrealized gain on equity instruments and REIT. In addition, the income from the filing fee of the registration statement increased thanks to the increasing fundraising value from issuance of securities of all types as well as the annual fee collected from digital asset business operators, and the increasing operating fee collected from securities companies due to the increasing trading value.



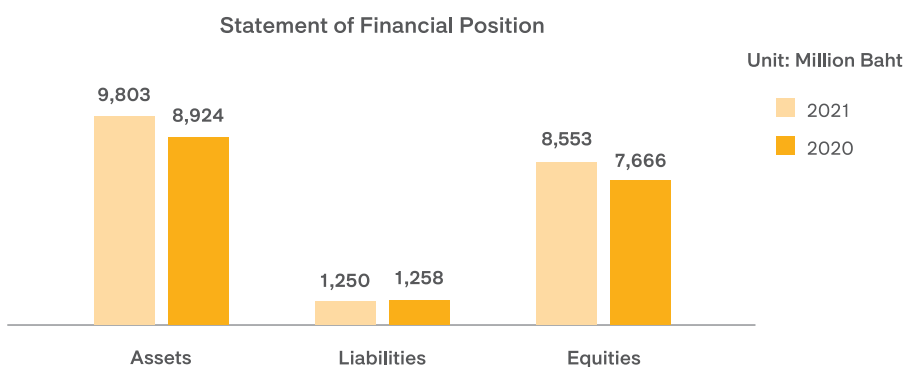
1.2 Expenses

The expenses increased by 41 million baht or a 3 percent rise compared to the expenses in 2020, most of which were operating expenses related to human resources expenses.



2. Analysis of financial position

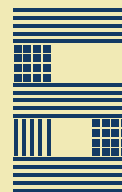
The value of the total assets was 9,803 million baht, 73 percent of which was long-term investments. The liabilities totaled 1,250 million baht, 85 percent of which was employee benefit obligations upon retirement, estimated according to actuarial science. The total equities recorded at 8,553 million baht, an increase of 887 million baht from the previous year due to total comprehensive revenues over expenses for the year 2021.



3. Analysis of Liquidity and Cash Flow Positions

As of 31 December 2021, the liquidity ratio was as high as 10 times, while cash and cash equivalents totaled 135 million baht, a 175 million baht decrease from the previous year. The sources of cash were from operating activities totaled 441 million baht from the revenues over expenses. The Spending on investing activities totaled 611 million baht, distributed to private funds, bonds and purchases of assets. In addition, The spending on financing activities totaled 5 million baht was allocated to vehicles rental, land and document warehouse.

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



References



The Economy and the Capital Market in 2021

The Global Economy

The International Monetary Fund (IMF) estimated that the global economy in 2021 would grow by 5.9 percent, an increase from the contraction of 3.3 percent in the preceding year thanks to key positive factors, namely vaccine accessibility and the governmental sector's financial and monetary policies. Nevertheless, the main risk factor remained the spread of Delta variant and other viral mutations as it presented uncertainty in the pandemic control. Also, it was a challenging year for policy implementation in various aspects, for example, employment, inflation due to supply chain disruption, and climate change issues amid the limitations imposed by the ongoing pandemic situation.

The Thai Economy

The overall economy grew 1.6 percent⁸ in 2021. The fourth quarter, in particular, grew 1.9 percent year on year thanks to the upward trend of domestic and foreign demands of products and services. In addition, the relaxation of the measures for controlling the spread of COVID-19 pandemic and the implementation of stimulus measures to support economic growth resulted in positive adjustments of economic activities, both in terms of product production and service provision.

The Thai Capital Market

Equity

- SET Index closed at 1,657.62 points in year-end 2021, a 14.37 percent growth from the preceding year (Table 1).

Table 1: SET Index Statistics in 2021

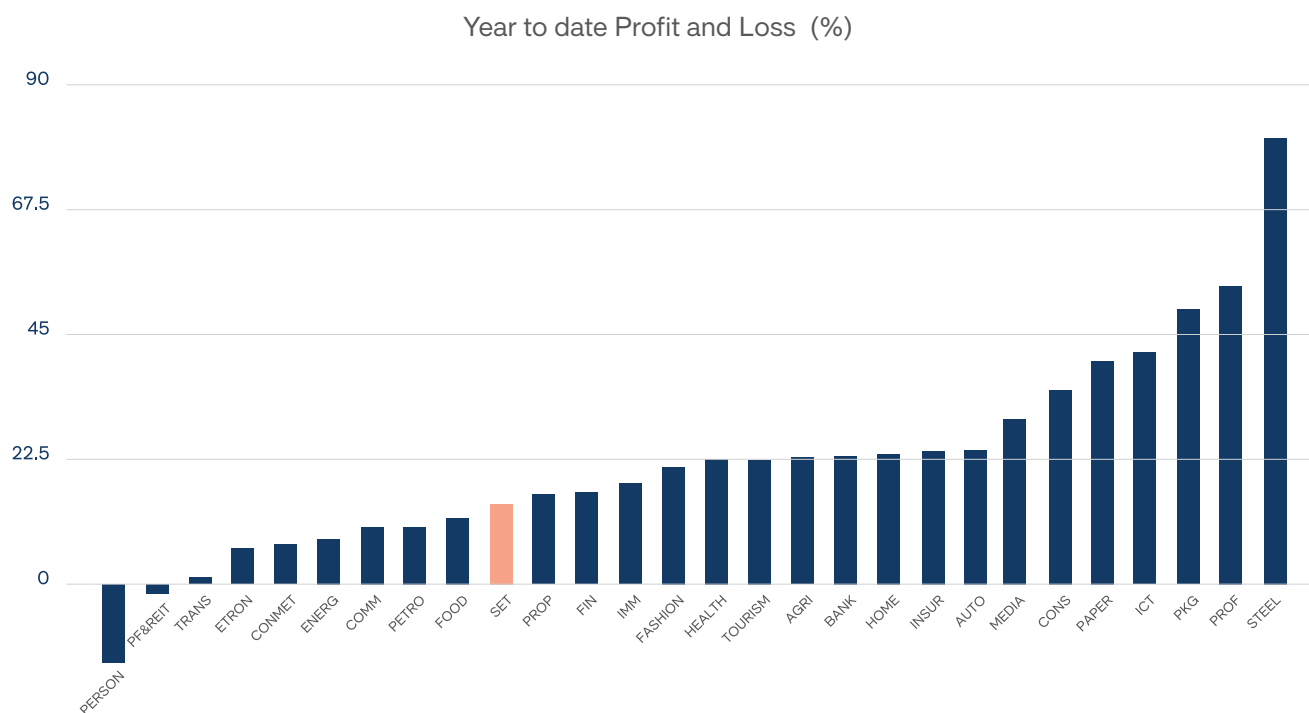
	Year-end 2021	Percentage in comparison with 2020
SET Index	1,657.62	14.37
Average Daily Turnover	88,443 million baht	28.34
Market Capitalization	19.58 trillion baht	21.54

Source: SET Market Analysis and Reporting Tool (SETSmart)

⁸ Source: The Office of the National Economic and Social Development Council, 21 February 2022.

- Most industries on SET Industry Group Index made upward adjustments. The top three industries with the highest growth rates were Steel & Metal Products, Professional Services and Packaging (Figure 13).

Figure 13: SET Industry Group Index



Source: SET Market Analysis and Reporting Tool (SETSmart)

- The mai Index closed at 582.13 points in year-end 2021, a 73.10 percent rise from the preceding year (Table 2).

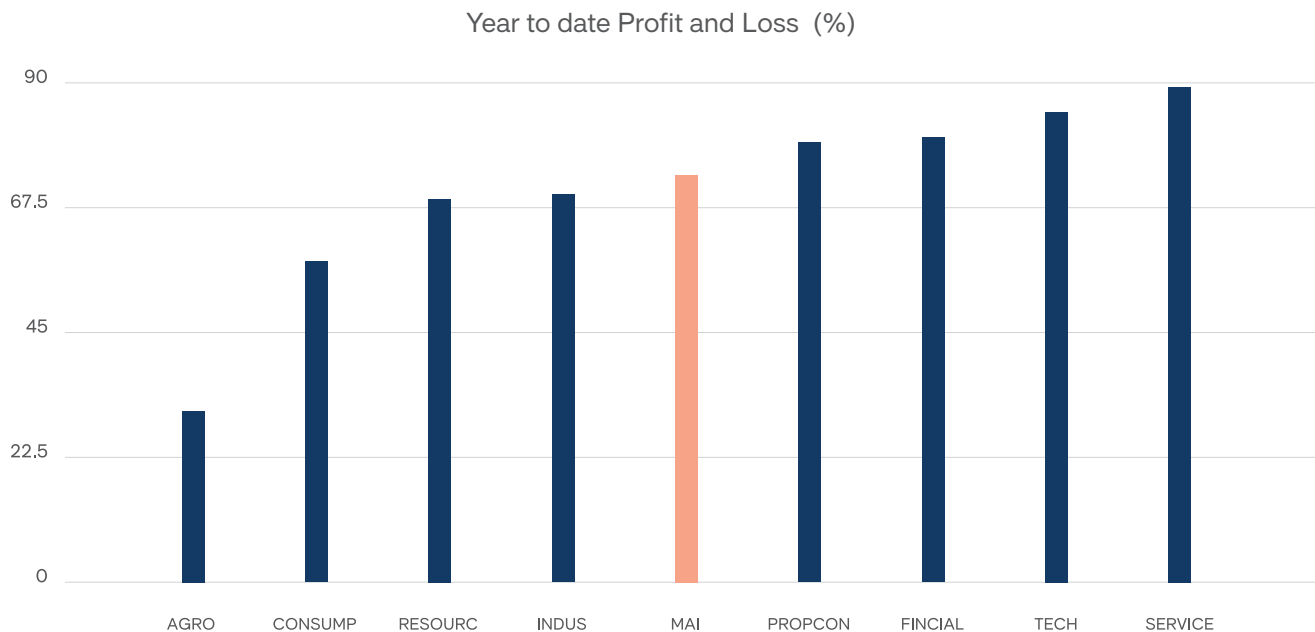
Table 2: mai Index Statistics in 2021

	Year-end 2021	Percentage in comparison with 2020
mai Index	582.13	73.10
Average Daily Turnover	5,403 million baht	324.76
Market Capitalization	4.72 billion baht	100.85

Source: SET Market Analysis and Reporting Tool (SETSmart)

• All industries on mai Industry Group Index made upward adjustments. The top three industries with the highest growth rates were Services, Technology and Financials (Figure 14).

Figure 14: mai Industry Group Index



Source: SET Market Analysis and Reporting Tool (SETSmart)

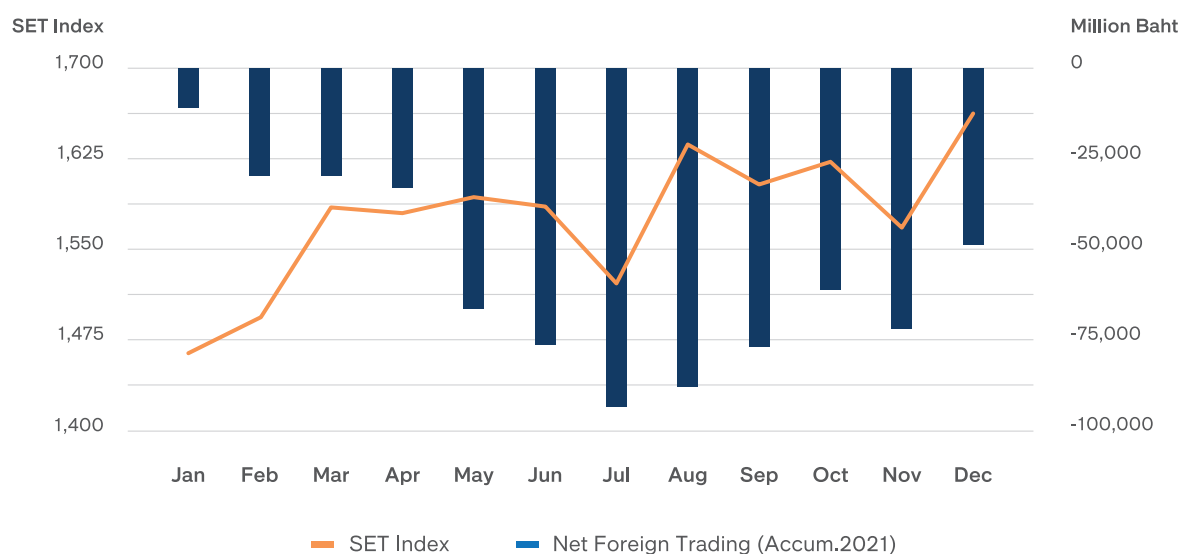
• At year-end 2021, the net sales on SET of foreign investors and institutional investors were 48,577.55 million baht and 77,335.91 million baht, respectively. The net buys of securities companies and local investors were 13,672.42 million baht and 112,241.04 million baht, respectively.

Table 3: Net Trading Values Categorized by Investor Types in 2021

Investor Types	SET	Mai
Foreign investors	Net sale of 48,577.55 million baht	Net sale of 1,975.81 million baht
Institutional investors	Net sale of 77,335.91 million baht	Net buy of 2,851.72 million baht
Securities companies	Net buy of 13,672.42 million baht	Net sale of 64.92 million baht
Local investors	Net buy of 112,241.04 million baht	Net sale of 811 million baht

Source: SET Market Analysis and Reporting Tool (SETSmart)

Figure 15: SET Index Movement and the Accumulated Foreign Investments in 2021

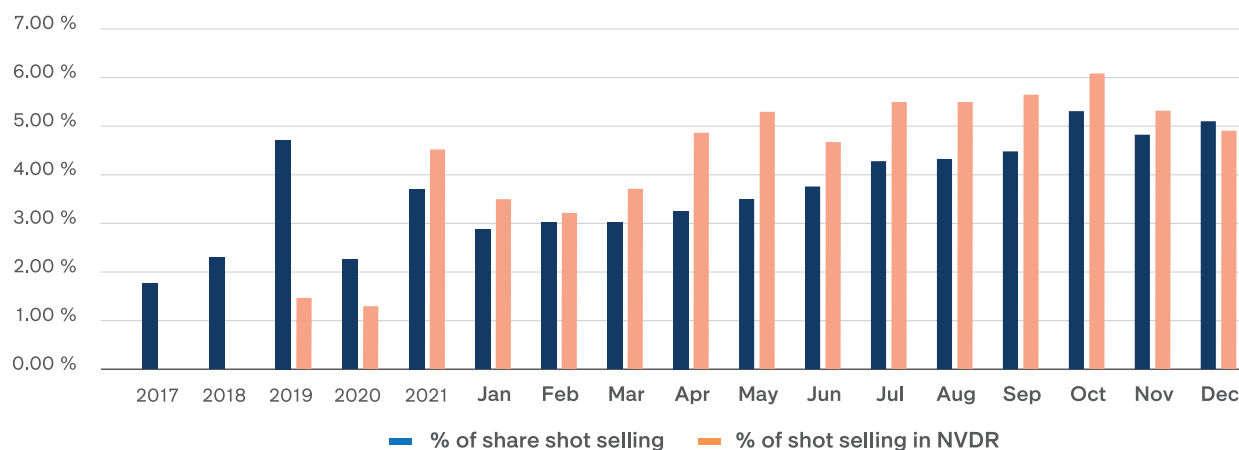


Source: SET Market Analysis and Reporting Tool (SETSmart)

Issuance and Offer for Sale of Equities

- In 2021, the total IPO size was 89,254.36 million baht, a decline of 31.76 percent from the total IPO size of 130,793.88 million baht in 2020. Of this, the IPO size on SET was 82,241.80 million baht from the fundraising of 21 listed companies and the IPO size on mai was 7,012.56 million baht from the fundraising of 18 listed companies. The highest IPO size of 46,980 million baht was raised by PTT Oil and Retail Business Public Company Limited;
- In 2021, IPOs via real estate investment trusts (REIT) and the leasehold right thereof generated the total value of 9,465 million baht (from three funds), an increase of 286.32 percent from the total value of 2,450 million baht (from two funds) in 2020;
- In 2021, the average percentage of the short selling in the Thai stock market was approximately 3.73 percent, compared to the trading value of all underlyings. The short selling percentage of NVDRs⁹ was approximately 4.57 percent, compared with the trading value of all NVDRs, an increasing proportion from 2020 after the SET Uptick¹⁰ Rules effective from March to September 2020 had expired.

Figure 16: Short Selling in the Thai Stock Market in 2021



Source: SET Market Analysis and Reporting Tool (SETSmart)

⁹ NVDR holders do not have voting rights at listed company meetings (Non-Voting Rights). NVDR is launched to promote investment of foreign investors. However, Thai investors can invest in NVDR as well.

¹⁰ Uptick means the short selling of shares only at a price higher than the last trading price.

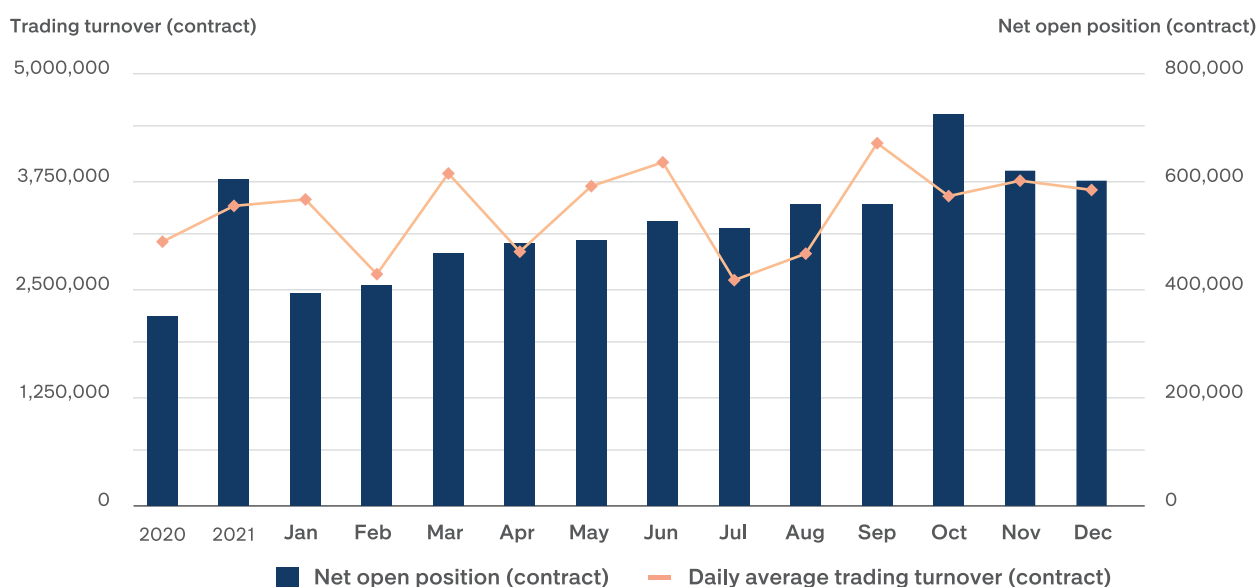
Futures

• The Thailand Futures Exchange Plc. (TFEX) recorded the total turnover of 135.12 million contracts or a daily average of 560,625 contracts, a significant rise from the average daily turnover of 494,628 contracts in 2020 (Figure 17). Most trading transactions came from Single Stock Futures and SET50 Index Futures. Meanwhile, the trading volume of the Gold Online Futures continued to increase (Figure 20);

• The market open interest position in year-end 2021 closed at 3,781,930 contracts, an increase of 72 percent from 2,194,994 contracts in 2020;

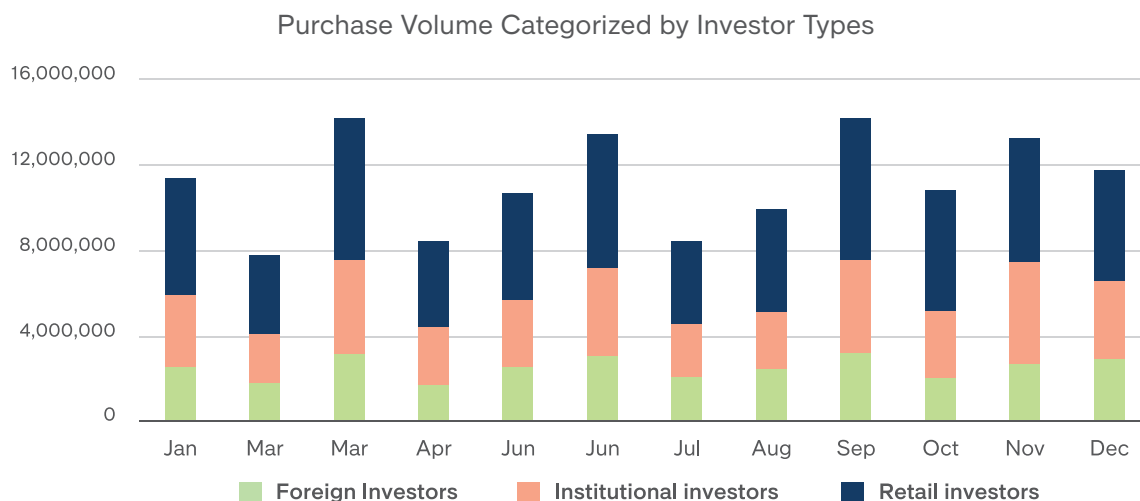
• Most trading activities were generated by retail investors accounting for 46.67 percent, followed by institutional investors and foreign investors at 30.70 percent and 22.64 percent, respectively.

Figure 17: Futures Daily Average Turnover and Net Open Position in 2021



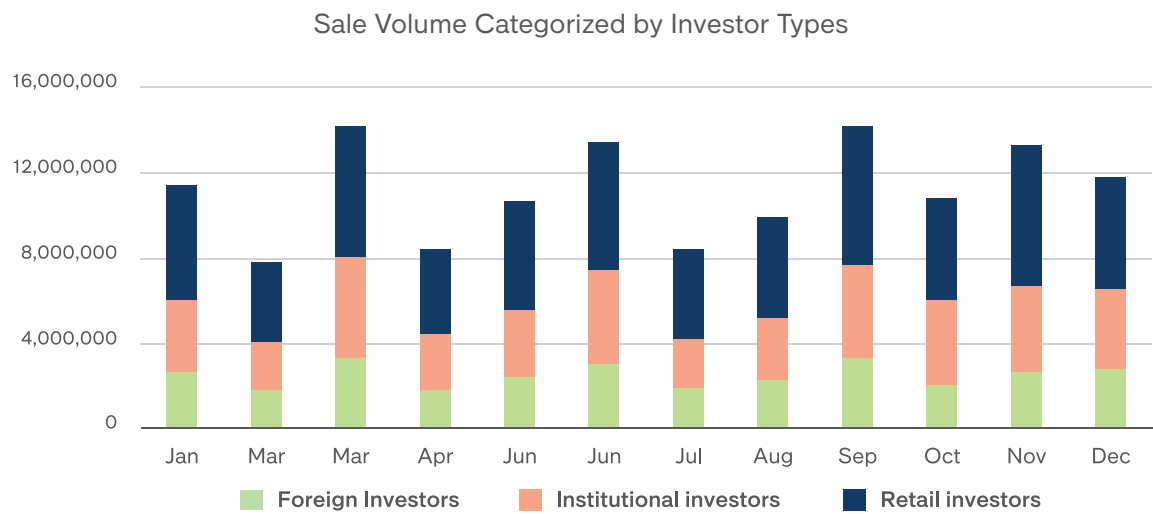
Source: SET Market Analysis and Reporting Tool (SETSmart)

Figure 18: Futures Trading Purchase Volume Categorized by Investor Types



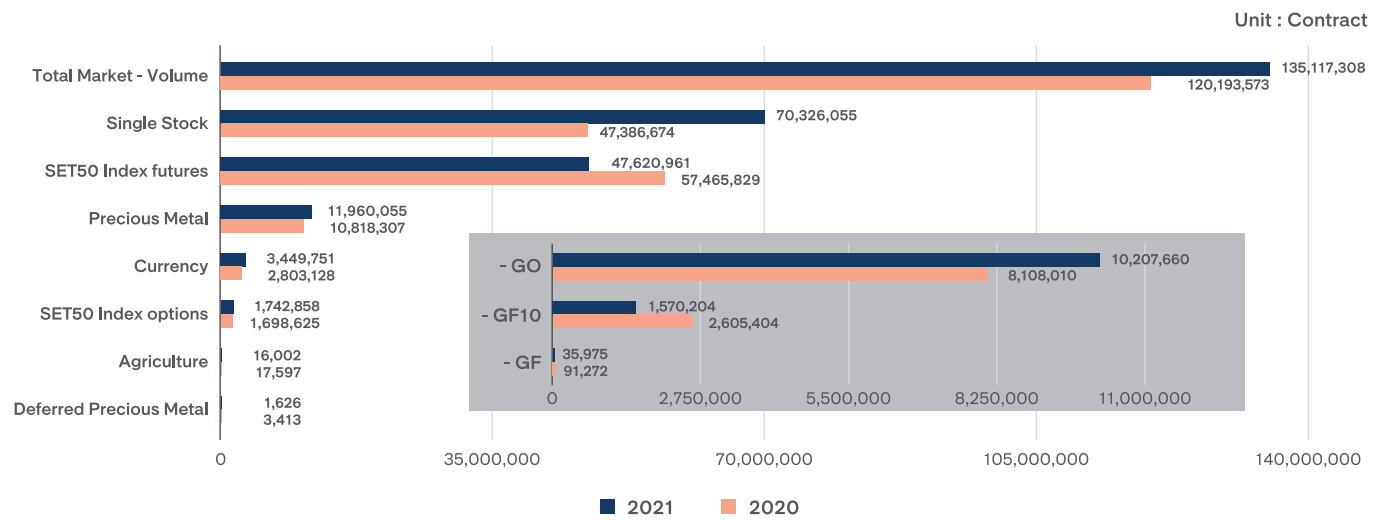
Source: SET Market Analysis and Reporting Tool (SETSmart)

Figure 19: Futures Trading Sale Volume Categorized by Investor Types



Source: SET Market Analysis and Reporting Tool (SETSmart)

Figure 20: Futures Trading Volume Categorized by Underlyings



Source: SET Market Analysis and Reporting Tool (SETSmart)

Bonds

• The Thai bond market in 2021 continued to grow from the prior year. The total outstanding value of all types of debt instruments in year-end 2021 reached 16.08 trillion baht, an increase of 13.24 percent from 2020. The increasing public sector bonds mainly contributed to the annual growth (Table 4).

Table 4: The Outstanding Value of Thai Bonds

	2021 (Unit: Trillion baht)	Percentage in comparison with 2020
Public sector bonds	11.95	9.03
Corporate bonds	4.13	6.44
Total	16.08	13.24

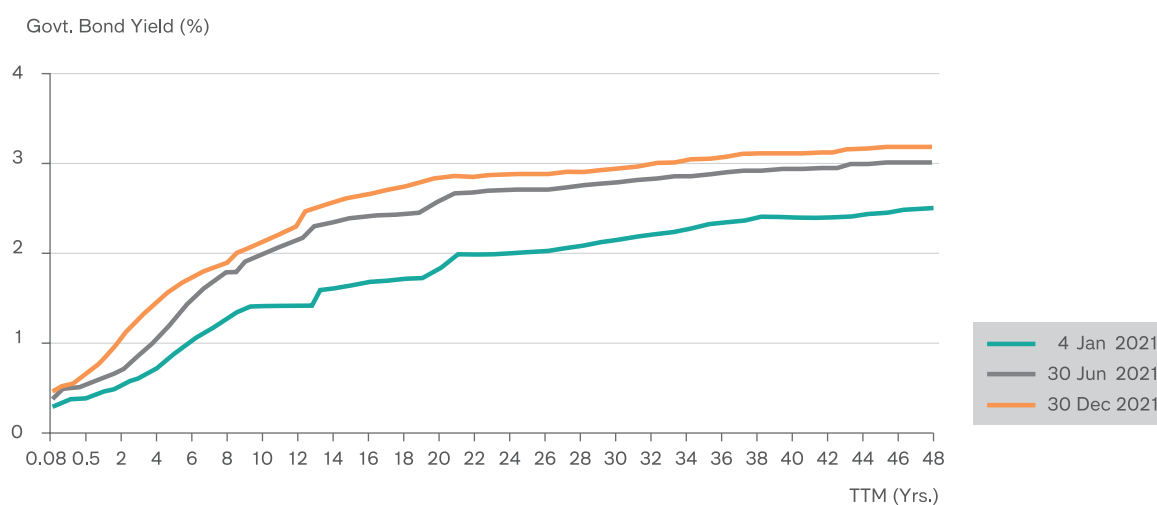
Source: The Bank of Thailand

• In 2021, the net inflow of foreign capital to the Thai bond market totaled 143 billion baht, comprising short-term bonds of 71 billion baht and long-term bonds of 73 billion baht. By year end, the net foreign holdings of Thai bonds rose to 1.02 trillion baht, accounting for 8.54 percent of the total outstanding value of the public sector bonds;

• The yield curve movement of government bonds in 2021 observed an upward trend throughout the maturity range owing to the rising long-term return rate of Thai bonds in line with the economic recovery. Another positive factor was the announcement of the Federal Open Market Committee (FOMC) of the Federal Reserve Bank (FED) that the quantitative easing measure would end earlier than expected and the interest rate would be increased during the year to address the rising inflation situation.

Figure 21: Yield Curve of Thai Government Bonds

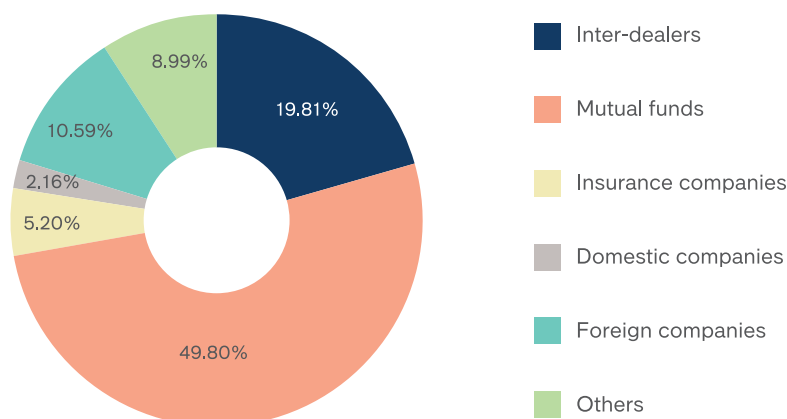
Yield Curve of Thai Government Bonds
(4 January 2021, 30 June 2021, 30 December 2021)



Source: Thai Bond Market Association

- The average daily outright trading value of debt instruments in 2021 was 66.1 billion baht, a decrease of 19.49 percent from 2020. The trading activities were mostly between bond dealers and clients, accounting for 80.19 percent of the total trading value. The most active clients were mutual funds, followed by foreign companies, insurance companies and domestic companies, respectively. The inter-dealers turnover accounted for 19.81 percent of the total trading value.

Figure 22: Outright Trading Values of Debt Instruments in 2021



Source: Thai Bond Market Association

Issuance and Offer for Sale of Debt Instruments

- The total offering value of debt instruments of all types in Thailand in 2021 was 9.62 trillion baht, a decline of 9.68 percent from the preceding year;
- The issuance and offer for sale of government bonds reached 7.95 trillion baht while the issuance and offer for sale of corporate bonds totaled 1.67 trillion baht. The issuance and offer for sale of public sector bonds dropped 15.06 percent because of the decreasing offering values of bonds issued by the Bank of Thailand and state enterprises. On the other hand, the offering values of government bonds, treasury bills and promissory notes increased;
- The issuance and offer for sale of corporate bonds in Thailand by Thai and foreign juristic persons in 2021 increased 29 percent from the preceding year. Of this, the offering value of long-term corporate bonds was 1.03 trillion baht, an increase of 47 percent from the preceding year, and the offering value of short-term corporate bonds was 0.64 trillion baht, an increase of 8 percent from 2020:
 - o Long-term corporate bonds issued by listed companies on SET and mai reached 803,826 million baht. The top three issuing sectors (excluding Banking and Finance & Securities) were Energy & Utilities, Property Development, and Commerce;
 - o Long-term corporate bonds issued by non-listed companies which were Thai juristic persons totaled 223,102 million baht;
 - o Short-term corporate bonds issued by listed companies on SET and mai totaled 419,552 million baht. The top three issuing sectors (excluding Banking and Finance & Securities) were Transportation & Logistics, Property Development, and Energy & Utilities;
 - o Short-term corporate bonds issued by non-listed companies which were Thai juristic persons reached 223,312 million baht.
- The issuance of long-term baht bonds by foreign juristic persons totaled 5,627 million baht, an increase from the total value of 1,600 million baht in 2020.

Figure 23: Issuance and Offer for Sale of Public Sector Debt Instruments Categorized by Securities Types

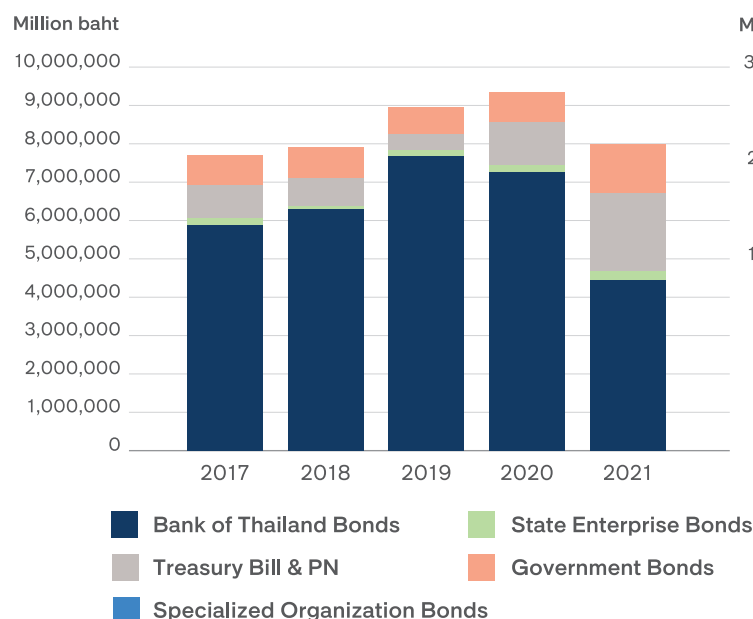
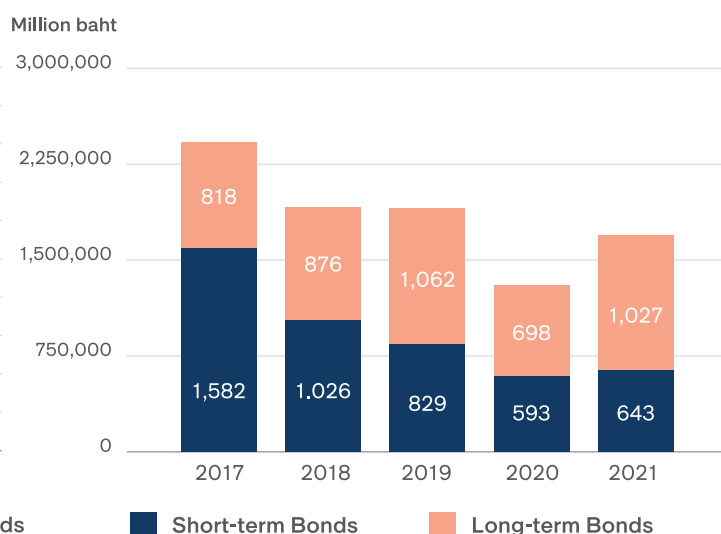


Figure 24: Issuance and Offer for Sale of Private Sector Debt Instruments Categorized by Securities Types

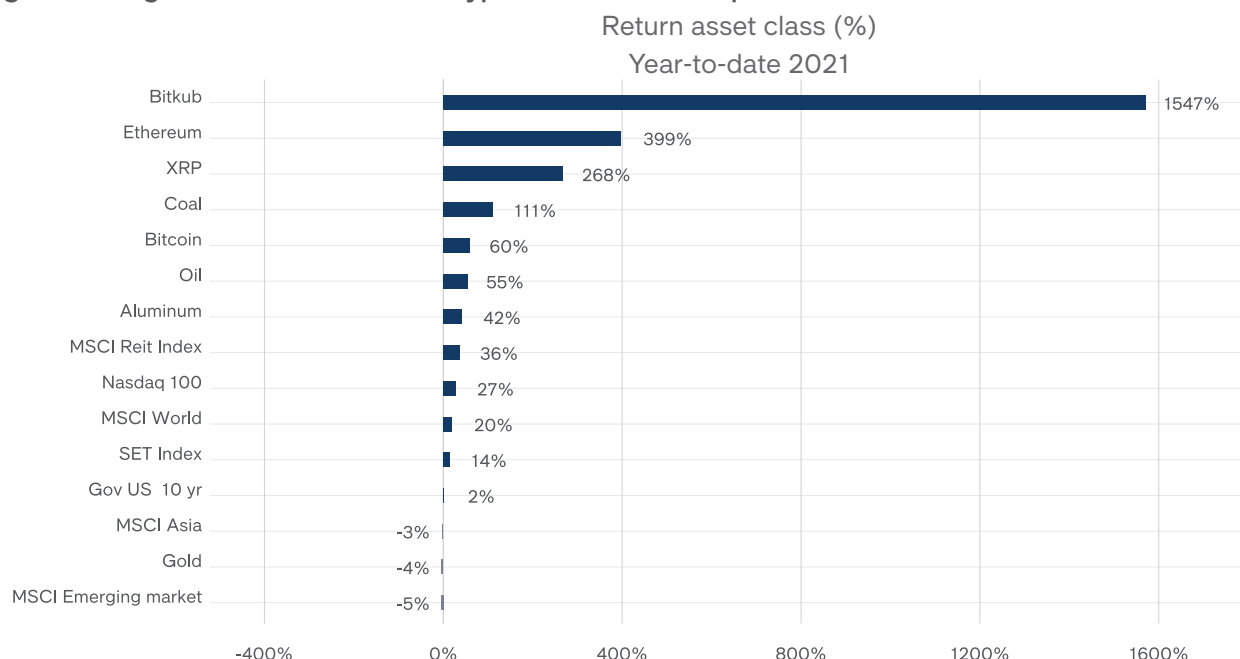


Source: The Bank of Thailand

Digital Assets

The overall digital asset trading in 2021 showed constant growth in terms of trading account opening. At the end of the year, there were 2.27 million trading accounts on digital asset exchanges with an average daily trading turnover of 4,588.71 million baht. The top five traded cryptocurrencies were Bitcoin (13 percent), Dogecoin (10 percent), Ethereum (10%), Tether (9%) and Cardano (6%) (Figure 26). The trading volume of domestic ordinary persons accounted for approximately 74 percent, while the trading volume of foreign ordinary persons was 21 percent and the trading volume of other types of investors was 5 percent.

Figure 25: Significant Price Rise of Cryptocurrencies Compared to Other Asset Classes in 2021



*Comparative assets were selected from popular cryptocurrencies and other asset classes

Source: Bloomberg, as of 31 December 2021

Figure 26: Proportions of Accumulated Cryptocurrency Trading in 2021

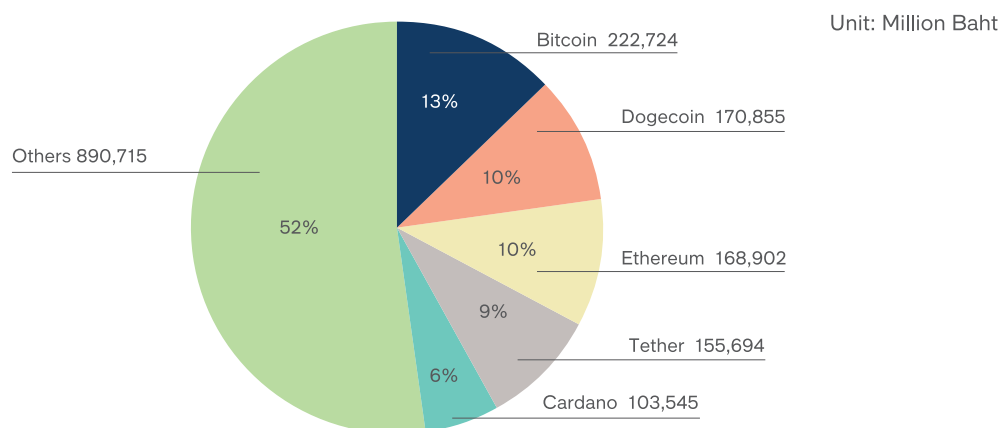


Figure 27: Cryptocurrency Trading on Digital Asset Exchanges Peaked in November 2021, Mostly from Trading Activities of Domestic Ordinary Persons

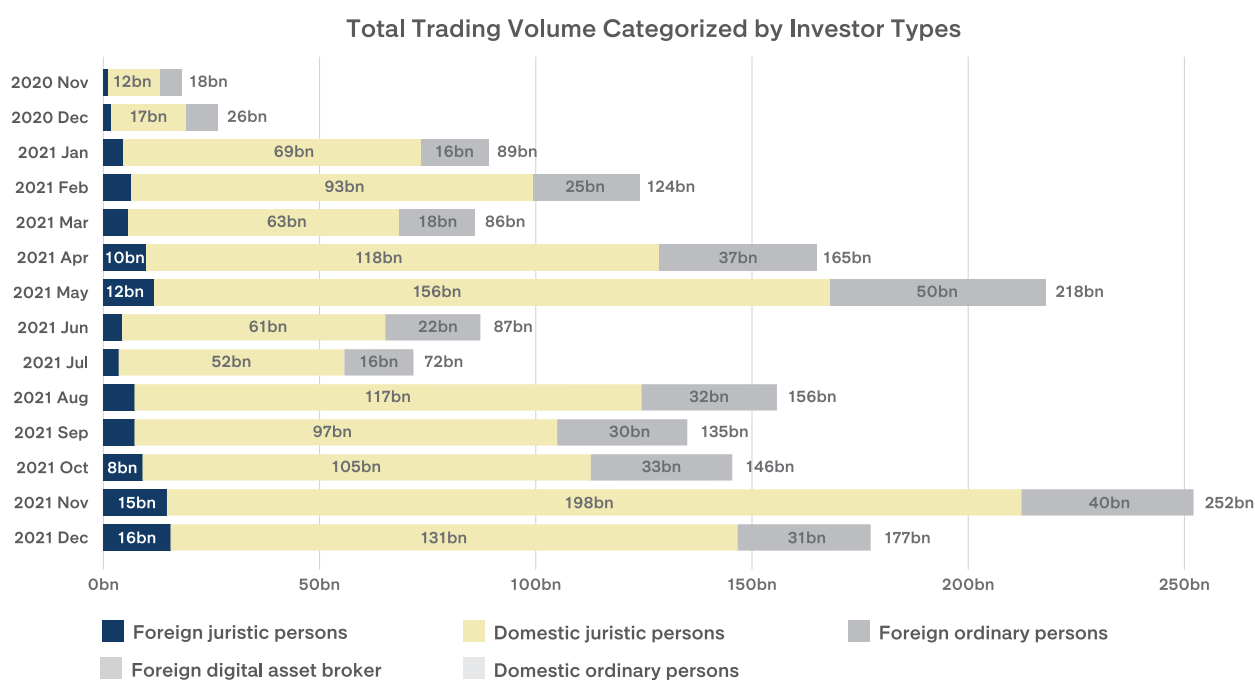
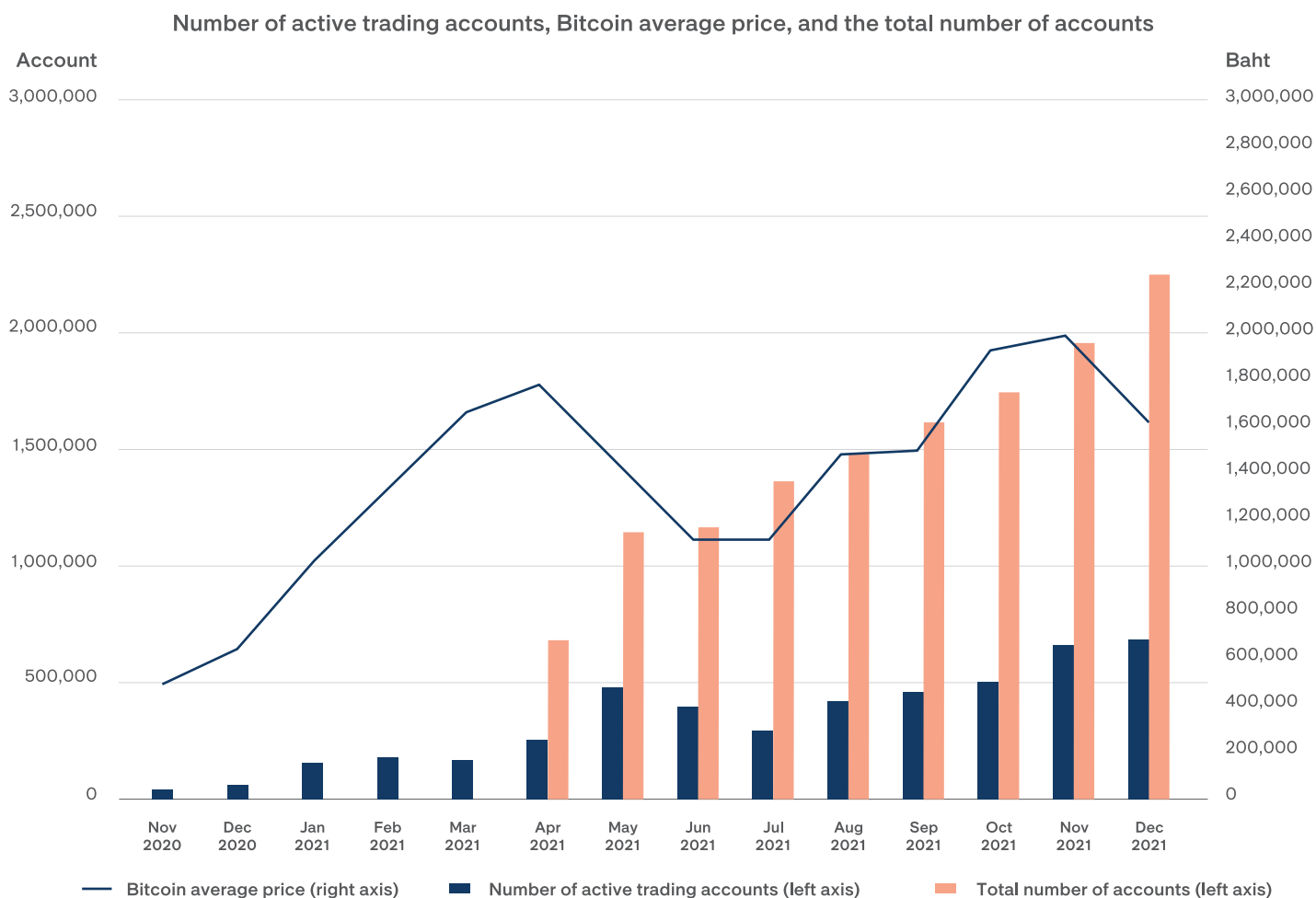


Figure 28: Number of Cryptocurrency Trading Accounts on Digital Asset Exchanges Showed Constant Upward Trend



* However, the number of active trading accounts each month was less than half of the total number of trading accounts.

Industry Overview in 2021

(1) Securities Brokerage

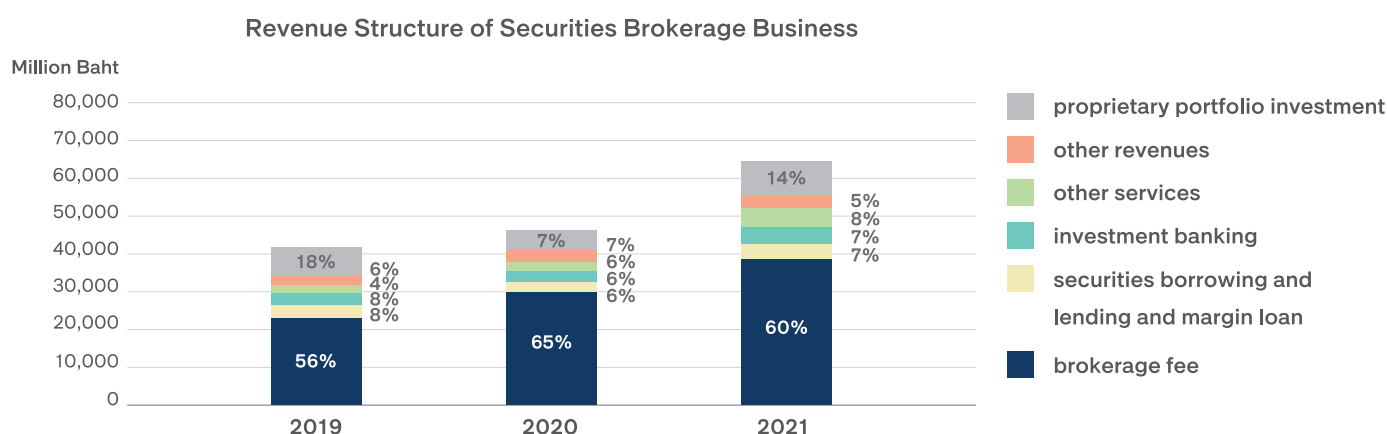
In 2021, there were 47 securities companies (including two newcomers). The total comprised 41 securities brokers and six non-brokers.

	Unit: Company	
	2021	2020
Securities companies ¹¹		
Brokers	41	41
Non-brokers ¹²	6	4
Total	47	45

Overview of the securities brokerage industry in 2021

In 2021, the SET Index closed at 1,657.62 points (an increase of 14% YoY), with the lowest close at 1,466.98 points and the highest close at 1,657.62 points, respectively. The average daily securities trading value rose to 93,846 million baht (an increase of 37% YoY).

Overall, the revenues of securities businesses grew. Collectively, securities companies generated revenues at the total amount of 64,379 million baht (an increase of 39% YoY). Securities brokerage business primarily contributed to the increased revenues with the total amount of 38,880 million baht, compared to the total amount of 30,083 million baht in the previous year (an increase of 29% YoY), accounting for 60% of the total revenues. The significant growth in the brokerage revenues came from brokerage fees collected from the trading of foreign products at the total amount of 1,062 million baht, compared to 583 million baht in the preceding year (an increase of 82% YoY). In addition, the turnover ratio of depository receipts significantly rose to 17,751 million baht (an increase of 1,014% YoY), demonstrating remarkably growing interest in foreign product investments.

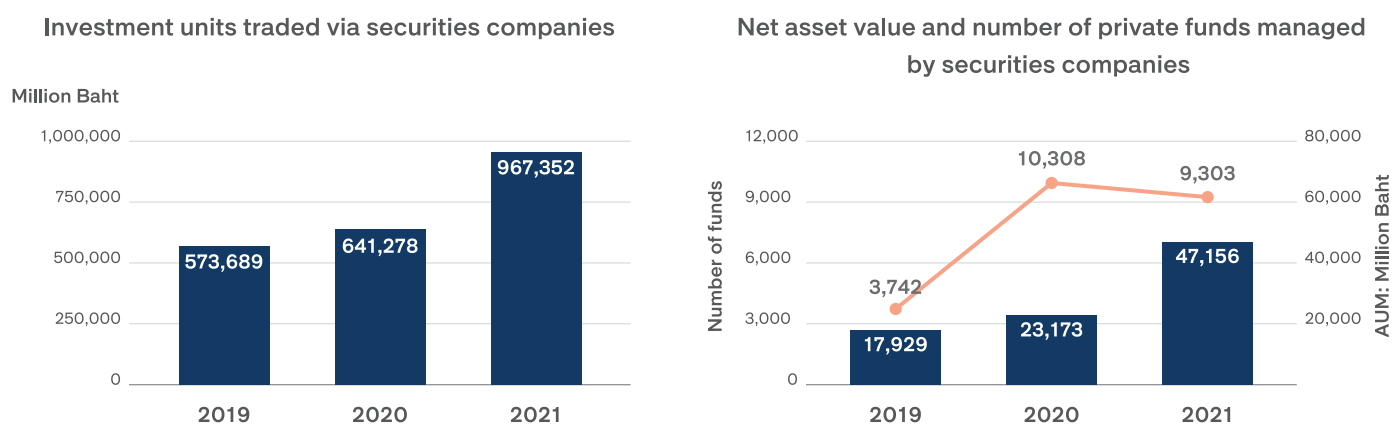


¹¹ Both members and non-members of the Stock Exchange of Thailand.

¹² Securities brokerage licensees that have ceased the brokerage business but continue to operate other securities businesses such as securities dealing, securities underwriting and investment advisory service, etc.

Apart from the aforesaid growing revenues of securities brokerage business, other revenues significantly increased as well. For example, the revenues from the proprietary portfolio investment rose to 8,892 million baht (an increase of 73% YoY). The revenues from providing services as investment unit selling agent totaled 3,984 million baht, rising from the total amount of 2,269 million baht in the previous year (an increase of 76% YoY). This growing trend was consistent with the increasing investment unit trading volumes through securities companies totaling 967,352 million baht, compared to the total trading value of 641,278 million baht in the preceding year (an increase of 51% YoY).

The total revenues of the private fund management business was 882 million baht (an increase of 170% YoY), in line with the total net asset value under management of securities companies of 47,156 million baht (an increase of 103% YoY). However, the total number of private funds dropped to 9,303 (a decrease of 10% YoY).



In 2021, the revenues from the securities underwriting business increased to 3,190 million baht (an increase of 65% YoY) thanks to the total IPOs of 41 securities, compared to the total IPOs of 28 securities in the previous year (an increase of 46% YoY).

Concurrently, brokerage-related businesses were also on an upward trend. With respect to the margin loan business, both existing and new clients had increasing demands in 2021, resulting in a significant rise of the total margin loans, reaching 103,578 million baht (an increase of 71% YoY) with the total collateral value of 410,932 million baht or approximately four times of the total margin loans.

Regarding securities trading channels in 2021, it was found that investors, both institutional and retail, tended to use the internet trading channel more, accounting for 50% of the total trading volume (an increase from 42% in 2020).

The trading of high-yield complex products amid significantly positive and negative fluctuations also expanded from the previous year with the turnover ratio of derivatives warrants of 2 trillion baht (an increase of 23% YoY).

Overview of Market Share Structure of Securities Brokerage Business in 2021

The market share of the top 10 groups was 59% and the trading proportion of the retail investor group was 47% of the total trading volume (an increase from 44% in 2020). The proportion of the foreign investor group was 37% (an increase from 36% in 2020). The domestic institutional investor proportion was 7% (a decrease from 10% in 2020). The trading value of the proprietary portfolio investment was 9% (a decrease from 10% in 2020).

The overall industry-wide operating performance and financial position showed that securities businesses still experienced continuing growth. The total revenues of securities companies were 64,379 million baht (an increase of 39% YoY) and the comprehensive profits totaled 17,265 million baht (an increase of 151% YoY). Most revenues were generated from brokerage fee and other business fees. The overall asset value industry-wide totaled 547,304 million baht (an increase of 22% YoY).

Additionally, securities companies made adjustments and modified their existing business models to expand the client base and offer new services to better meet the needs of their clients. In 2021, certain brokerage firms began to invest in digital assets and prepared to apply for digital asset business licenses such as a digital asset exchange license and a digital asset brokerage license, etc.

Financial Position and Income of Securities Brokers^{13 14}

Financial position

	Unit: Million Baht	
	2021	2020
Total Assets	547,304	447,578
Cash and cash equivalent	118,787	115,133
Net investment	184,286	132,693
Receivables – securities and derivatives business	170,894	129,740
Receivables – clearing house	47,519	43,713
Total Liabilities	432,347	344,064
Loans and debt instruments	47,495	18,847
Payables – securities and derivatives business	295,768	257,984
Payables – clearing house	12,493	15,969
Shareholders' Equity	114,957	103,513
Common stock	62,391	57,783
Retained earnings (loss)	48,914	40,481

Comprehensive Income Statement

	Unit: Million Baht	
	2021	2020
Revenues	64,379	46,435
Fee – brokerage	38,880	30,082
Profit (loss) proprietary account	8,892	5,139
Expenses	43,324	36,128
Employee benefits expenses	24,194	19,478
Comprehensive profit (loss)	17,265	6,892

¹³ Financial data were collected from the unaudited financial statements.

¹⁴ Financial data were collected from 41 securities companies that operated the brokerage business in 2020 and 2021.

Margin loan

Unit: Million Baht

	2021	2020
Margin Loan	103,578	60,611
Collateral	409,068	249,756

Net Liquid Capital

All securities companies were able to maintain their net liquid capital at a level significantly higher than the minimum requirement. At the end of 2021, the average net liquid capital of the industry per intermediary rose to 2,356 million baht (an increase of 22% YoY). Meanwhile, the average net capital ratio to general liabilities and collaterals per intermediary declined to 69% (a decrease of 15% YoY), which was still significantly higher than the minimum requirement.

	2021	2020
Net liquid capital (million baht) / average amount per intermediary	2,356	1,939
Net capital ratio (%) to general liabilities and collateral / average amount per intermediary	57	67

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

(2) Derivatives Agents

At the end of 2021, there were 43 derivatives business operators in total, 38 of which were securities brokers operating as derivatives agent as well and four of which operated as derivatives agent only.

	2021	2020
Licensed derivatives agents		
- Operating securities brokerage business as well	38	38
- Operating derivatives agent business only	4	4
- Ceasing operation of derivatives agent business temporarily	1	1
Total	43	43

Overview of the industry developments

In 2021, the average daily derivatives trading volume was 560,653 contracts per day (an increase of 13% YoY). The trading volume of gold futures contracts increased, with an average volume of 49,027 contracts per day (an increase of 10% per day). In particular, the gold online futures generated an average trading volume of 42,355 contracts per day (an increase of 27% YoY) owing to the fluctuating gold price in the global market, which attracted investors for speculative purpose. In addition, the trading volume of USD futures contracts was also on the upward trend, with an average trading volume of 14,314 contracts per day (an increase of 24% YoY).

In terms of the market share structure of the derivatives business and the operating performance of the four derivatives agents, the overall market share of the derivatives business operators declined to 5.3%, from 6.4% in the previous year. However, the total revenue of the derivatives agents rose to 348 million baht (an increase of 14% YoY) thanks to the increasing investment of the proprietary account to 170 million baht (an increase of 81% YoY) and the increasing brokerage fee of 156 million baht (an increase of 14% YoY). As a result, the comprehensive profits of the derivatives agents was 4 million baht, compared to the comprehensive loss of 18 million baht in the preceding year.

Financial Position and Income of Derivatives Agents^{15 16}

Financial Position

Unit: Million Baht

	2021	2020
Total Assets	2,839	2,614
Cash, cash equivalent	978	1,065
Receivables – clearing house	1,212	1,021
Total Liabilities	2,164	1,950
Loan and debt instruments	0	95
Payables – securities and derivatives businesses	2,071	1,772
Shareholders' equity	675	663
Common stock	943	934
Retained earnings (loss)	(268)	(270)

¹⁵ Financial data were collected from unaudited financial statements.

¹⁶ Financial data were collected exclusively from the four operating derivatives agents in 2021.

Comprehensive income statements

Unit: Million Baht

	2021	2020
Revenues	348	306
Fee – brokerage	156	137
Profit (loss) proprietary account	170	94
Expenses	338	325
Employee benefits	126	128
Comprehensive profits (loss)	4	(18)

Net Liquid Capital

The four derivatives agents maintained their net liquid capital at a higher level than the minimum requirement. At the end of 2021, the average net liquid capital was 107 million baht (a decrease of 22% YoY) per intermediary, while the average net capital ratio to general liabilities and collaterals was 173% per intermediary, which was significantly higher than the minimum requirement.

	2021	2020
Net liquid capital (million baht) / average amount per intermediary	107	138
Net capital ratio (%) of general liabilities and collateral / average amount per intermediary	173	185

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

(3) Asset Management Business

Investment through mutual funds continued to experience healthy growth with net cash inflows especially to foreign investment funds. According to the data from asset management business (Table 5), the net asset value at the end of 2021 totaled 5.4 trillion baht, growing from 340 billion baht or a 6.6% increase from the preceding year. Categorized by investment policy, equity funds collectively recorded the highest net asset value increase of 360 billion baht while the net asset value of fixed income funds declined the most at 47 billion baht. Categorized by region, the net asset value of foreign investment funds increased by 330 billion baht and mutual funds established for special purposes recorded a net asset value increase of 24 billion baht.

Table 5: Net Asset Values Categorized by Investment Policy

Classified by Investment Policy	Number of Funds		NAV (Million Baht)		Change	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020	NAV (Million Baht)	% NAV
Mutual fund and trust fund						
Equity fund	874	740	1,496,039	1,138,846	357,193	31%
Fixed income fund	451	426	2,276,165	2,323,858	(47,694)	-2%
Money Market Fund	29	29	272,449	322,105	(49,656)	-15%
Daily Fixed	72	72	1,322,985	1,325,834	(2,849)	-0%
Term Fund	192	189	348,746	352,561	(3,815)	-1%
Others	158	136	331,986	323,359	8,627	3%
Mixed fund	311	274	381,159	366,182	14,977	4%
Equity and debt	52	54	33,265	36,680	(3,416)	-9%
Equity, debt and others	259	220	347,895	329,502	18,393	6%
Alternative investment fund	108	105	148,976	171,282	(22,306)	-13%
Property fund (type 1)	37	37	123,538	124,962	(1,424)	-1%
Specific fund	35	35	121,933	123,349	(1,416)	-1%
Non-specific fund	2	2	1,605	1,613	(8)	-0%
Real Estate Investment Trust (REIT)	26	25	211,503	195,731	15,772	8%
Managed by asset management company	6	5	21,318	18,426	2,892	16%
Managed by other REIT manager	20	20	190,185	177,305	12,880	7%
Infrastructure fund offered to general investors	9	9	395,334	400,400	(5,066)	-1%
Total mutual fund and trust fund	1,816	1,616	5,032,713	4,721,261	311,452	6.6%
Classified by Foreign Investment						
Foreign investment fund	933	738	1,361,457	1,030,709	330,747	32%
Domestic investment fund	883	878	3,671,257	3,690,552	(19,295)	-1%

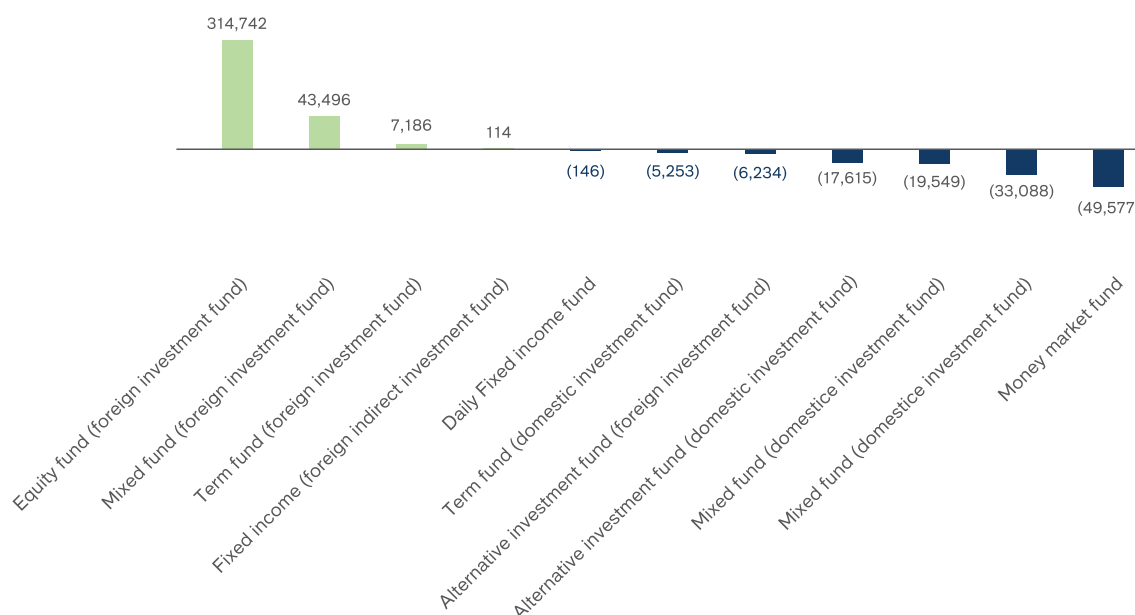
Table 5: Net Asset Values Categorized by Investment Policy (Continued)

Classified by Investment Policy	Number of Funds		NAV (Million Baht)		Change	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020	NAV (Million Baht)	% NAV
Specialized fund						
Property fund for institutional investors	14	15	31,206	33,703	(2,497)	-7%
Property fund for resolving financial institution problem (type 2)	3	4	5,008	5,897	(889)	-15%
Mutual fund for resolving financial institution problem (type 3)	-	-	-	-	-	-
Property and loan fund (type 4)	11	11	26,198	27,806	(1,608)	-6%
Vayupak fund	1	1	340,076	313,168	26,907	9%
Country fund	-	1	-	38	(38)	-100%
Total specialized fund	15	17	371,282	346,910	24,372	7.0%
Grand total	1,831	1,633	5,403,995	5,068,171	335,824	6.6%

With regard to the amount of cash inflow and outflow in 2021, the net inflow of mutual funds was 245 billion baht. In this, foreign investment funds had the highest net inflow of 310 billion baht, followed by mixed funds focusing on foreign investment at 43 billion baht in line with the rising foreign indices throughout 2021. Meanwhile, local money market funds had the highest net outflow at 49 billion baht, followed by local equity funds at 33 billion baht (Figure 29).

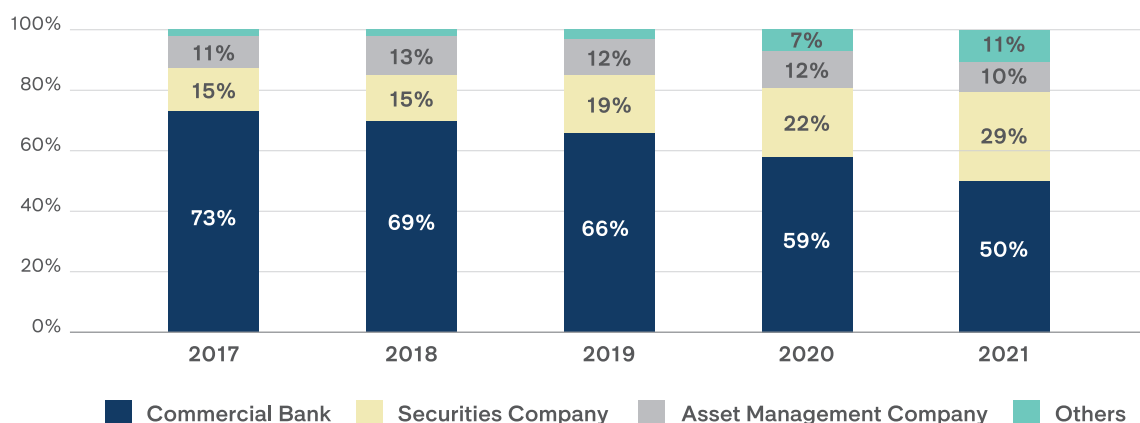
Figure 29: Net Cash Flows of Funds in 2021

(Net Cash Flow in 2021 : Million Baht)



In 2021, there were 23 asset management companies. Of this total, eight asset management companies under commercial bank groups gained the highest market share of 79 percent. The main sales channels remained branches of commercial banks, accounting for 50 percent, followed by the sales channels through securities companies at 29 percent, and investment unit sales through asset management companies and other channels at 10% and 11%, respectively (Figure 30).

Figure 30: Proportion of Sales Channels of Mutual Funds



In 2021, (Figure 31) there were 446 newly established funds, 43 more than the total of the preceding year, with the IPO size of 610 billion baht, decreasing by 60 billion baht from the preceding year. Term funds still had the highest sales proportion of 74 percent, accounting for the IPO size of 450 billion baht. The majority (86%) of the term fund IPOs was offered to accredited investors similar to 2020. (Figure 32), while the second highest IPOs were equity funds and mixed funds, followed by trigger funds, accounting for the IPO sizes of 19% and 5%, respectively.

Figure 31: Offering Proportion Based on Types of Funds

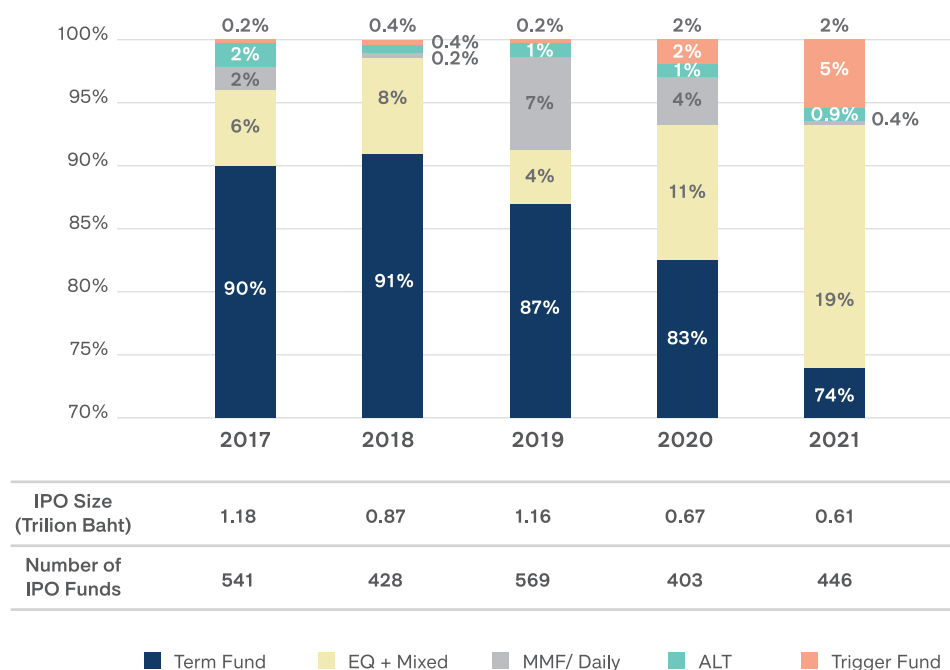
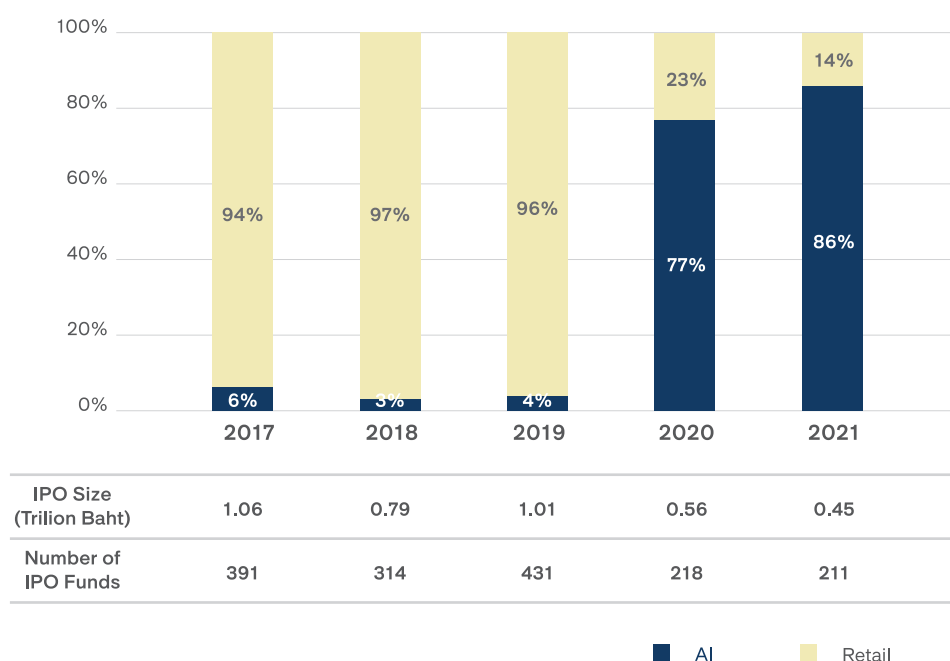


Figure 32: Proportion of Term Fund Offerings to AI and Retail Investors

In 2021, asset management companies collectively generated revenues at the amount of 25,243 million baht, an increase of 6,670 million baht or 36% growth, compared to the preceding year, and recorded an increase of net earnings at the amount of 1,533 million baht, or 30% growth from the preceding year (Table 6). In this regard, 20 out of 23 asset management companies generated earnings while the other three companies recorded operating loss.

Table 6: Revenues and Earnings of Asset Management Companies

	June 2021	June 2020
Revenues	25,243	18,573
Fees and services	25,125	18,583
Earnings	6,677	5,145

To promote and develop sustainable growth of the asset management business, the SEC has revised the relevant regulations and laid out implementation plans in several aspects. For example, regulatory amendment under the Regulatory Guillotine Scheme to streamline costs and burdens on business operators, revision to disclosure reports to curb redundancy in information reporting, and more efficiency in applying information to draft related policies, issuance of regulations to provide mutual funds with liquidity risk management tools to enhance capability of risk management and protection of the overall unitholders' interest. In addition, the SEC plans to issue regulations in support of Sustainable and Responsible Investing (SRI) funds. All these efforts are expected to support investment for social and environmental interest using sustainable investment guidelines.

(4) Investment Unit LBDU

In 2021, two new business operators in the category of limited broker, dealer and underwriter of investment units (LBDU) entered the industry (consisting of one commercial bank and an LBDU). Meanwhile, one existing business operator underwent a merger and acquisition (commercial bank group), resulting in the total of 40 active LBDUs.

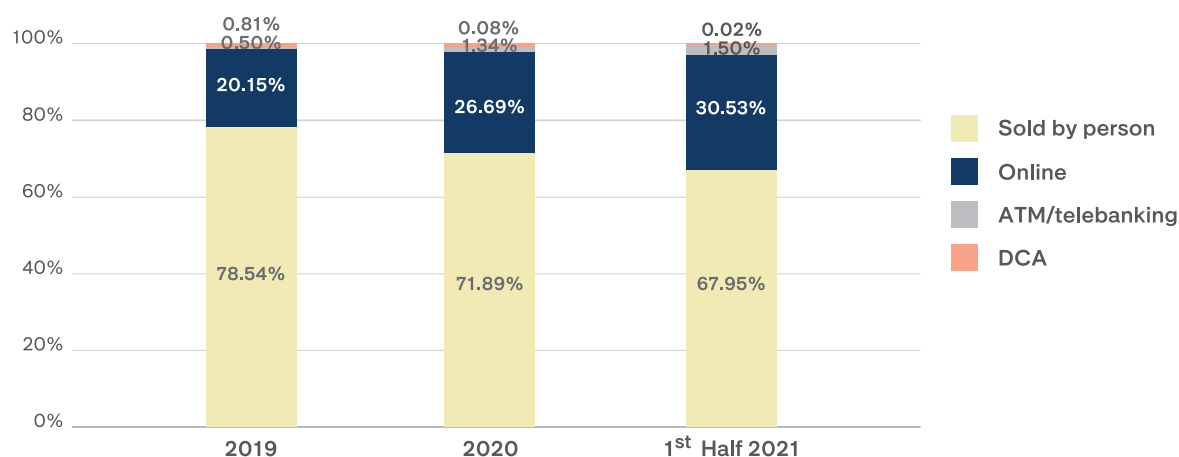
Table 7: Number of LBDU operators

	2021	2020	2019
Commercial banks	16	16	16
Life insurance companies	14	14	14
Investment unit brokers	10	9	7
Total	40	39	37

As of 31 December 2021

Most sales were made through investment consultants at branches of commercial banks. Meanwhile, online selling channels increasingly experienced an upward trend.

Figure 33: Proportion of sales channels during 2019 – 2021 (Only commercial banks, insurance companies and LBDUs)



As of 30 June 2021

In terms of provincial sales, Bangkok, Chonburi and surrounding provinces remained the top five sales generating areas.

Table 8: Top Five Sales Generating Provinces in 2021 (1st half) (only commercial banks, insurance companies and LBDUs)

Q1/2021	Q2/2020
Bangkok	Bangkok
Samutprakan	Nonthaburi
Chonburi	Chonburi
Nonthaburi	Samutprakan
Samutsakon	Samutsakon

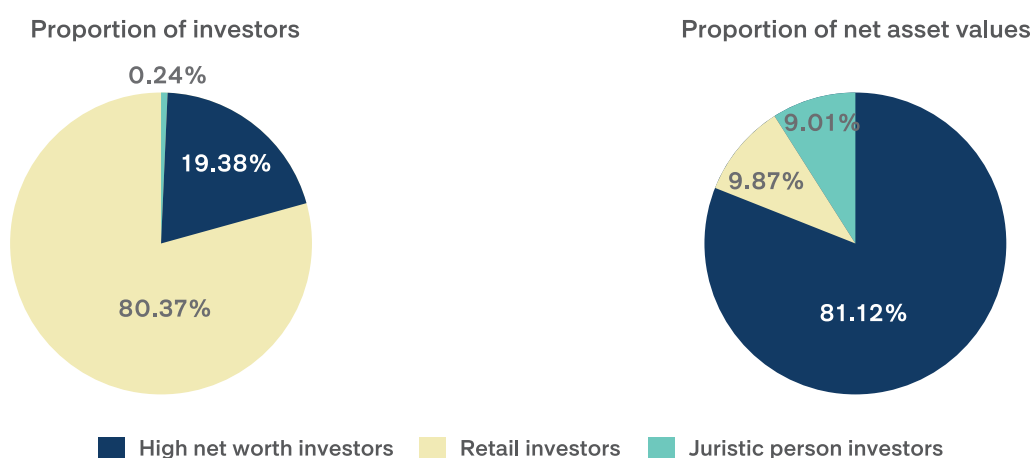
As of 30 June 2021

Table 9: Number of active personnel in 2021 (investment consultants and investment planners)

	Investment Consultants	Investment Planners	Total (person)
Commercial banks	38,039	1,201	39,240
Life insurance companies	685	6	691
Investment unit brokers	82	24	106
Total	38,806	1,231	40,037

As of 31 December 2021

There were three main client groups, namely retail investors, high net worth investors and juristic person investors. The trading accounts of retail investors totaled 80.38%, followed by high net worth investors at 19.38%, and juristic person investors at 0.24%. Nevertheless, high net worth investors had the largest asset size or approximately 81.12%, followed by retail investors at 9.87% and juristic person investors at 9.01%.

Figure 34: Number of trading accounts and net asset values categorized by types of clients (only commercial banks, life insurance companies and investment unit brokers)

As of 30 June 2021

Remark: High net worth investor is as defined in the regulations governing business operators.

(5) Digital asset businesses

The Emergency Decree on Digital Asset Businesses B.E. 2561 (2018) has become effective since 14 May 2018. At the end of 2021, there were 14 licensed digital asset business operators under supervision of the SEC, as follows:

	2021	2020
Number of licensees	14	11
- Operating	11	8
- Preparing to operate	2 ¹⁷	2 ¹⁸
- Returning license	1	1
Types of license		
- Digital asset exchange	4	6
- Digital asset exchange and brokerage	4	2
- Digital asset brokerage	2	2
- Digital asset brokerage and dealing	2	1
- Digital asset advisory	1	-
- Digital asset fund management	1	-
Total	14	11

As of 31 December 2021

Financial position and revenues of 10 digital asset business operators^{19 20}

Financial position

Unit: Million Baht

	2021	2020
Assets	4,317	876
Cash, cash equivalent and investment capital	2,845	493
Digital assets	1,090	214
Other assets	382	169
Liabilities	2,156	144
Shareholders' equity	2,161	732

As of 31 December 2021

¹⁷ Consisting of one digital asset exchange and brokerage and one digital asset brokerage and dealing.

¹⁸ Consisting of two digital asset exchange and brokerage.

¹⁹ All information is from unaudited financial statements.

²⁰ Consisting of digital asset exchange, digital asset brokerage and digital asset dealing.

Comprehensive income statements

Unit: Million baht

	2021	2020
Revenues	5,950	390
Service fee	5,597	341
Profits (loss) from digital asset trading	304	4
Other revenues	49	45
Expenses	2,776	375
Employee benefits	469	123
Fee and expenses related to service provision	1,248	50
Other expenses	1,058	202
Total comprehensive profits (loss)	3,174	15

As of 31 December 2021

Capital adequacy requirement of digital asset business operators

In 2021, there were two types of capital adequacy requirement on digital asset business operators, as follows:

(1) Digital asset business operators holding clients' assets under custody: Nine companies maintained capital in the form of net capital (NC), accounting for 5% of the total value of the clients' assets kept in a system not connected with the Internet only while executing transactions (hot wallet) plus 1% of the total value of the clients' assets kept in a system connected with the Internet only while executing transactions (cold wallet), in any case not less than 15 million baht.

	As of 31 December 2021	As of 31 December 2020
Average net capital ratio per one digital asset business operator	2.19 times	1.83 times

(2) Digital asset business operators not holding clients' assets under custody: One company maintained capital in the form of shareholder's equity, which shall not be less than half of the minimum registered capital of each type of digital asset business.

	As of 31 December 2021	As of 31 December 2020
Average shareholder's equity ratio to net capital requirement per digital asset business operator	9.01 times	9.71 times

At the end of 2021, one digital asset business operator maintained net capital below warning level but all 10 digital asset operators complied with the capital adequacy requirement pursuant to the governing regulations.

(6) The Offering of Securities through Crowdfunding Portals

Securities crowdfunding is an alternative fundraising channel for SMEs and startups, in which securities are offered for sale to the public through the crowdfunding portal's website. The crowdfunding portal, which acts as an intermediary between securities issuers and investors, must obtain an approval from the SEC before commencing operation. Securities crowdfunding is a form of securities offering to the public subject to regulation under the Securities and Exchange Act B.E. 2535 (1992).

In 2021, five crowdfunding portals obtained an approval from the SEC, adding up to a total of eight approved crowdfunding portals. The approved portals comprise two equity-based crowdfunding portals and six non-specific equity and debt crowdfunding portals.

Crowdfunding Portals	2021	2020
Limited to equity	2	3
Both equity and debt	6	1
Total	8	4

As of 31 December 2021

The statistics above shows an increase of crowdfunding portals in 2021, leading to more promotion of fundraising via this channel.

In addition, the SEC supported the government policy on inclusive funding accessibility through various channels in the capital market in order for SMEs and startups to be able to proceed with their business operation. The SEC also launched the Start-to-Grow fundraising data micro site as a knowledge center for SMEs and startups to learn more about fundraising tools and methods in the capital market and to self-assess their ability before selecting fundraising channels most suitable for their needs and business size, which will subsequently contribute to sustainable growth of their businesses. The micro site includes information on crowdfunding and specific fundraising in case of SMEs using diverse media formats such as infographic, articles, video clips as well as interviews with SMEs operators who have successfully raised fund via the capital market.

Given the information above, the offering of securities through crowdfunding made significant growth in 2021. Specifically, in 2020, the total crowdfunding value was 70.58 million baht while in 2021 the total value was 1,391 million baht, or a remarkable expansion of 19 times. There were 140 successful SME and startup offerors, dividing into equity crowdfunding by six SMEs and startups with a total of 68.10 million baht and 1,322.90 debt crowdfunding by 134 companies.

Issuance and offering of securities through crowdfunding	2021		2020	
	(Case)	(Million baht)	(Case)	(Million baht)
Equity crowdfunding	6	68.10	1	11.73
Debt crowding	134	1,322.90	14	53.85
Total	140	1,391.00	15	70.58

As of 31 December 2021

(7) The Offering of Digital Tokens

To facilitate digital means of fundraising, the SEC has issued regulations on the offering of digital tokens, also known as initial coin offering (ICO), in accordance with the Royal Decree on Digital Asset Businesses B.E. 2561 (2018). To carry out an ICO, an issuer must obtain an approval from the SEC, submit the required offering documents and draft prospectus, and make an offering through an ICO portal which has obtained an approval from the SEC Board. In 2021, one ICO issuer obtained an approval from the SEC.

In 2021, three new ICO portals were granted an approval, adding up to a total of seven ICO portals. Initially, most applicants for approval as ICO portal were new small sized companies that had never been regulated by the SEC, but over the year, commercial banks and securities companies increasingly began to show more interest in providing ICO services.

In addition, the SEC has revised the regulations on information collection and disclosure and the regulations on fund allocation of ICO portals, effective since 1 May 2021 and 1 October 2021, respectively, to ensure consistence with the operating guidelines of business operators.

List of Subcommittees and Their Work Performance

1. Legal Subcommittee (Consulting)

Roles and responsibilities

To consider and give opinions and/or recommendations 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) To consider 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 give opinions and recommendations on special assignments.

SEC Director of the Legal Department 3 shall serve as Secretary of the Subcommittee.

Work performance: In 2021, seven meetings were convened to:

- (1) Consider 19 drafted and amended notifications of the SEC;
- (2) Draft a regulation;
- (3) Consider and interpret five legal issues under supervision of the SEC.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Sarawut Benjakul *	Chairman	7/7	
(2) Mr. Manit Sutaporn * Legal Expert	Member	7/7	
(3) Mrs. Suda Wisarutphit * Legal Expert	Member	7/7	
(4) Secretary-General or representative of the Office of the Council of State, as assigned **	Member	Pending commencement	
(5) Deputy Secretary-General in charge of Legal Development, the Securities and Exchange Commission **	Member	Pending commencement	

* The term was renewed.

** Newly appointed.

The Subcommittee holds a two-year term from 1 December 2021 to 30 November 2023.

2. Legal Subcommittee (Litigation)

Roles and responsibilities

To consider and give opinions to the SEC Board or the SEC Office on significant 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 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 other law;
- (3) Requisition of the Criminal Court's order to prohibit persons from leaving the Kingdom and ordering of temporary prohibition of such act before the Criminal Court issues an order.

SEC Director of the Litigation Department shall serve as Secretary of the Subcommittee.

Work performance: In 2021, three meetings were convened to consider the following issues:

- (1) Guidelines for tracking escaping suspects to summon them to legal action;
- (2) Giving recommendations on sufficiency of evidence and conditions and elements of offenses in the case where digital asset business operators allow persons who do not hold the positions of company director or executive to be involved in work management;
- (3) Giving recommendations on conditions and elements of offenses related to advertising of digital asset business operators.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Sarawut Benjakul	Chairman	3/3	
(2) Mr. Khemchai Chutiwongse Legal Expert	Member	1/3	On leave at Meeting No. 2/2564 and Meeting No. 3/2564
(3) Pol. Gen. Sutep Dechrugsa Legal Expert	Member	3/3	
(4) Director-General or Deputy Director-General of the Department of Special Investigation, as assigned	Member	3/3	
(5) Director-General or Deputy Director-General of the Department of Economic Crime Litigation, as assigned	Member	3/3	
(6) Director-General or Deputy Director-General of the Department of Department of Civil Litigation, as assigned	Member	3/3	
(7) Commander or Deputy Commander of the Economic Crime Suppression Division, as assigned	Member	3/3	
(8) Representative from the Bank of Thailand	Member	3/3	
(9) Deputy Secretary-General in charge of Law Enforcement and Legal Development, the Securities and Exchange Commission	Member	2/3	On leave at Meeting No. 3/2564

The Subcommittee holds a two-year term from 1 December 2021 to 30 November 2023.

3. Appellate Subcommittee

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 other duties as assigned by the SEC Board.

SEC Director in charge of the implementation of the appeal process shall serve as Secretary of the Subcommittee.

Work performance:

The Appellate Subcommittee proposed opinions on appeal cases against the SEC Office's administrative orders to the SEC Board and expressed observations on the SEC's actions in two cases.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mrs. Nuntawan Sakuntanaga Commissioner	Chairperson	2/2	
(2) Mr. Subhak Siwaraksa Commissioner	Member	2/2	
(3) Miss Jongjit Leekpai	Member	2/2	
(4) Mr. Thamanit Sumantakul	Member	2/2	

The Subcommittee holds a four-year term from 5 August 2021 to 4 August 2025.

4. Good Governance and Remuneration Subcommittee

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 subcommittees 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.

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 Subcommittee 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 for 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 a particular matter, in the case that the SEC Board assigns the Good Governance and Remuneration Subcommittee to perform the duties according to the item (7).

Work performance:

In 2021, 10 meetings were convened, namely (1) six Good Governance and Remuneration Subcommittee meetings, and (2) four meetings of a subcommittee assigned by the SEC Board (consisting of Good Governance and Remuneration Subcommittee members and assigned SEC Board commissioners, namely Mr. Sarawut Benjakul and Mr. Subhak Siwaraksa), to consider the following matters:

- (1) Revision to the SEC Office's manpower structure and urgent manpower recruitment to support operations related to digital assets;
- (2) Secretary-General's performance in 2020;
- (3) Criteria for work performance evaluation, determination of key objectives and key performance indicators for each factor for evaluation of Secretary-General's work performance in 2021;
- (4) Issues related to employees.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Prasan Chuaphanich Commissioner	Chairman	10/10	
(2) Mr. Viput Ongsakul Commissioner	Member	10/10	
(3) Mrs. Nuntawa Sakuntanaga Commissioner	Member	10/10	
(4) Mr. Sarawut Benjakul Expert	-	5/10	
(5) Mr. Subhak Siwaraksa Expert	-	5/10	

The Subcommittee holds a term from 8 October 2020 to 1 November 2022.

5. The Subcommittee 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;
- (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.

Director of the Financial Technology Department and Director of Intermediaries Policy Department shall be appointed as Assistant Secretary to the Subcommittee.

²¹ SEC Board assigned Mr. Sarawut Benjakul and Mr. Subhak Siwaraksa to participate in the screening process before proposing for the SEC Board's consideration.

Work performance: In 2021, two meetings were convened to consider the following matters:

- (1) Laying out guidelines related to digital asset wallets of the governmental sector regarding seizure, attachment, custody as well as actions involving the governmental sector's digital assets;
- (2) Reporting on the draft Act on Electronic Performance of Administrative Functions and the SEC's public hearings on digital services;
- (3) Reporting on the progresses on the implementation of the Capital Market Digital Strategy;
- (4) Reporting on the promotion and support for cyber threat resilience standards;
- (5) Reporting on key project plans under the Draft Implementation Plan of Digital Standards Development Phase 1 (2023 – 2027) of the Electronic Transactions Development Agency.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mrs. Methini Thepmanee	Chairperson	2/2	
(2) Mrs. Malee Wongsaroj	Member	2/2	
(3) Mr. Sak Sekkhoonthod	Member	2/2	
(4) Mr. Khanat Kruthakul	Member	2/2	
(5) Mr. Anuchit Anuchitanukul	Member	2/2	
(6) Mr. Jedsada Siwarak	Member	2/2	
(7) Mrs. Sumaporn Manasan	Member	2/2	
(8) Mr. Thamnoon Ananthothai	Member	0/2	
(9) Mr. Bhume Bhumiratana	Member	0/2	
(10) Mr. Jessada Sookdhis	Member	1/2	
(11) Representative from the Fiscal Policy Office	Member	2/2	
(12) Representative from the Bank of Thailand	Member	2/2	
(13) Representative from the Association of Thai Securities Companies	Member	2/2	
(14) Representative from the Association of Investment Management Companies	Member	2/2	
(15) Representative from the Stock Exchange of Thailand	Member	2/2	
(16) SEC Assistant Secretary-General, Capital Market Policy Division	Member and Secretary	2/2	
(17) SEC Assistant Secretary-General, Digital Technology and Internal Excellence Division	Member and Secretary	2/2	

The Subcommittee holds a term from 11 March 2020 to 1 January 2022.

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.

List of the Subcommittee's members and the total meeting attendance in 2020

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Yokporn Tantisawetrat Commissioner of SEC Board	Chairman	3/11	Holding office until 15 April 2021
(2) Mr. Krairit Euchukanonchai Commissioner of SEC Board	Chairman	8/11	Appointed on 13 May 2021
(3) Mr. Viput Ongsakul Commissioner of SEC Board	Member	11/11	
(4) Mr. Prasan Chuaphanich Commissioner of SEC Board	Member	11/11	

The term of the Audit Committee's members coincide with their term in the SEC Board.

Remark: The Audit Committee's performance is in the Audit Committee's Report 2021.

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.

SEC Director of the Litigation Department shall serve as Secretary to the Subcommittee.

Work performance: In 2021, one meeting was convened to consider administrative sanctions to be imposed on offenders.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Prof. Kumchai Jongjakapun, PhD	Chairman	1/1	
(2) Mr. Pratib Yongvanich	Member	1/1	
(3) Mr. Yingyong Nilasena	Member	1/1	

The Subcommittee holds a two-year term from 9 September 2018 to 8 September 2020.

Remark: The current Administrative Sanction Committee will remain in office until a successor committee is appointed.

8. The Subcommittee on Capital Market Competitiveness 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.

Work performance: In 2021, 11 meetings were convened to consider the following matters:

- (1) Guidelines for classification of investment types based on knowledgeability and risk tolerance (one meeting);
- (2) SEC financial and investment education plan (one meeting);
- (3) Guidelines for digital asset supervision (nine meetings).

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Tevin Vongvanich	Chairman	11/11	
(2) Mr. Subhak Siwaraksa	Member	11/11	
(3) Mr. Suwit Rojanavanich	Member	10/11	
(4) Mrs. Patareeya Benjapolchai	Member	10/11	
(5) Mr. Jessada Promjart	Member	9/11	
(6) Mr. Pasu Decharin	Member	9/11	
(7) Mrs. Paralee Sukonthaman	Member	10/11	
(8) Mrs. Wipa Saengow	Member	7/11	
(9) Representative from the Office of the National Economic and Social Development Council	Member	9/11	
(10) Representative from the Thailand Development Research Institute	Member	11/11	
(11) Miss Jomkwan Kongsakul	Member and Secretary	11/11	

The Subcommittee holds a two-year term from 25 June 2021 to 24 June 2023.

9. Risk Oversight Committee

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.

SEC Director responsible for the management of capital market risks and organizational risks shall be appointed as Secretary to the Subcommittee.

Work performance: In 2021, four meetings were convened to consider key matters as follows:

- (1) Review on the market risk list, the digital asset risk list, and the organizational risk list, guidelines and risk management plans and revision to the risk monitoring indicators, and updates on the progresses on risk management;
- (2) Reporting on the progresses on market risk management, digital asset risks and organizational risks including the results of the quarterly monitoring of key risk indicators;
- (3) Reporting on the results of a joint crisis simulation with other regulators;
- (4) Summarizing the results of the 2021 mutual fund crisis management test;
- (5) Reporting the results of the risk assessment related to real estate investment trusts, property funds and infrastructure funds, and the SEC's risk management;
- (6) Reporting the results of the business continuity management drill and operational continuity management under the Covid-19 pandemic situation.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mrs. Nuntawan Sakuntanaga Commissioner of SEC Board	Chairperson	4/4	
(2) Mr. Subhak Siwaraksa Commissioner of SEC Board	Member	4/4	
(3) Miss Ruenvadee Suwanmongkol SEC Secretary-General	Member	4/4	
(4) Assoc. Prof. Chayodom Sabhasri, PhD Expert	Member	4/4	
(5) Mr. Pokai Sriratanobhas Expert	Member	4/4	

The Subcommittee holds a two-year term from 2 January 2020 to 1 January 2022.

10. Subcommittee on Consideration of Regulations on Issuance and Offering of Equity Instruments, Governance of Securities Issuing Companies and Securities Acquisition for Business Takeovers

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);
 - (3) Issuance of regulations related to securities acquisition for business takeovers;
 - (4) 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.

Work performance: In 2021, four meetings were convened to:

- (1) Revise the regulations of issuance and offering for sale of convertible securities and underlying shares of convertible securities to creditors under business rehabilitation plan;

- (2) Consider essences related to issuance of notifications under Section 89/25 of the Securities and Exchange Commission Act B.E. 2535 (1992);
- (3) Revise the regulations related to offering for sale of foreign securities;
- (4) Consider regulations on public offering of shares of small and medium-sized enterprises, post-offering regulations and securities listing in the secondary market;
- (5) Consider guidelines for categorization of product groups in line with the new definitions of investor types.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mrs. Saranya Chindavanig	Chairperson	4/4	
(2) Representative from the Stock Exchange of Thailand	Member	4/4	
(3) Representative from the Investment Banking Club, the Association of Thai Securities Companies	Member	4/4	
(4) Representative from the Thai Listed Companies Association	Member (Expert in Group 1)	4/4	
(5) Mrs. Kobboon Srichai		4/4	
(6) Mr. Kanchit Bunajinda		3/4	
(7) Mr. Bundit Anantamongkol		2/4	
(8) Mr. Susheel Narula		4/4	
(9) Mr. Anuwat Ruamsuke		4/4	
(10) Mr. Vasin Vanichvoranun	Member	1/1	Attending Meeting
(11) Mr. Kengkla Rakpaopan	(Expert in Group 2)	1/1	No. 3/2564
(12) Mrs. Patraporn Milindasuta		1/1	
(13) Mr. Suparerk Auychai		1/1	
(14) SEC Director of the Department in charge of the supervision of equity, equity equivalent instruments, warrants, and hybrid instruments, governance of securities issuing companies or supervision of securities acquisition for business takeovers, as the case maybe.	Member and Secretary	4/4	

The Subcommittee holds a two-year term from 18 December 2020 to 17 December 2022.

Expert Group 1

Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies

- (1) Representative from the Thai Listed Companies Association
- (2) Mrs. Kobboon Srichai
- (3) Mr. Kanchit Bunajinda
- (4) Mr. Bundit Anantamongkol
- (5) Mr. Susheel Narula
- (6) Mr. Anuwat Ruamsuke

Expert Group 2

Securities Acquisition for Business Takeovers

- (1) Representative from the Association of Investment Management Companies
- (2) Mr. Kengkla Rakpaopan
- (3) Mrs. Patraporn Milindasuta
- (4) Mr. Suparerk Auychai

11. Subcommittee 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.

Work performance: In 2021, two meetings were convened to consider the following matters:

- (1) Revision to 10 draft notifications and one set of guidelines for debt securities supervision;
- (2) Guidelines for categorization of product groups in line with the new definitions of investor types.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mrs. Pornanong Budsaratragoon	Chairperson	2/2	
(2) Representative from the Thai Bond Market Association	Member	2/2	
(3) Representative from the Investment Banking Club, the Association of Thai Securities Companies	Member	2/2	
(4) Representative from the Thai Listed Companies Association	Member	1/2	
(5) Representative from the Thai Investors Association	Member	0/2	
(6) Mr. Ayuth Krishnamara	Member	2/2	
(7) Miss Sasiwimon Prathnadi	Member	2/2	
(8) Mr. Kritchakorn Nontanakorn	(Expert List in the	2/2	
(9) Miss Asmaporn Panjanavaporn	attachment)	2/2	
(10) Mr. Sukkawat Prasertying		1/2	
(11) Mr. Arsa Indaravijaya		2/2	
(12) 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	2/2	

The Subcommittee holds a two-year term from 18 December 2020 to 17 December 2022.

Expert list in the attachment (1) Miss Sasiwimon Prathnadi (2) Mr. Kritchakorn Nontanakorn (3) Miss Asmaporn Panjanavaporn (4) Mr. Sukkawat Prasertying (5) Mr. Sutee Losoponkul (6) Mr. Arsa Indaravijaya

12. Subcommittee 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 fund 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.

Work performance: In 2021, two meetings were convened to consider relevant regulations in two areas as follows:

- (1) Revision to the regulations on indirect investment of real estate investment trusts to enhance flexibility;
- (2) Revision to the regulations on real estate investment trusts to establish clearer agreements for repurchase of assets of the original owners which cover investment in leasing rights.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Ayuth Krishnamara	Chairman	2/2	
(2) Representative from the Stock Exchange of Thailand	Member	2/2	
(3) Representative from the Investment Banking Club, the Association of Thai Securities Companies	Member	2/2	
(4) Representative from the Association of Investment Management Companies as mutual fund manager	Member	2/2	
(5) Representative from the Association of Investment Management Companies as trustee business operators	Member	2/2	
(6) Mr. Ekachai Chongvisal	Member	2/2	
(7) Mrs. Duangporn Wasanasompong	Member	2/2	
(8) Miss Pirinee Pringsulaka	Member	2/2	
(9) Mr. Bundit Anantamongkol	Member	2/2	
(10) Mr. Yingyong Nilasena	Member	2/2	
(11) Mr. Kittipon Pramoj Na Ayudhya	Member	1/2	
(12) SEC Director of the Department in charge of the supervision of property funds, infrastructure funds, real estate investment trust including financial instruments to invest in property funds, infrastructure funds and real estate investment trusts	Member and Secretary	2/2	

The Subcommittee holds a two-year term from 18 December 2020 to 17 December 2022.

13. Subcommittee 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 related to the issuance of investment products of funds;
 - (d) Issuance of regulations or other matters attached and related to (a) (b) or (c);
- (2) To perform other duties as assigned by the Capital Market Supervisory Board

Work performance: In 2021, three meetings were convened to consider the following matters:

- (1) Amendment to the regulations on liquidity risk management;
- (2) Regulations related to disclosure of material information in the investment policy of pooled provident funds;
- (3) Guidelines for categorization of product groups in line with the new definitions of investor types.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mr. Ekachai Chongvisal	Chairman	3/3	
(2) Representative from the Association of Investment Management Companies	Member	3/3	
(3) Representative from the Custodian Club, selected from fund supervisors of mutual funds	Member	2/3	
(4) Mrs. Pornanong Budsaratragoon	Member	3/3	
(5) Mrs. Chotika Sawananon	Member	2/3	
(6) Mr. Narongsak Plodmechai	Member	2/3	
(7) Mr. Bundit Anantamongkol	Member	2/3	
(8) Mr. Pee Yongvanich	Member	3/3	
(9) Mr. Sukawat Prasertying	Member	2/3	
(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	3/3	

The Subcommittee holds a two-year term from 18 December 2020 to 17 December 2022.

14. Subcommittee on Consideration of Regulations on Supervision of Intermediaries and Market

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 organizations related to securities businesses, derivatives businesses and promotion of SME businesses including regulations and other matters attached and related to such case;
- (2) To perform other duties as assigned by the Capital Market Supervisory Board.

Work performance: In 2021, two meetings were convened to consider the following matters:

- (1) Amendment to the regulations on general approval of capital reduction of securities companies;
- (2) Guidelines for categorization of product groups in line with the new definitions of investor types.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Mrs. Pornanong Budsaratragoon	Chairperson	2/2	
(2) Representative from the Stock Exchange of Thailand and affiliated companies	Member	2/2	
(3) Representative from the Association of Thai Securities Companies	Member	2/2	
(4) Representative from the Association of Investment Management Companies	Member	2/2	

Name	Position	No. of meetings/ Total attendance	Remarks
(5) Representative from the Thai Investors Association	Member	1/2	
(6) Mrs. Saranya Chindavanig	Member	2/2	
(7) Mrs. Chotika Sawananon	Member	1/2	
(8) Mrs. Umapan Charoenying	Member	2/2	
(9) Mr. Natwut Amornvivat	Member	1/2	
(10) SEC Director of the Department in charge of the supervision and development of intermediary business or SEC Director of the Department in charge of asset management business, as the case maybe.	Member and Secretary	1/2	

he Subcommittee holds a two-year term from 18 December 2020 to 17 December 2022.

15. Subcommittee on Consideration of Regulations on Sales of Investment Products 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 investment product selling agents and provision of investment advice;
 - (c) Issuance of regulations and other matters 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) Representative from the Thai Life Assurance Association | Member |
| (8) Miss Suwapa Charoenying | Member |
| (9) Mr. Jessada Sookdhis | Member |
| (10) SEC Director of the Department in charge of the supervision and development of intermediary business or SEC Director of the Department in charge of asset management business, as the case maybe | Member and Secretary |

The Subcommittee holds a two-year term from 18 December 2020 to 17 December 2022.

In 2021, no meeting was convened to consider matters under the scope of the roles and responsibilities of the Subcommittee.

16. Subcommittee on Consideration of Business Takeovers (Takeover 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 case of an application for a waiver or exemption of compliance with the regulations under the consideration of the Subcommittee on Consideration of Business Takeovers (Takeover Panel) in (1) or (2), the Subcommittee shall complete the consideration within 90 days from the date on which the SEC Office receives the application and accurate and complete supporting documents according to the Licensing Manual for the Public.

Comprises: Five members selected by Secretary-General from the approved list of the Capital Market Supervisory Board to perform the duty of consideration of any specific 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 |

Work performance: In 2021, four meetings were convened to consider the following matters:

- (1) Waiver of a tender offer of all securities of a company due to acquisition under the chain principle.
The waiver conditions were specified to one case;
- (2) Waiver of a tender offer of all securities of a company in one case;
- (3) Waiver of compliance with certain regulations for tender offer of securities in two cases;
- (4) Giving comments and advice in one case.

List of the Subcommittee's members and the total meeting attendance in 2021

Name	Position	No. of meetings/ Total attendance	Remarks
(1) Khunying Jada Wattanasiritham	Chairperson	1/4	
(2) Mrs. Pattareeya Benjapolchai		3/4	
(3) Prof. Emeritus Khunying Suchada Kiranandana		-	
(4) Mr. Chavalit Chindavanig	Member	-	
(5) Mr. Paiboon Nalinthangkurn	(Financial Expert)	1/4	
(6) Mr. Somphop Keerasuntonpong		3/4	
(7) Assoc. Prof. Pantisa Pavabutr, PhD		2/4	
(8) Assoc. Prof. Aekkachai Nittayagasetwat, PhD		1/4	
(9) Mr. Charin Satchayan	Member	1/4	
(10) Mrs. Patraporn Milindasuta	(Legal Expert)	2/4	
(11) Mrs. Veeranut Thammavaranucupt		1/4	
(12) Mrs. Jantima Phienveja		1/4	

The Subcommittee holds a two-year term from 1 March 2021 to 1 March 2023.

Head of Internal Audit

The Audit Committee Meeting No. 4/2563 dated 21 May 2020 passed a resolution appointing Miss Rachamarn Suchitchon, Director of the Internal Audit Department, to be Secretary to the Audit Committee, effective as from 3 April 2020.

Miss Rachamarn Suchitchon is a certified public accountant (CPA) with a Bachelor of Science in Accounting from Kasetsart University and an MBA in Finance from Thammasat University. Joining the SEC since 1992, she has worked in Corporate Finance and Corporate Governance and Sustainability Divisions.

List of Arbitrators

Roles and responsibilities

The arbitrators have the power to settle disputes regarding securities, derivatives or provident funds between aggrieved clients and securities companies, local share distributors, mutual fund supervisors, custodians of private funds or derivatives business operators, as specified in the Notification of the Office of the Securities and Exchange Commission concerning Arbitration Procedures of the Office of the Securities and Exchange Commission.

Comprises:

- 1) Mr. Kampanart Lohacharoenvanich
- 2) Assoc. Prof. Kulpatra Sirodom, PhD
- 3) Assoc. Prof. Gasinee Witoonchart
- 4) Mrs. Jantima Phienvaja
- 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) Mr. Punlop Pisitsungkakarn
- 13) Prof. Warapatr Todhanakasem, PhD
- 14) Mrs. Voravan Tarapoom
- 15) Assoc. Prof. Wai Chamornmarn
- 16) Assoc. Prof. Somjai Phagaphasvivat, PhD
- 17) Mr. Suparb Vongkiatkachorn
- 18) Prof. Anan Chantara-Opakorn, PhD

The arbitrators above serve a two-year term from 1 January 2022 to 31 December 2023.

CONTACT INFORMATION

- This report can be downloaded from www.sec.or.th
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