

# SEC Actions against Grey Money

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*The Securities and Exchange Commission, Thailand (SEC)*

“Grey Money” can be regarded as a **complex problem** because it involves multiple overlapping factors, ranging from mule accounts and public fraud to illegal businesses, grey funds, and money laundering. These activities are becoming increasingly sophisticated and elusive. **Therefore, addressing grey money through siloed efforts by individual agencies won’t be sufficient to eradicate the problem at its root. A comprehensive, holistic approach that tackles all factors simultaneously is required.**

The Securities and Exchange Commission, Thailand (SEC) recognizes this issue and has been driving continuous and proactive efforts. To date, the SEC has adopted a proactive approach encompassing prevention, deterrence, and disruption, with a strong focus on cybercrime. In parallel, the SEC has worked to prevent grey money from exploiting the capital and digital asset markets as sources of funding for illegal businesses and money laundering, whether through financial intermediaries, business takeovers via nominees, the establishment of shell companies, or concealment behind complex shareholding structures. The SEC has also strengthened cooperation with relevant government agencies in line with the national agenda to combat scammers.

## **Disrupting the pathways of grey money**

Financial intermediaries, including securities companies and digital asset business operators, serve as gateways to investment products. Accordingly, the SEC places strong emphasis on supervising these intermediaries to protect investors and prevent misuse of securities and digital assets as channels for illegal activities. Regulations therefore require securities companies and digital asset operators to conduct Know Your Customer (KYC) and Customer Due Diligence (CDD). If customers refuse to provide information, provide information that is insufficient or outdated, or cannot be properly identified, business operators are required to refuse the provision of services. In the digital asset sector, customers are further categorized according to risk level, with limits imposed on daily withdrawal amounts based on such risk assessments.

In 2025, the SEC further elevated its approach by working with digital asset business operators (TDOs) to develop industry-wide standards for preventing and addressing mule accounts in the digital asset industry, comparable to those applied in the banking sector. Where there are reasonable grounds to suspect that a customer may be a mule account,

operators must immediately suspend services or conduct Enhanced Due Diligence (EDD). As of November 2025, a total of 45,476 mule accounts had been suspended.

The SEC has also issued rules establishing standards and measures to prevent technology-related crimes, requiring digital asset operators to share liability for customer losses if they fail to comply with prescribed standards, pursuant to the Emergency Decree on Measures for the Prevention and Suppression of Technology Crimes (No. 2) B.E. 2568 (2025). In addition, to cut off grey money routes involving foreign digital asset operators, relevant laws have been amended to enable faster blocking of websites and applications that solicit Thai investors, without the need for a court order.

While the SEC conducts both periodic inspections and ad hoc inspections triggered by incidents or public reports, it does not remain passive when potential violations of securities or digital asset laws are identified. The SEC coordinates with relevant companies to request information and clarification as a basis for further investigations.

At present, the SEC is in the process of inspecting securities companies and digital asset operators and stands ready to take enforcement action where KYC and CDD requirements have not been properly implemented. The SEC also works jointly with the Anti-Money Laundering Office (AMLO) to communicate regulatory expectations to securities companies and digital asset operators, particularly with respect to customers classified as “high-risk” or exhibiting suspicious behavior. For such customers, enhanced KYC and CDD measures must be applied to ensure proper customer identification and legitimacy. In addition, emphasis is placed on ongoing transaction monitoring and the timely reporting of suspicious transactions (STRs) to AMLO in accordance with applicable anti-money laundering laws.

### **Strengthening deterrence of grey money in the digital asset market**

Currently, digital asset operators are required to comprehensively report customer transactions, including digital asset trading activities, fiat currency deposits and withdrawals via bank accounts or payment channels, and digital asset transfers through wallets or between customer wallets. Such data must be recorded and submitted through the SEC’s e-Reporting system, which serves as a standardized central data infrastructure to support supervision, monitoring, investigation, and linkage between transacting parties and transaction details.

In light of the evolving regulatory landscape, the SEC is considering enhancements to customer data reporting in line with the Ministry of Digital Economy and Society’s (MDES) electronic transaction supervision framework. These enhancements may include the incorporation of transaction location and destination data to facilitate the identification of high-risk areas and the tracing of transaction movements.

The SEC has also worked closely with AMLO to support the issuance of the Travel Rule, which would require digital asset operators to track fund transfers in a manner comparable to that applied to other financial institutions conducting electronic fund transfers. The SEC considers the Travel Rule, issued under anti-money laundering legislation, to be one of the most effective mechanisms for preventing the misuse of digital assets. Accordingly, the SEC has been prepared to mandate compliance by digital asset operators and to fully support AMLO in asset tracing, freezing, seizure, and the restitution to victims.

In parallel, the SEC, in collaboration with the MDES, is enhancing its own digital asset transaction forensic tools to further strengthen investigative effectiveness.

### **Preventing grey money from taking control of businesses**

For listed companies, current laws and regulations require clear disclosure of shareholding structures, the top 10 major shareholders, and **groups of major shareholders that exert influence over policy and management**. These disclosures enable investors to identify the **Ultimate Beneficial Owner (UBO)**. Shareholders are also required to report their shareholdings and tender offers in accordance with applicable laws. The SEC closely monitors compliance by shareholders, directors, and executives and takes enforcement action when violations are found.

Where deeper investigation is required – particularly in cases involving suspected non-compliance with shareholding disclosure or tender offer obligations – the SEC proceeds carefully and confidentially to preserve evidence, especially where relevant information is held by domestic or foreign authorities. At the same time, the SEC actively utilizes available mechanisms to request information, expand the scope of investigations, and collaborate closely with relevant agencies.

Given the increasing complexity of ownership structures among securities companies, digital asset operators, and listed companies, the SEC plans to propose amendments to Ministry of Finance notifications **to broaden the definition of major shareholders of intermediaries**. **The proposed amendments would encompass persons who exercise control over the business or its shares, regardless of the complexity of ownership structures**. This would go beyond the current disclosure threshold applicable to shareholders holding more than 10 percent, directly or indirectly.

For listed companies, while the SEC already has the authority under securities laws on business takeovers to assess UBOs, it also stands ready to support AMLO in proposing amendments to anti-money laundering legislation regarding beneficial ownership reporting.

## Cooperation and integrated data sharing

Beyond disrupting grey money throughout the financial system and tracing it back to those operating behind the scenes, the SEC has implemented proactive measures to prevent investment scams. These measures include coordinating with digital platform providers to **block fraudulent investment schemes** within 7 minutes to 48 hours, expanding cooperation to block impersonation accounts without waiting for victim complaints, and strengthening identity verification prior to the publication of investment-related content on platforms.

The SEC has also worked closely with the MDES to block websites and applications operated by foreign digital asset operators conducting unauthorized business in Thailand, thereby **preventing money laundering channels**, including those operating through peer-to-peer (P2P) mechanisms.

Effectively addressing grey money in the capital and digital asset markets cannot be achieved by the SEC alone. It requires **close cooperation** among all relevant agencies. To date, the SEC has received strong support from the Ministry of Finance, the MDES, AMLO, the Bank of Thailand, and the “Connect the Dots” task force, which integrates data across cash, securities, digital assets, and derivatives to enable in-depth financial trail analysis. The SEC will continue to expand collaboration with additional agencies to further enhance regulatory and enforcement effectiveness.

International cooperation has also played a critical role, with the SEC receiving support from foreign capital market regulators in expanding investigations related to shareholding disclosures and corporate control.

Although the grey money problem cannot be resolved overnight and progress may at times appear slow due to the need for ongoing confidential investigative processes, the SEC affirms that it, together with all relevant government agencies, remain firmly committed to addressing grey money in a decisive and sustained manner.

Finally, while certain aspects of Thailand's capital market have been tarnished by the grey money incidents, the SEC again affirms that the coordinated, governance driven solutions to tackle with the well- defined problems are in place. The grey aspects of Thailand's capital market are therefore not as worrisome as they seem. The capital market remains a vital mechanism for capital formation and savings that supports the country's economic growth, and the SEC remains fully committed to safeguarding it, enabling investors to invest with confidence.