



Restoring capital market confidence through IPO quality screening

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By the Securities and Exchange Commission, Thailand (SEC)

Over the past two to three years, it may have been observed that the number of companies raising funds in the Thai stock market through the initial public offering (IPO) has declined compared with previous years. This trend is consistent with the overall situation in global capital markets, where IPO activities worldwide have shown signs of slowing. For Thailand, part of this development reflects economic conditions. However, another underlying factor that investors may not be fully aware of is that part of the decline results from the IPO quality screening process, as the SEC has placed strong emphasis on the IPO approval process and has not allowed companies that are not yet sufficiently ready to raise funds from the public.

During 2023–2025, more than 40 companies that had submitted applications to offer IPO shares, or filing documents, subsequently withdrew their applications after submission and after entering the preliminary review process, including consultations with the SEC (pre consultation). The primary reason was that these companies' internal control systems were not yet sufficiently robust. Other contributing factors included issues relating to accounting systems. The number of withdrawals therefore reflects clear and serious screening standards, aimed at preventing companies that are not fully prepared from entering the market, which could otherwise increase risks to investors in the future.

Although the number of IPOs has declined in line with market conditions, including as a result of more stringent screening and higher quality standards, the key objective is to preserve investor confidence and the long term quality of the Thai capital market. The SEC places greater importance on the quality of companies seeking listing over increasing the number of IPOs, with the aim of establishing an appropriate balance between quantity and quality in the capital market. Nevertheless, during the same period, the SEC approved IPOs for more than 100 companies.

At the same time, given the relatively high proportion of companies withdrawing their applications, the SEC has recognized the need to raise standards and strengthen awareness of the responsibilities of management, boards of directors, and audit committees, all of which contribute to the establishment of strong and effective internal control systems. Accordingly, the SEC has

established an operational plan to enhance and promote the roles of internal auditors and internal control systems, and also plans to further develop and improve the IPO approval process.

Under the SEC's 2026 strategic plan for promoting capital raising, one of the objectives is to shorten timelines and streamline the approval process (streamline IPO process). The plan also includes improving relevant regulatory requirements to allow greater flexibility, while placing emphasis on quality through a merit based approach. Under this approach, the SEC will screen whether companies possess sufficient qualifications to raise funds from the public, assessed across key areas, such as operating performance, corporate structure, and transparency. This approach will be pursued in parallel with the development of practices aligned with international capital market standards that emphasize comprehensive disclosure (disclosure based), while maintaining appropriate principles of investor protection. Lessons learned from past issues will also be reviewed to refine the screening process, with a view to ensuring that companies entering the market are prepared, well governed, and capable of operating in a sustainable manner, thereby enabling the capital market to serve as a mechanism supporting economic growth in line with the global context.

In addition, the SEC is preparing to introduce targeted measures to promote and support small and medium sized enterprises (SMEs) that are strong and ready, as well as companies in the group referred to as New Growth, to facilitate their entry into the capital market. The SEC, together with relevant participants across the ecosystem—including investment banking associations, the Stock Exchange, and other stakeholders—will coordinate efforts to establish guidelines for further improvements. These efforts are intended to enhance flexibility in the listing process and strengthen the effectiveness of supervisory processes, thereby restoring investor confidence. When the country's economy is ready and demand for capital raising increases, the Thai capital market will serve as an attractive option for companies seeking to raise funds.

For investors interested in investing in IPO shares, these processes carry clear implications. Every IPO that has received approval from the SEC for issuance and offering has undergone multiple layers of review by financial advisors, auditors, and the SEC itself. However, this does not mean that every investment is free from risk, as business factors, competition, and economic conditions continue to play important roles. What this ecosystem provides is a level of assurance that companies suitable for investment have sufficiently sound and transparent foundations to operate

as public companies raising funds from the public. The remaining responsibility lies with investors to analyze and consider relevant information to support their investment decisions.

Note:

* SEC article titled "[IPO trends in global and ASEAN markets: A reflection of economic directions,](#)" published on 24 March 2026.