

- Statement -

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SEC monitors development of Spot Bitcoin ETFs overseas to formulate supervisory policy responses

Reference is made to the US Securities and Exchange Commission's recent approval of the listing and trading of spot bitcoin ETFs and solicitations made by some Thai brokerage firms for investors' direct investment in such ETFs.

The Securities and Exchange Commission, Thailand (SEC) is closely monitoring relevant development and, for the time being, has no plan to allow spot bitcoin ETFs in Thailand. The SEC takes note of potential benefits of spot bitcoin ETFs as approved in the United States, including investors' access to bitcoin investment through exchange traded funds and bitcoin custody under the supervision of US regulator.

In Thailand, under the Emergency Decree on Digital Asset Businesses B.E. 2561, which aims to ensure investor protection and maintain fair and transparent trading activities, investors in Thailand can invest in digital assets through licensed digital asset exchanges. Currently, there are nine licensed digital asset exchanges providing cryptocurrency trading services under the listing rules approved by the SEC. (Bitcoin is one of the cryptocurrencies traded under these conditions). In addition, various other regulations are in place for investor protection such as a mandate for digital asset business operators offering digital asset custody service to establish efficient systems for managing digital asset wallets and cryptographic keys to ensure effective custody of digital assets and safekeeping of client assets.

As for securities companies, they are allowed to provide services for retail investors to invest in foreign financial products on the condition that such products have similar characteristics to those offered in Thailand. Given the fact that spot bitcoin ETFs and other securities with crypto underlyings such as depositary receipts (DR) are not securities approved for offering for sale in Thailand, they are not under the scope of services that securities companies can provide to domestic retail investors in terms of direct investment. Similarly, asset management companies are not currently authorized to make direct investments in spot bitcoin ETFs.

In any case, the SEC emphasizes the oversight of intermediaries' service provision where investors' interest must be properly protected, including by means of investment advice suitable for their needs. The development of spot bitcoin ETFs in the foreign market is still in its early stages and such ETFs may not deliver direct economic value suitable for the current context of Thailand. However, the SEC will continue monitoring relevant developments, supervision, and actions in various aspects to ensure that effective investor protection measures will be in place before further developing regulatory and supervisory policy responses in this matter.
