

Regulation of Digital Asset in Thailand



Classification of digital assets

Digital Token

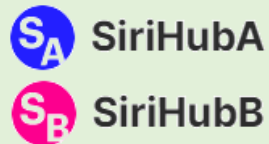
Cryptocurrency



Blank Coin and Stable Coin

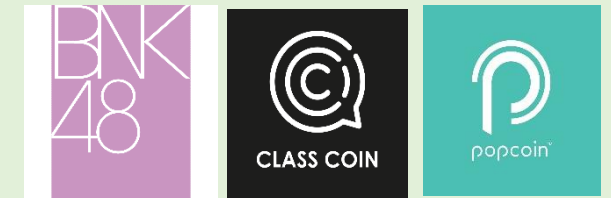
An electronic data unit created to be a medium of exchange

Investment Token



An electronic data unit specifying the right to participate in an investment in a project or business

Utility Token



An electronic data unit specifying the right to acquire goods, services, or specific rights

Securities token is not regarded as cryptocurrency or digital token under the Emergency Decree and are regulated under the Securities and Exchange Act B.E. 2535 (1992)

Players in Digital Asset Market

Digital Token Offering

Digital Asset Businesses



Companies offer tokens through a ICO Portal (service provider)

Deals screened by ICO Portal before submitting for SEC approval

Investors receive financial return or right to receive good/service as specified by token issuers

Intermediaries




- Exchange
- Broker
- Dealer
- Investment Advisor
- Fund Manager
- Custodial Wallet Provider

Investors who wish to obtain crypto/token, participate in secondary market

**The SEC Board is empowered to exempt certain types of offering/businesses from the provisions of the Emergency Decree

Thai Digital Asset Market: Overview

(as of April 2024)

	Dec 2020	Dec 2021	Dec 2022	Dec 2023	April 2024
 Digital Asset Service Providers	10 Firms 5 Exchanges 2 Exchange & Brokers 1 Broker & Dealer 2 Brokers	10 Firms 4 Exchanges 4 Exchange & Brokers 2 Broker & Dealers 2 Brokers 1 Advisor 1 Fund Manager	19 Firms 5 Exchanges 4 Exchange & Brokers 2 Broker & Dealers 3 Brokers 1 Advisor & Fund Manager 1 Advisor 3 Fund Managers	20 Firms 4 Exchanges 6 Exchange & Brokers 2 Broker & Dealers 4 Brokers 1 Dealer 2 Advisors 1 Fund Manager	20 Firms 4 Exchanges 5 Exchange & Brokers 2 Broker & Dealers 4 Brokers 1 Dealer 2 Advisors 2 Fund Manager
 Client's Assets	9.6 Billion Baht (264 Million USD)	114.5 Billion Baht (3.15 Billion USD)	37.05 Billion Baht (1.02 Billion USD)	61.26 Billion Baht (1.68 Billion USD)	76.25 Billion Baht (2.09 Billion USD)
 Digital Asset Trading Account	170,000 accounts	2.27 million accounts	2.91 million accounts	2.12 million accounts*	2.15 million accounts

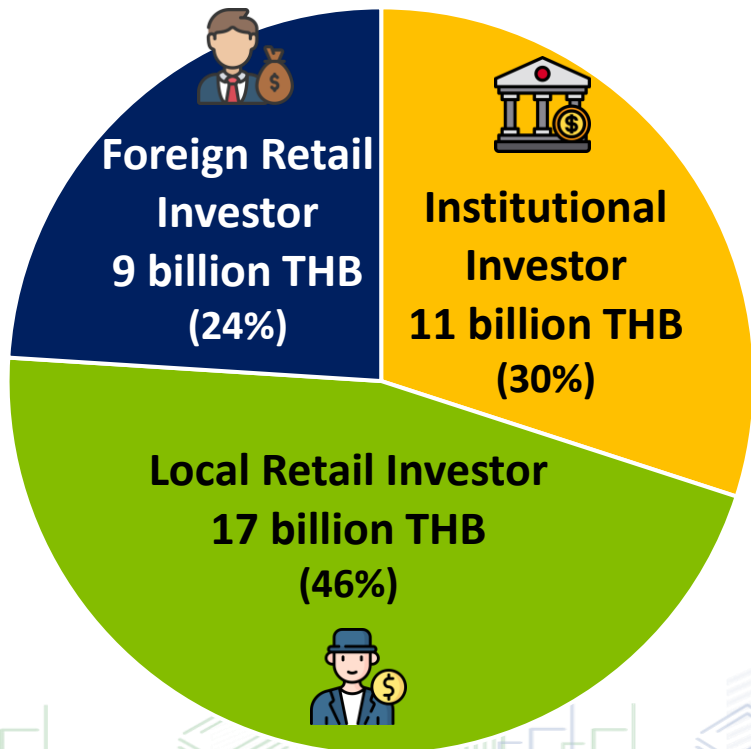
*The mentioned number of accounts does not include customer accounts from a business that have been temporarily suspended from operation

Thai Digital Asset Market: Overview (Cont.)



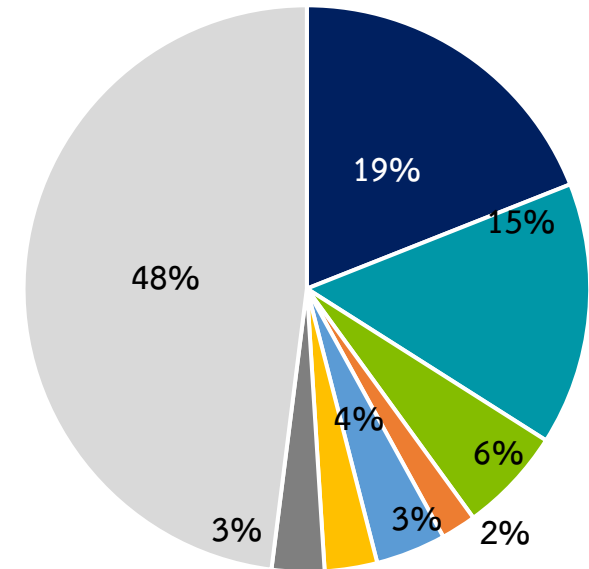
Trading Value by Investor Types

In April 2024, the trading value is 37 billion THB (1.01 billion USD)



Top DA by trading volume in Thai DA exchange

- Tether
- Bitcoin
- Ethereum
- Optimism
- Terra Classic
- NEAR protocol
- Others



Top 3 DA



Tether, Bitcoin & Ethereum

(From the beg. of the year to April 2024)

Thai Digital Asset Market: Approved ICOs



SiriHub Token (2021)

Offering Size: 2,400 Million THB (66 Million USD)

Token Type: Investment token (Real-estate backed ICO)

Token Holder's Rights: Revenue sharing 4.5-8% APY/
Net asset sale proceed at the end of the project



Destiny Token (2022)

Offering Size: 265 Million THB (7.3 Million USD)

Token Type: Investment token (debt-like) & Utility token
(Project-based ICO)

Token Holder's Rights:

- 2.99% per year, plus 2.01% if income from the film reach 1 Billion THB
- Right to acquire firm collectibles, such as digital poster, stamp, shirt, discount for movie tickets and to attend exclusive fan activities.

Thai Digital Asset Market: Approved ICOs (cont')



Real X Investment Token 2023

Offering Size: 2,400 Million THB (66 million USD)

Token Type: Investment token (Real-estate backed ICO)

Token Holder's Rights:

- A quarterly return on the net rental which will be guaranteed net income during the first 5 years of the project not less than 4-5%
- Returns from the sale of condominium units of the project
- Voting right on the Real X investment token's proposal

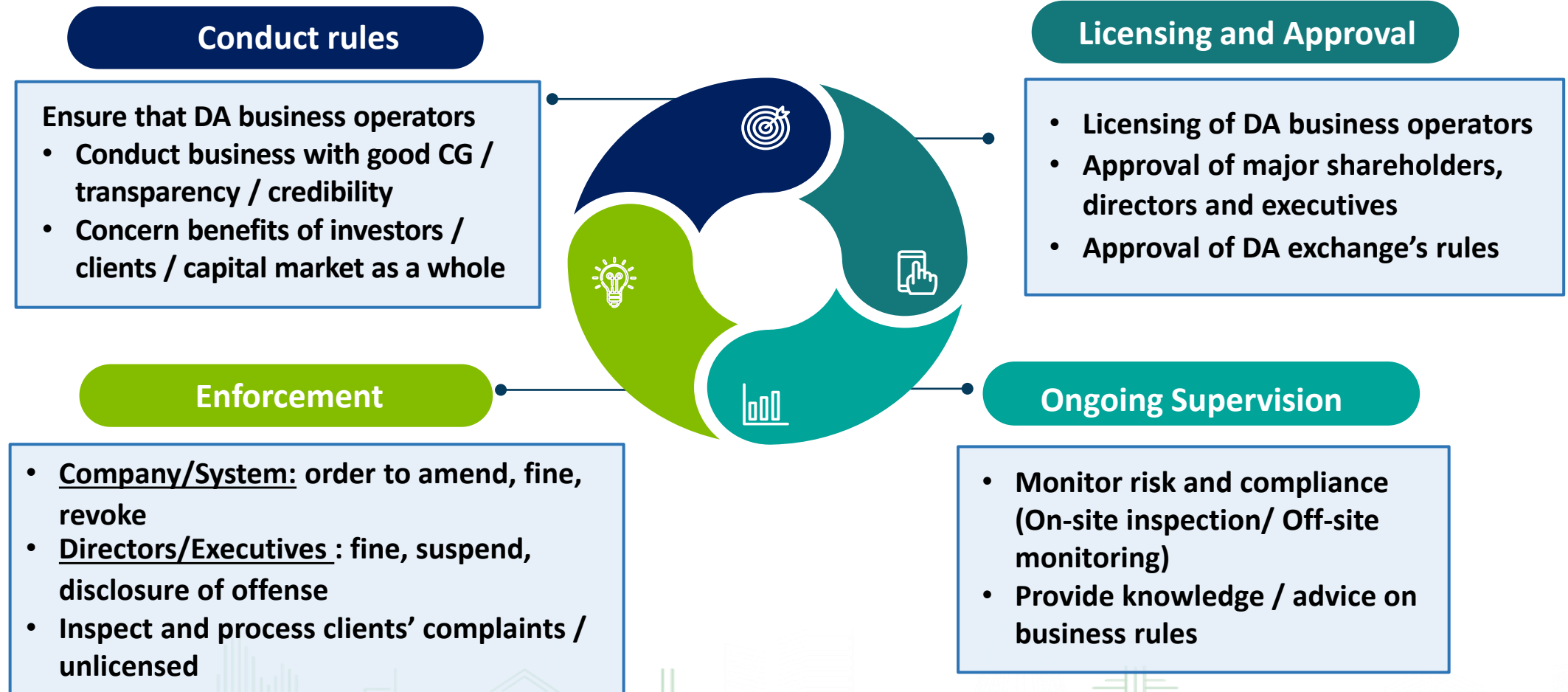
Approved ICO Portals

: 7 operators

As of May 2024, there are more than 18 companies that intend to raise fund through an ICO and are currently consulting with the SEC team.

Total ICO value since 2018 is around 140 Million USD

Digital Asset Businesses: Regulatory Framework



Sanctions under the Emergency Decree on Digital Asset Businesses B.E. 2561

- **The contravention or failure to comply with the Emergency Decree is subject to criminal provisions, and the degree of penalties are comparable with those of the Securities and Exchange Act B.E. 2535.**

Criminal Sanctions

- Offering of digital tokens without approval**
- Disclosure of any false information**
- Operate digital asset businesses without a license**
- Unfair digital asset trading practices**
- Being/using a nominee in committing an offence**

Civil Sanctions

- Disclosure of any false information**
- Unfair digital asset trading practices**
- Being/using a nominee in committing an offence**

Example of the enforcement under Emergency Decree on Digital Asset Businesses B.E. 2561

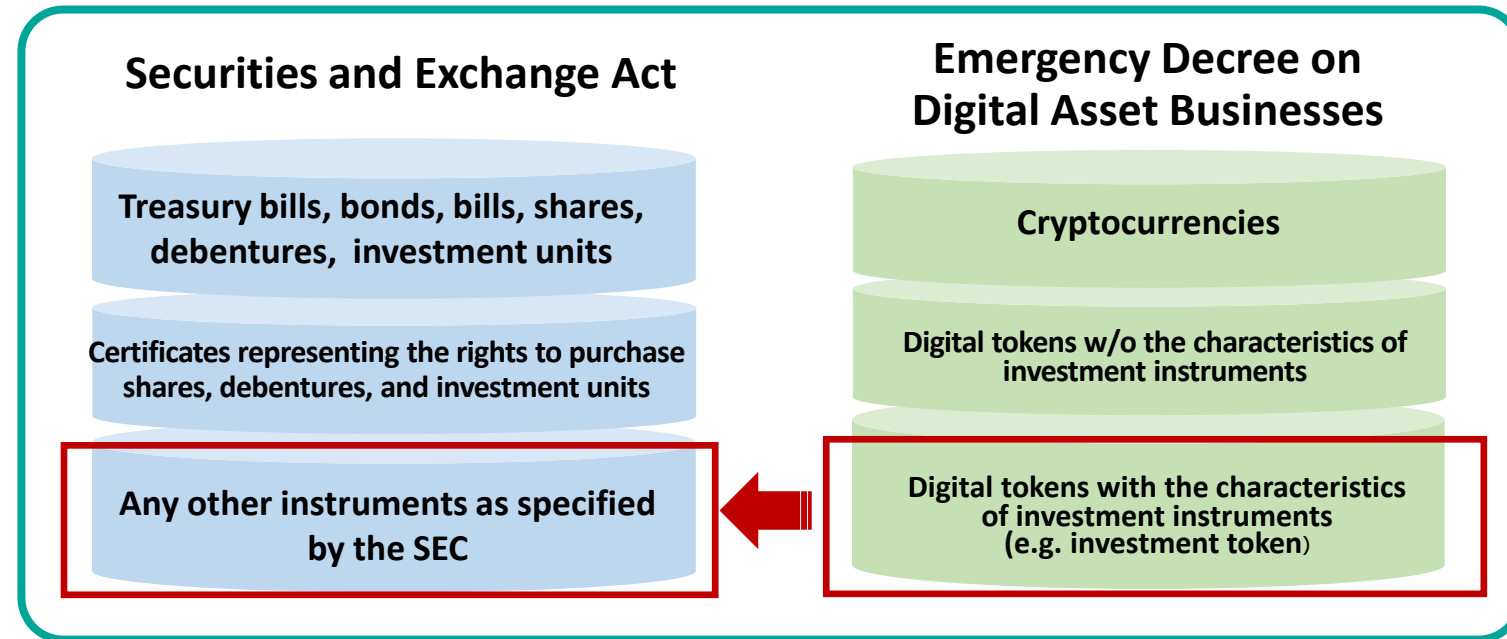


Offence	Enforcement	Cause
Performing duties	<ul style="list-style-type: none"> Revoke the license of the business operator 	<ul style="list-style-type: none"> Such business operator uses its parent company's system, which got cyber-attacked, and was unable to rectify its operations within the license activation period. Such business operator was inspected and found that the company structure and operating systems were inadequate for business operations and were unable to rectify the operations within the specified time.
	<ul style="list-style-type: none"> Business operator, director and market maker shall be fined and prohibited from acting as director or executive. 	<ul style="list-style-type: none"> Wash trade.
	<ul style="list-style-type: none"> Accusation shall be submitted to CCIB for consideration of further legal action. Business operator and its director shall be fined. 	<ul style="list-style-type: none"> Such business operator fails to comply with the trading service rules by suspending the service without notifying the customer at least 24 hours in advance.
Unfair digital asset trading practice	<ul style="list-style-type: none"> Executive shall be fined and prohibited from acting as a director or executive. 	<ul style="list-style-type: none"> Executives of the business operator's affiliates use inside information to trade digital tokens issued by the business operator (exchange token).
Operate digital asset businesses without a license	<ul style="list-style-type: none"> Accusation shall be submitted to ECD for inspection or prosecution. 	<ul style="list-style-type: none"> Foreign business operators solicit Thai investors to use their services via websites and Facebook pages.

Long-termed regulatory approach

Amending the Securities and Exchange Act BE 2535 (1992) in order to move digital tokens with the characteristics of investment instruments (e.g. investment token) under the definition of “securities” under such act

Products

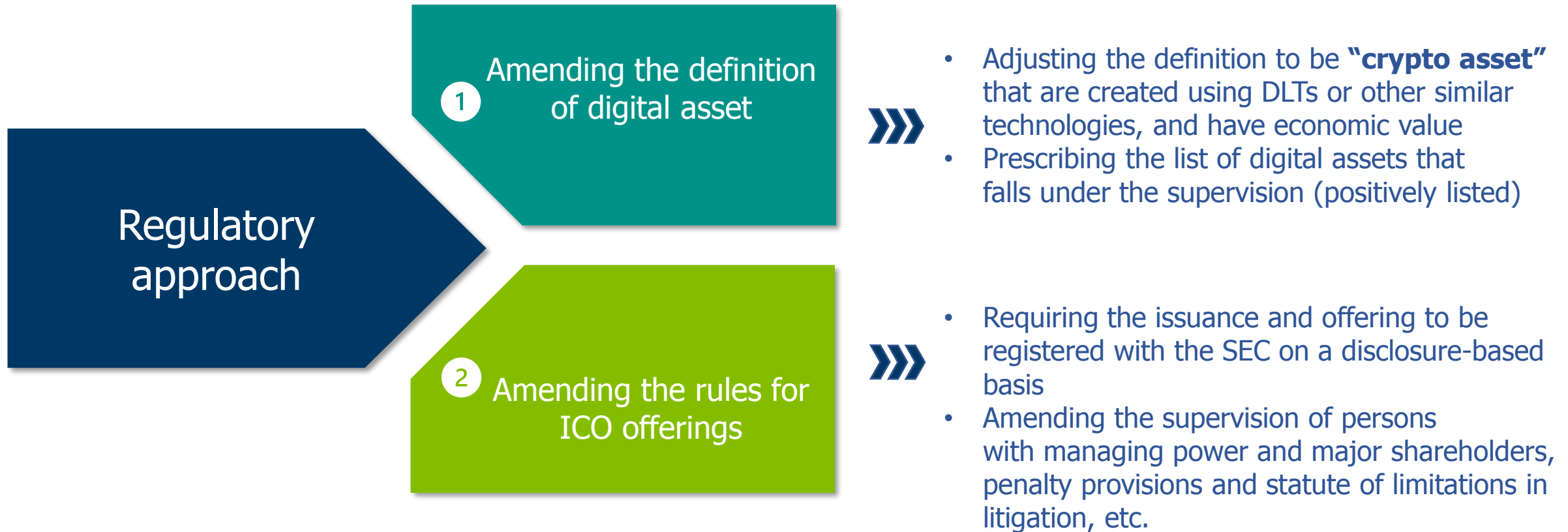


Intermediaries

- Amending the laws relating to securities trading venue in order to support the DA exchange (investment token)

Long-termed regulatory approach (cont')

Amending the Emergency Decree on Digital Asset Businesses Act. B.E. 2561 (2018) to supervise DA that are appropriate in accordance with the characteristics and risks based on the "same activity, same risk, same regulatory outcome" principle



International Standards



IOSCO

- Crypto-Assets and Digital Assets Recommendations (will be finalized by the end of 2023)
- DeFi Recommendations (will be finalized by the end of 2023)



FSB

- FSB high-level recommendations for regulation, supervision and oversight of crypto-assets and markets (published in July 2023)
- FSB high-level recommendations for global stablecoins (GSCs) (published in July 2023)
- Policy implications of DeFi (expected to be completed by the end of 2024)
- Policy implications of multi-function crypto-asset intermediaries (expected to be completed by the end of 2024)



Committee on Payments
and Market Infrastructures



CPMI and IOSCO

- Potential advantages and challenges associated with CBDCs and other digital forms of money for cross-border payments (published in July 2023)
- Authorities' responsibilities for stablecoin arrangements under the Principles for financial market infrastructure (PFMI)
- Risks associated with multicurrency and asset-linked stablecoins (in process of clarifying)

Thank You

