

Individual Action Plan Update for [Thailand] for [2020]

Highlights of recent policy developments which indicate how [economy] is progressing towards the Bogor Goals and key challenges it faces in its efforts to meet the Goals.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since [2018] IAP	Further Improvements Planned
<p>Capital Market</p> <p>Contact : Securities and Exchange Commission (SEC) Thailand www.sec.or.th</p>	<p>A. Operational Requirements</p> <p>Securities Brokerage, Securities Dealing, and Securities Underwriting Businesses:</p> <p>1. Prudential requirement</p> <p>- In 2019 , the relevant regulations have been amended to ensure that the required paid-up registered capital can really reflect risk of securities company. Section 96 of SEA has been amended to give the SEC board an authority to require a securities company to have a paid-up registered capital in an amount specified for operation of securities business in any particular category or manner.</p> <p>The SEC's segregation regulations aim for lowering risk associated with client's assets held by the securities company. Therefore, the SEC board requires a securities company who keeping client's assets in its custody while not taking obligations and responsibilities in clearing and settlement systems to have the paid-up registered capital of at least 25 million baht, compared with at least 100 million baht of previous requirement.</p> <p>- There is no major change of Net Capital Rules However, in 2019, SEC amended the details of calculation to reduce the burden from new accounting standard.</p>	<p>The SEC is reviewing the Net Capital Rules to improve investor protection in case that the securities company's capital cannot meet the minimum requirement. However, the amount of minimum requirement will not be changed.</p>

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	<p>2. <u>Conduct of business</u></p> <p>- There is an improvement in the following:</p> <ol style="list-style-type: none"> 1. Portfolio advisory service and program trading: the broker/ dealer shall consider the investment suitability and acceptable risk of each client and the broker/dealer shall inform specific risks of the investment portfolio to the clients before the investment. 2. Vulnerable clients: the broker/dealer shall provide additional assistant service to the vulnerable clients (aged and disabled). <p>3. <u>System and control:</u></p> <p>- In 2019, Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries has been amended other regulation has been issued to serve with market intermediaries' needs. Securities companies are interested in performing function as portfolio advisory with as near as private fund.</p> <p>As such, the SEC requires market intermediaries to have system for communication with and providing services to a client and ensure that the communication channel, disclosure, supervision and the personnel assigned by the intermediary are consistent and suitable for the risks and complexity of each type of capital market product by taking into consideration the best interest of clients. In addition, such communication and provision of services to clients shall be supervised in accordance with the work system laid out by the intermediary.</p> <p>4. <u>Major shareholder (holding more than 10%)</u></p> <p>- The major share holder of securities company is a person that holds the securities whether directly or indirectly more than 10% of right to votes of all the securities company. (previous: more than 10% of shares)</p> <p>5. <u>Personnel</u></p> <p>- In 2018, rules on Personnel in the Capital Market Business has been amended in order to be in line with sales conduct and other regulations.</p>	

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	<p>For an example, an investment consultant is named as one of personnel in the capital market business, who is a person giving investment consultation to investors, relating to solicitation for investment or provide consultation for trading or investing in capital market product, without planning or analyzing of investment. It is categorized as general investment consultant, complex instrument investment consultant type 1, type 2 and type 3, depending on how the capital market products they provide consultation have high-risk or complex characteristics.</p> <p>In 2019, there are additional types of personels as ASEAN Investment analyst and ASEAN Investment consultant for professional mobility in ASEAN in order to encourage professional mobility within ASEAN (at the presence, there are 4 countries: Thailand, Malaysia, Phillippines and Singapore)</p> <p>In addition, the SEC has issued a guideline on personnel in the capital market business in 2019 to ensure that personnel of market intermediaries will perform functions with honesty, responsibility and fiduciary duty, legality and ethics and professional standard.</p> <p>Derivatives Brokerage and Dealing Businesses (Registered Broker/Dealer)</p> <p>1. <u>Prudential requirement</u> No change from previous IAP</p> <p>2. <u>Conduct of business</u> No change from previous IAP</p> <p>3. <u>System and control</u> No change from previous IAP</p> <p>4. <u>Foreign entity</u> No change from previous IAP</p>	

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	<p>Licensed Derivatives Broker</p> <p>1. <u>Prudential requirement</u></p> <p>- In 2019 , the relevant regulation has been amended to ensure that the required paid-up registered capital can really reflect risk of a licensed derivatives broker and has been in line with the requirements for a securities company.</p> <p>For those undertaking of derivatives business, which is not the undertaking of agricultural futures business, with price settlement and contract delivery obligations is required to have a paid-up registered capital of at least one hundred million baht. If the derivative broker has no price settlement and contract delivery obligations, the capital requirement will be lower, depending on business characteristics.</p> <p>- There is no major change of Net Capital Rules However, in 2019, SEC amended the details of calculation to reduce the burden from new accounting standard.</p> <p>2. <u>Conduct of business</u></p> <p>- There is an improvement in the following:</p> <ol style="list-style-type: none"> 1. Portfolio advisory service and program trading: the broker/ dealer shall consider the investment suitability and acceptable risk of each client and the broker/dealer shall inform specific risks of the investment portfolio to the clients before the investment. 2. Vulnerable clients: the broker/dealer shall provide additional assistant service to the vulnerable clients (aged and disabled). <p>3. <u>System and Control</u></p> <p>- In 2019, Standard Conduct of Business, Management Arrangement, Operating Systems,</p>	<p>The SEC is reviewing the Net Capital Rules to improve investor protection in case that the securities company's capital cannot meet the minimum requirement. However, the amount of minimum requirement will not be changed.</p>

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	<p>who keeping client's assets in its custody while not taking obligations and responsibilities in clearing and settlement systems to have the paid-up registered capital of at least 25 million baht, compared with at least 100 million baht of previous requirement.</p> <p>- There is no major change of Net Capital Rules However, in 2019, SEC amended the details of calculation to reduce the burden from new accounting standard.</p> <p>- no proprietary port, and no obligation to clearing and settlement system.</p> <p>- LBDU must maintain of on going capital not lower than 10 million baht, however, the minimum of on going capital will be 3 million baht in case the lisecee does not hold any client's asset in custody.</p> <p>2. <u>Conduct of business</u></p> <p>- Portfolio advisory service and program trading: the LBDU company shall consider the investment suitability and acceptable risk of each client and the LBDU company shall infrom specific risks of the investment portfolio to the clients before the investment.</p> <p>3. <u>Personnel</u></p> <p>- In 2018, rules on Personnel in the Capital Market Business has been amended in order to be in line with sales conduct and other regulations. For an example, an investment consultant is named as one of personnel in the capital market business, who is a person giving investment consultation to investors, relating to solicitation for investment or provide consultation for trading or investing in capital market product, without planning or analyzing of investment. It is categorized as general investment consultant, complex instrument investment consultant type 1, type 2 and type 3, depending on how the capital market products they provide consultation have high-risk or complex characteristics.</p> <p>In 2019, there are additional types of personels as ASEAN Investment analyst and ASEAN</p>	

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	<p>Investment consultant for professional mobility in ASEAN in order to encourage professional mobility within ASEAN (at the presence, there are 4 countries: Thailand, Malaysia, Phillippines and Singapore)</p> <p>In addition, the SEC has issued a guideline on personnel in the capital market business in 2019 to ensure that personnel of market intermediaries will perform functions with honesty, responsibility and fiduciary duty, legality and ethics and professional standard.</p> <p>Mutual Fund Management Business</p> <p>1. Prudential requirement</p> <p>- Initial Capital Requirement</p> <p>The mutual fund or private fund management business is required to have the paid-up registered capital no less than (1) 25 million Baht for those who provide services to retail investors (2) 10 million Baht only for those provide services to non-retail investors. (including institutional investors, ultra-high net worth investors, and high net worth investors)</p> <p>- On-going Capital Requirement</p> <p>The amendments to on-going capital requirement regulations for mutual fund management business <u>which is not in the business of managing real estate/infrastructure funds or trust</u> is effective on 1st April 2018.</p> <p>The capital requirements are varied based on the market intermediary's activities and risks undertaken.</p> <p>As a condition of undertaking mutual fund management business (not in the business of managing real estate/infrastructure funds or trust) are required to maintain capital on an ongoing basis as follows:</p>	

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	<p>4. <u>Personnel</u> No change from previous IAP</p> <p>Derivatives Fund Management Business <u>1. Prudential requirement</u> - Initial Capital Requirement The mutual fund or private fund management business is required to have the paid-up registered capital no less than (1) 25 million Baht for those who provide services to retail investors (2) 10 million Baht only for those provide services to non-retail investors. (including institutional investors, ultra-high net worth investors, and high net worth investors)</p> <p>- On-going Capital Requirement The amendments to on-going capital requirement regulations for mutual fund management business <u>which is not in the business of managing real estate/infrastructure funds or trust</u> is effective on 1st April 2018.</p> <p>The capital requirements are varied based on the market intermediary's activities and risks undertaken.</p> <p>As a condition of undertaking mutual fund management business (not in the business of managing real estate/infrastructure funds or trust) are required to maintain capital on an ongoing basis as follows:</p>	<p>The SEC is reviewing the Net Capital Rules to improve investor protection in case that the securities company's capital cannot meet the minimum requirement. However, the amount of minimum requirement will not be changed.</p>

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	<p>in clearing and settlement systems to have the paid-up registered capital of at least 25 million baht, compared with at least 100 million baht of previous requirement.</p> <p>- There is no major change of Net Capital Rules However, in 2019, SEC amended the details of calculation to reduce the burden from new accounting standard.</p> <p>2. <u>Conduct of business</u> No change from previous IAP</p> <p>3. <u>System and control:</u> No change from previous IAP</p> <p>4. <u>Personnel</u> No change from previous IAP</p> <p>Derivatives Advisory Service (Registered Derivatives Advisor)</p> <p>1. <u>Prudential Requirement</u> No change from previous IAP</p> <p>2. <u>Conduct of business</u> No change from previous IAP</p> <p>3. <u>System and control:</u> No change from previous IAP</p> <p>4. <u>Personnel</u> No change from previous IAP</p>	

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	<p><i>Crowdfunding Portal</i></p> <p>1. Prudential requirement The applicant for approval as the crowdfunding portal filing the application shall be approved by the SEC Office only when the following criteria have been satisfied:</p> <ul style="list-style-type: none"> (1) having paid up registered capital not less than 5 million Baht; (2) not having a reasonable ground to believe that [the applicant] has financial condition that is likely to cause damage or any other circumstances indicating the applicant's financial hardship. In addition, there is no reasonable ground to believe that the applicant has any deficiency or is not appropriate regarding control and sound business conduct; <p>2. Conduct of business A crowdfunding portal shall comply with the following business conducts:</p> <ul style="list-style-type: none"> (1) conducting the business and providing services for the member with honesty, expertise and proficiency, including due diligence and care in the manner that a professional would exercise in the similar circumstances; (2) operating the business by maintaining corporate image and reputation of the crowdfunding portal including credibility of capital market primarily, as well as operating the business with reasonable awareness by taking account of time, business manner or circumstance, and services providing; (3) providing quality services and treating the member in a fair and equitable manner by taking into consideration the types, nature and conditions of the member; (4) refraining from any action that will cause the member to breach or fail to comply with the restrictions or duties as stipulated by any law in case where the member had notified [the crowdfunding portal] of such restrictions or duties; (5) not taking any action which may cause conflicts of interest or cause business operation to be non-compliance with the standards or the conducts that the professional of the same nature would have done, unless it is the action performed under the criteria and conditions as prescribed by the SEC Office or under a duty prescribed by law; (6) not receiving or giving reward or any other benefits, whether in form of cash, things or services, more than the consideration or benefit that should be received or rewarded in normal course of business but shall not include holding of securities in the company making offer for sale of securities to which its provides services; (7) supervising to prevent improper use of the crowdfunding portal's resources 	

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	<p>to support of or to take part in any wrongful action.</p> <p>3. System and control A crowdfunding portal shall supervise to put in place the following systems during the period of operating the businesses as approved:</p> <ul style="list-style-type: none"> (1) a system for preventing access to information concerning offer for sale of securities through the crowdfunding portal by any person not a member; (2) a system for examining the identity and qualifications of member; (3) a system for testing of the member's investment knowledge (4) a system for keeping the member's assets that has any of the following characteristics: <ul style="list-style-type: none"> (a) having an escrow agent keep the subscription money under the law on escrow agent; (b) having an intermediary that is able to keep the member's assets keep the subscription money; (c) having a reliable person with secure financial condition keep the subscription money under the supervision of the lead regulator. In any case, such person shall be approved by the SEC Office. <p>The system for keeping the member's assets under the first paragraph shall include any system for segregating the member's assets from those of the custodian."</p> <ul style="list-style-type: none"> (5) a system for disclosure of sufficient and reliable information through system or network; (6) a system for electronic communication between members or members and a company making offer for sale of securities, providing that the crowdfunding portal shall monitor such system to prevent the members from making offer for sale of their own securities; (7) a system for information back-up on the reliable system or network, providing that the information relating to offer for sale of securities through the crowdfunding portal and post offering disclosure shall be kept at least two years; (8) a system for automatic transmission of information by means of electronic; (9) a system supporting business continuity; (10) a system for supervision on the services of the crowdfunding portal (compliance), in accordance with the guidelines specified by the SEC Office; (11) a system for the member's complaint handling for effective dispute 	

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	<p>settlement. (12) a system for evaluate credit worthiness of issuer in case the crowdfunding portal having Debt securities offering For the interest of the provision in sub-clause (4)(b) of the first paragraph, the term, “intermediary” shall mean a securities or derivative business operator.</p> <p>4. Major shareholder None</p> <p>5. Personnel The applicant for approval as the crowdfunding portal filing the application shall be approved by the SEC Office only when the following criteria have been satisfied being able to demonstrate that the persons who are or will become directors, manager or persons with management authority in business operation of the crowdfunding portal business do not have any prohibited characteristics as specified in the Notification of the Capital Market Supervisory Board concerning Rules on Personnel in the Capital Market Business;</p> <p><i>Digital Asset Businesses</i> - <i>Digital Asset Exchange, Digital Asset Broker and Digital Asset Dealer</i></p> <p><u>1. Prudential requirement</u></p> <p>1.1) The digital asset company must maintain the minimum paid-up registered capital of 50, 25, 10, 5, or 1 million baht as per its business model and risk of the digital asset company.</p> <p>1.2) The digital asset company must maintain the minimum net capital of 15 million baht, or 5% of client’s asset held in hot wallet plus 1% of client’s asset held in cold wallet, whichever is higher, in line with the net capital rules (NCR).</p>	

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	<p>However, in case where digital asset company does not hold any clients' asset, the company must maintain the minimum equity of 5, 2.5, or 0.5 million baht as per its business model and risk of the digital asset company.</p> <p>2. <u>Conduct of business</u></p> <p>2.1) For undertaking digital asset businesses, the digital asset company must comply with principles as follows ;</p> <ul style="list-style-type: none"> (1) Honesty, Fairness and Integrity (2) Skill, Care and Diligence (3) Management and Control (4) Financial Prudence (5) Market Conduct (6) Staff Competence (7) Conflicts of Interest (8) Clients' Interest (9) Know Your Clients (10) Communication with Clients (11) Clients' Relationship of Trust (12) Clients' Assets (13) Cooperation with Regulators <p>2.2) Code of conduct: Each digital asset company must at least meet the minimum requirements stated in the SEC's rules including the conduct of business, management structure, operating systems and personel, prevention and management of conflicts of interest, and risk management.</p> <p>2.3) Business compliance: Each digital asset company is required to have an independent compliance unit having duty to monitor compliance with the regulations and shall support such unit to perform duty effectively.</p> <p>2.4) Record keeping standard: Each digital asset company must provide evidence on digital asset trading and maintain such evidence complete and up-to-date for at least five years from the transaction date or the date of account closing or agreement termination.</p>	

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	<p>2.5) Complaint handling procedure: Each digital asset company is required to have an internal complaint handling procedure to handle client's complaints.</p> <p>3. <u>System and control</u></p> <p>3.1 Operational system and control Digital asset companies must equip management structure, operating system and personnel appropriately and sufficiently in order to be capable to operate business efficiently, responsibly and in compliance with applicable laws and regulations, including relevant standards of business operation. (e.g. organizational structure, operational system, system of operational control, internal audit and control system, risk management, system and measures for preventing conflict of interests, system for proprietary trading (if any), system for protecting the client's asset, IT system, system for arranging and keeping information, etc.).</p> <p>3.2 IT system and control Digital asset companies must develop its information system security in accordance with Confidentiality, Integrity, and Availability principle – the CIA triad. Moreover, digital asset companies must arrange for an annual IT audit inspection and penetration testing by an independent party.</p> <p>4. <u>Major shareholder</u> (holding more than 10%)</p> <p>All major shareholders of the digital asset company must be approved by the SEC office in accordance with the Ministry of Finance's approval criteria which are based on fit and proper qualifications and having no record of improper activities.</p> <p>5. <u>Personnel</u></p> <p>The SEC requires that:</p> <p>- the digital asset company's executives, e.g. directors and general managers must seek prior approval from the SEC office. The approval criteria includes educational background, work</p>	

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	<p>experience and other qualifications as specified by the SEC. - In case the digital asset company wishes to provide consultation relating to the investment to its client, the company must arrange a digital asset specialist for such analysis and providing consultation</p> <p><i>Digital Token Portal Service Provider</i> <i>- Digital Token Portal Service Provider (ICO Portal)</i></p> <p>1. Prudential requirement : The SEC shall approve an applicant as an ICO portal only when the following criteria have been satisfied:</p> <p>1.1 having paid up registered capital of no less than 5 million Baht 1.2 having no reasonable ground to believe that [the applicant] has financial condition that is likely to cause damage or there is any other circumstance indicating the applicant's financial hardship</p> <p>2. Conduct of business : 2.1 The ICO portal shall comply with the following standards of business conduct</p> <ol style="list-style-type: none"> (1) conducting business and providing services with honesty, expertise and proficiency, including due diligence and care in the manner that a professional would exercise in the similar circumstances; (2) conducting business in a manner that maintains corporate image and reputation of the ICO portal, preserve the credibility of capital market, as well as operating appropriately in consideration of time, business characteristic or circumstance, and services provided; (3) providing quality services and treating the investors in a fair and equitable manner, taking into consideration the type, nature and conditions of the investor; (4) refraining from taking any action which will result in an investor breaching or failing to comply with the restrictions or duties as stipulated by any law; (5) refraining from taking any action which may result in a conflict of interests or result in non-compliance with applicable standards or what professionals of the same nature would have done, unless such actions are carried out under the rules and conditions prescribed by the SEC or a duty prescribed by law; 	

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	<p>(6) not accepting or giving rewards or any other benefits, whether in the form of cash, cryptocurrency, digital token, objects or services, over and above the compensation or benefit that should be received or rewarded in the normal course of business;</p> <p>(7) ensuring that the resources of the ICO portal are not used to support of or to take part in any wrongful action.</p> <p>2.2 The ICO portal shall not make a contractual agreement with investors in such a way that eliminate or limit the ICO portal's liability in the event where investors suffer damage as a result of failure to operate or to comply with the provisions under this Notification by the ICO portal or its directors or persons with management authority in relation to the ICO portal business.</p> <p>2.3 The ICO portal shall maintain the qualifications under 2.1 at all times.</p> <p>2.4 The ICO portal shall ensure that the offering and subscription of digital tokens are in accordance with disclosures made in the filing document and prospectus, as well as the provisions under the Notification of the Securities and Exchange Commission concerning the Offering of Digital Tokens to the Public;</p> <p>2.5 In the case where the ICO portal has discovered or has cause to believe that the digital token issuer or the offering of digital tokens contravenes or does not comply with provisions of any notifications or relevant laws, the ICO portal shall refuse to offer services and promptly inform the SEC Office.</p> <p>2.6 The ICO portal shall be prohibited from operating any other business unless the ICO portal has obtained approval from the SEC Office prior to undertaking such a business, which must be related, beneficial or supportive to the ICO portal business and presents no potential conflict of interests or the ICO portal must be able to demonstrate that there is an effective system in place to prevent such conflict.</p> <p>2.7 The ICO portal shall disclose information regarding any situations with conflict of interests, particularly where the conflict is between investors and the ICO portal and related parties. In addition, the ICO portal shall supervise its directors or persons with management authority in relation to the ICO portal business to disclose such risks.</p> <p>3. <u>System and control</u> : The SEC shall approve an applicant as an ICO portal only when the following criteria have been satisfied:</p>	

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	<ul style="list-style-type: none"> - having appropriate and adequate management structure, operational systems and personnel in place to operate as an ICO portal effectively and responsibly in accordance with laws, rules and relevant standards - having appropriate operational systems, which must consist of the following: <ul style="list-style-type: none"> (a) a system for screening digital tokens; (b) a system for dealing with investors; (c) a system for disclosure of sufficient and reliable information; (d) a comprehensive risk management system; (e) an effective system for digital token offering and subscription management; (f) an effective IT system involving the maintenance of the system's security, the integrity of data and processes and the system's availability, while taking into account IT and cyber risks; (g) a system for keeping and maintaining accurate and complete records of information for the purpose of inspection and safeguarding such information from inappropriate or unlawful access; (h) a system supporting business continuity; (i) a compliance system for supervising the ICO portal's operations in accordance with the guidelines specified by the SEC Office; (j) a complaint handling system for resolving disputes; <p>4. <u>Major shareholder</u> : None</p> <p>5. <u>Personnel</u></p> <ul style="list-style-type: none"> - being able to demonstrate that the persons who are or will become directors, manager or persons with management authority in business operation of the ICO portal business do not have any prohibited characteristics as specified in the Notification of the Securities and Exchange Commission concerning the Prohibited Characteristics of Directors and Executives of Digital Asset Business - having an adequate number of personnel with suitable knowledge, competencies and experiences for performing duties in the operation of the ICO portal. Such personnel must be honest and must not possess any derogatory record 	

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	<p><u>B. Licensing and Qualification Requirements of Service Providers</u></p> <p>- Securities Businesses and Derivatives Businesses No change from previous IAP</p> <p>- Funding Portal The applicant for approval as the crowdfunding portal filing the application under shall be approved by the SEC Office only when the following criteria have been satisfied:</p> <ul style="list-style-type: none"> (1) being incorporated under Thai law; (2) having paid up registered capital not less than 5 million Baht; (3) not having a reasonable ground to believe that [the applicant] has financial condition that is likely to cause damage or any other circumstances indicating the applicant's financial hardship. In addition, there is no reasonable ground to believe that the applicant has any deficiency or is not appropriate regarding control and sound business conduct; (4) being able to demonstrate that the persons who are or will become directors, manager or persons with management authority in business operation of the crowdfunding portal business do not have any prohibited characteristics as specified in the Notification of the Capital Market Supervisory Board concerning Rules on Personnel in the Capital Market Business; (5) having put in place the systems ready to operate the crowdfunding portal business; (6) in cases where the applicant is a company having operated other businesses prior to the date of filing an application, the applicant's other businesses shall be related, beneficial or supportive to undertaking of the crowdfunding portal business and shall not have potential conflict of interest with undertaking of the crowdfunding portal business, except where [the applicant] is able to demonstrate that there shall be an effective system to prevent such conflict. 	<p><u>1. The Securities and Exchange Act B.E.2535</u> - Creating a new type of securities business license (type E) to undertake securities business in various categories consisting of</p> <ul style="list-style-type: none"> (1) securities brokerage of equity securities; (2) securities dealing of equity securities; (3) securities underwriting of equity securities; (4) investment advisory service of equity securities; (5) securities borrowing and lending of equity securities <p><u>2. Private fund management service</u></p> <p><u>3. Emergency Decree on Digital Asset Businesses B.E.2561</u> - Creating new types of digital asset business license in the category of</p> <ul style="list-style-type: none"> 1. Digital asset management 2. Digital asset advisory service

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since [2018] IAP	Further Improvements Planned
	<p>- Digital Asset Businesses</p> <p><u>Emergency Decree on Digital Asset Businesses B.E.2561</u></p> <p>1. Those who undertake digital asset business must apply for the following license</p> <p><u>(1) digital asset exchange</u></p> <p><u>(2) digital asset broker</u></p> <p><u>(3) digital asset dealer</u></p> <p><u>(4) other businesses</u> relating to digital assets as prescribed by the Minister under the recommendation of the SEC</p> <p>In granting any digital asset business license, the following criteria must be applied</p> <p>(1) being a company incorporated under Thai law</p> <p>(2) having the paid-up capital as specified by the SEC</p> <p>(3) having operational system promptly for operation of digital asset business in the category to be commenced</p> <p>(4) having no anticipated financial problems and no reasonable cause to be deemed that the company is going to face financial problems</p> <p>(5) having directors and managers who have no prohibited characteristics.</p> <p>(6) having major shareholders who have no prohibited characteristics in accordance with the regulations of the Ministry of Finance</p> <p>- Digital Token Portal Service Provider</p> <p>Those who undertake <u>digital token portal service provider</u> must obtain an approval from the SEC office</p> <p>In approving digital token portal service provider, the following criteria must be applied</p> <p>(1) being a company incorporated under Thai law</p> <p>(2) having paid up registered capital not less than 5 million Baht;</p> <p>(3) not having a reasonable ground to believe that the company has financial condition that is likely to cause damage or any other circumstances indicating the company's financial hardship. In addition, there is no reasonable ground to believe that the company has any deficiency or is not appropriate regarding control and sound business conduct;</p> <p>(4) being able to demonstrate that the persons who are or will become directors,</p>	

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	<p>manager or persons with management authority in business operation of the digital token portal service provider business do not have any prohibited characteristics.</p> <p>(5) having a management structure, operating system and personnel appropriately and sufficiently in order to be capable to operate business efficiently, responsibly and in compliance with applicable laws and regulations, including relevant standards of business operation.</p> <p>(6) having personnel in sufficient amount for undertaking its business, with the knowledge, skill and expertise necessary for discharge of the responsibilities allocated to them, and having honest behaviors without notorious background.</p> <p>(7) having appropriate, reliable and efficient operating system</p>	

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	<p>C. Foreign Entry</p> <p>- Securities Businesses and Derivatives Businesses: No change from previous IAP: Foreign equity participation in securities and derivatives businesses can be up to 100%</p> <p>- Funding Portal Foreign equity participation in funding portal business can be up to 49% or can be waived under Foreign Business Act</p> <p>- Digital Asset Businesses and Digital Token Portal Service Provider Foreign equity participation in digital asset businesses can be up to 49% or can be waived under Foreign Business Act</p>	
	<p>D. Discriminatory Treatment/MFN</p> <p>- Securities Businesses and Derivatives Businesses No change from previous IAP: There is no discriminatory treatment/MFN in securities businesses. The SEC sets rules and regulations for each particular securities license. Therefore, each securities company, whether its major shareholders are Thais or foreigners, has to comply with the rules and regulations set for the type of license it has obtained.</p> <p>- Funding Portal There is no discriminatory treatment/MFN in Crowdfunding Portal Business .</p> <p>- Digital Asset Businesses and Digital Token Portal Service Provider There is no discriminatory treatment/MFN in digital asset businesses. The SEC sets rules and regulations for each particular digital asset business license. Therefore, each digital asset company, whether its major shareholders are Thais or foreigners, has to comply with the rules and regulations set for the type of license it has obtained.</p>	

