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# An Analysis of Thailand's Regulatory Landscape on Digital Assets: The New Path of Growth for Thailand's Capital Market

## Introduction

In Thailand, the trading of cryptocurrencies has been legal since 2018 under a law known as the Emergency Decree on Digital Asset Businesses B.E. 2561 (“the 2018 Decree”). The digital asset market in Thailand has experienced significant growth since then. The number of accounts opened with digital asset exchanges reached 2.49 million as of March 2025, with approximately 168,000 accounts actively trading each month since 2024.<sup>1</sup>

In terms of trading value, the majority of investors in Thailand's digital asset market still comprise retail investors, making up about 60% of the total. However, the trading value of institutional investors has increased consistently over the past 5 years from just 7.6% in November 2020 to 40% in March 2025 as shown in Figure 1. Monthly trading value has ranged from around THB40 billion to as high as THB140 billion recently.

The number of cryptoassets traded on digital asset exchanges increased significantly, from just 54 in November 2020 to 168 in March 2025 as shown in Figure 2.

The top four most traded digital assets are Tether (USDT) with a 39% share of trading, followed by Bitcoin (BTC) at 16%, XRP at 9% and Ethereum (ETH) at 5% as of March 2025.<sup>2</sup>

To ensure robust growth in Thailand's digital asset market and establish the country as a leader in digital assets, the Securities and Exchange Commission (SEC) has continuously introduced additional regulations and guidelines. These measures aim to address ambiguities in the definition of digital assets, clarify the business operations of various digital asset businesses, introduce new types of licens-

es, and provide opportunities for businesses to present innovations through a regulatory sandbox.

The objective of this article is to analyze the various regulations and guidelines that have been implemented in Thailand, providing readers with an understanding of the future growth trajectory of the country's digital asset market. Additionally, the article will examine the criteria set forth by the Bank of Thailand (BOT), offering insights into how the regulatory framework for stablecoins and cryptoassets is established.



Figure 1: Monthly Trading Values and the Share of Trading by Investor Types

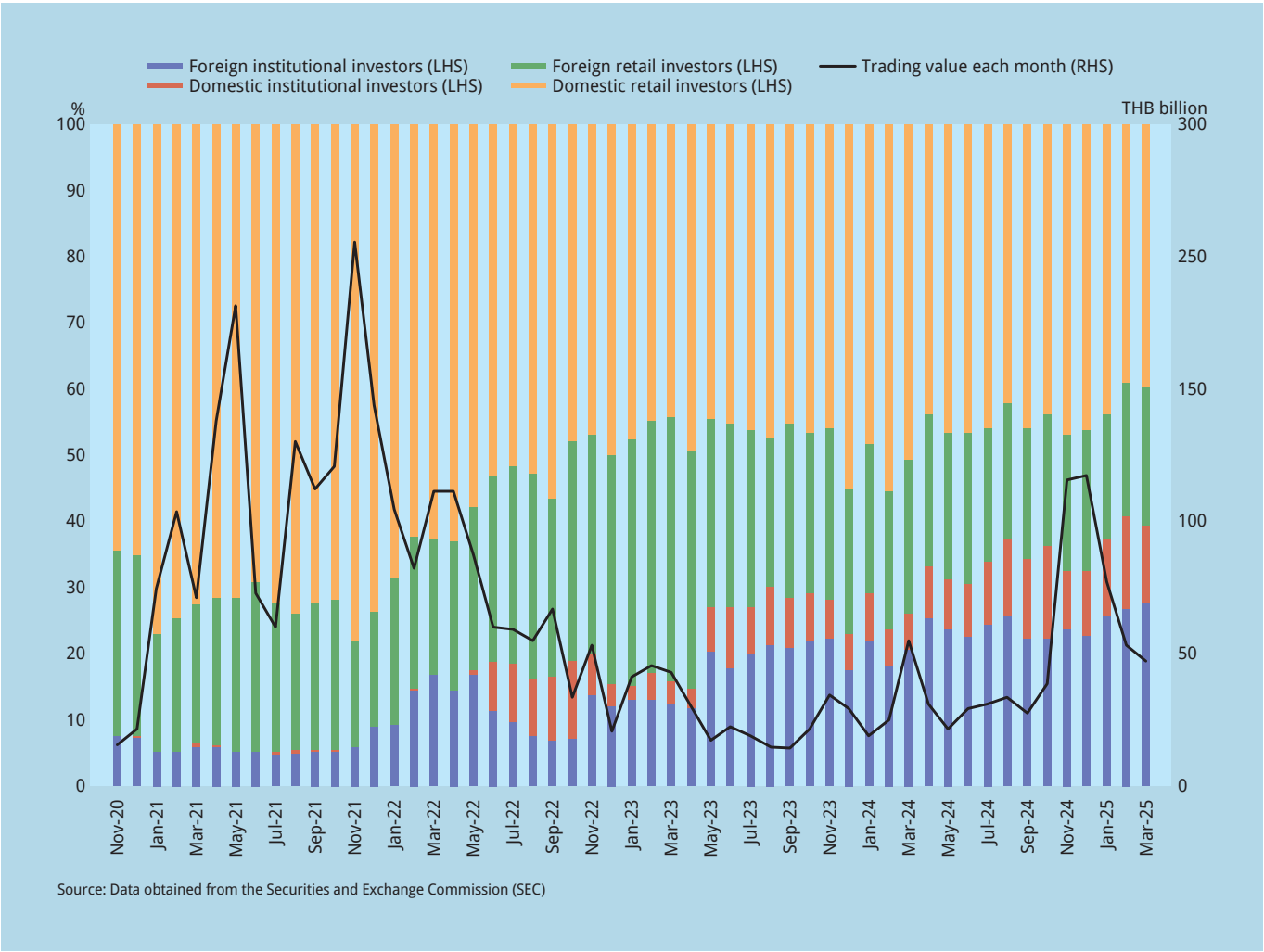
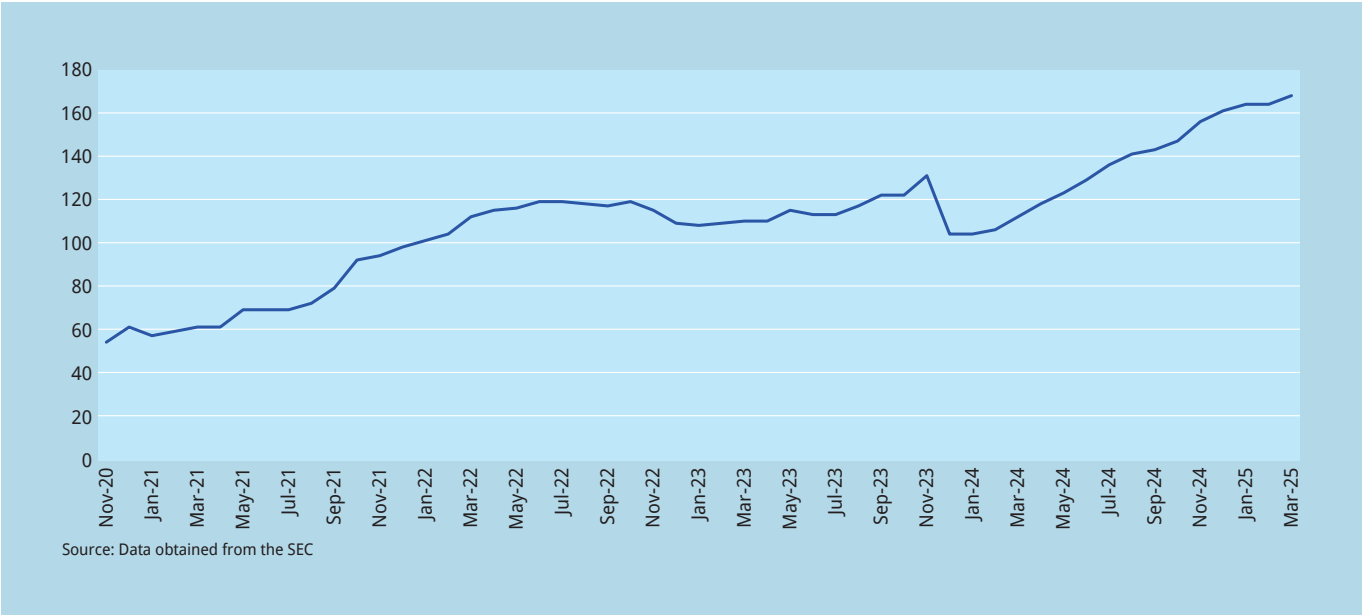


Figure 2: Number of Cryptoassets Traded Each Month on Thailand Digital Asset Exchanges



# Cryptoasset Taxonomy in Thailand

One example of the effort to categorize cryptoassets is the approach proposed by the International Monetary Fund (IMF) (2022)<sup>3</sup>, which classifies cryptoassets into six categories, namely 1) non-fungible tokens (NFTs), 2) security tokens, 3) utility

tokens, 4) unbacked cryptoassets, 5) stablecoins, and 6) central bank digital currencies (CBDCs). This article will compare this taxonomy with Thailand's proposed categorization of cryptoassets.

In Thailand, the SEC has made efforts to reclassify digital assets to better align with its primary responsibilities. As of 2024, cryptoassets under SEC regulation must meet four key criteria: 1) They are issued and represented in digital form; 2) They are intangible assets; 3) The owner has the right to control them; and 4) They are transferable. Additionally, these cryptoassets must be traded on decentralized ledger technology (DLT) or similar systems and possess economic value.

In addition to the basic definitions of cryptoassets mentioned earlier, the SEC has reclassified digital assets under its supervision. Compared to the cryptoasset taxonomy proposed by the IMF, this new classification can be aligned as shown in Table 1.

All types of NFTs are excluded from SEC regulation and are not permitted to trade on digital asset exchanges. If an NFT simply stores the underlying digital file (like an image, audio, or video) using blockchain technology, without granting any additional rights to the holder and if the token cannot be separated from its digital file, it will not be classified as a digital asset under SEC regulations and Thai digital asset law.

Regarding security tokens, the SEC

**Table 1: Cryptoassets Taxonomy in Thailand**

IMF Taxonomy	SEC Taxonomy and Its Regulatory Approach
<b>1.NFTs</b>	1. NFTs are excluded and not allowed to be traded on authorized digital asset exchanges.
<b>2.Security tokens</b>	2. Investment tokens – regulated by the Securities and Exchange Act B.E. 2535 (1992) and under specific rules and conditions written by the SEC. 2.1 Equity digital tokens 2.2 Debt digital tokens 2.3 Real estate digital tokens 2.4 Infrastructure digital tokens 2.5 Sustainability-labelled tokens and sustainability-linked tokens 2.6 Carbon credit tokens 2.7 Project-related digital tokens
<b>3.Utility tokens</b>	3.1 Ready-to-use utility tokens - Group 1: Basic and straightforward utility tokens related to customer relationship management, promotional purposes, consumption purposes, or acting as certificates or rights are not considered digital assets and not allowed to be listed in digital asset exchanges. - Group 2: utility tokens related to blockchain and applications, such as native/governance tokens, Decentralized Finance (DeFi) /Centralized Finance (CeFi) tokens, and exchange tokens are considered digital assets and required to follow the SEC rules. 3.2 Not ready-to-use utility tokens - Both Group 1 and Group 2 are considered digital assets and are required to follow the SEC rules.
<b>4.Unbacked cryptoassets</b>	4.1 Meme coins and fan coins are banned from trading on authorized digital asset exchanges. 4.2 SEC whitelist of unbacked crypto assets are allowed to be listed on digital asset exchanges.
<b>5.Stablecoins</b>	5.1 Stablecoins not denominated in THB are allowed to be listed on digital asset exchanges. 5.2 Stablecoins denominated in THB are banned from digital asset exchanges and are regulated by the BOT.
<b>6.CBDCs</b>	6. CBDCs are not under the regulation of the SEC. They are proposed, tested and managed by the BOT.

Source: Author's summary from the various sources of Thailand SEC documents

refers to them as investment tokens and defines them as any digital asset that qualifies as a security under the Securities and Exchange Act B.E. 2535 (1992). Recently, the SEC has expanded the scope of investment tokens beyond stocks and bonds. These tokens are composed of the following.

1. Real estate digital tokens that are specifically backed by completed and ready-to-use properties, without any property rights issues or disputes. The property's value must be at least THB500 million and the value of the digital token must be at least 80% of the property's value.<sup>4</sup>
2. Infrastructure digital tokens that are backed by infrastructure assets or whose cash flow originates from such assets. These tokens can also represent the shares of a special purpose vehicle (SPV), either a limited or public company, established to invest in the infrastructure project.<sup>5</sup>
3. Green tokens, social tokens, sustainability tokens, and sustainability-linked tokens must meet the criteria of the green bond principle, sustainability-linked bond principles and Thailand taxonomy.<sup>6</sup>
4. Carbon credit tokens represent the trading of carbon reduction instruments by business operators under SEC supervision. The SEC aims for this initiative to help Thailand become a regional center for carbon credit trading.<sup>7</sup>

To accommodate the approval of the these investment tokens, the SEC amended the Securities and Exchange Act B.E. 2535 (1992) in 2023. This amendment expanded the definition of “securities” to include digital tokens that qualify as investment instruments as specified by the SEC. Additionally, the regulations governing traditional stock exchanges were revised to encompass digital asset exchanges that list investment tokens.

The SEC also encourages innovation by allowing issuers to offer multiple batches of tokens under the same shelf (i.e., a single application). Eligible tokens must have underlying or invested assets of a similar nature or related projects, as defined by the SEC. This also includes digital tokens related to soft-power industries, such as music, movies, drama, and arts.<sup>8</sup>

Regarding utility tokens, they are categorized into “not ready-to-use” and

“ready-to-use” utility tokens. Ready-to-use utility tokens, which are straightforward and intended for customer relationship management, promotional purposes, consumption purposes, or acting as certificates or rights, are no longer considered as regulated digital assets by the SEC. Therefore, these Group 1 ready-to-use utility tokens are prohibited from being listed on digital asset exchanges, and businesses offering these tokens do not need to obtain a digital asset business license from the SEC.<sup>9</sup>

However, Group 2 ready-to-use utility tokens which are tokens related to blockchain and applications such as native/governance tokens, DeFi/CeFi tokens, and exchange tokens, must obtain SEC approval before being listed on digital asset exchanges for initial coin offerings (ICOs). If these tokens are not intended for listing on digital asset exchanges, approval is not required but businesses dealing with them must still obtain a digital asset business license from the SEC.<sup>10</sup>

Additionally, the SEC prohibits a digital asset exchange from listing Group 2 ready-to-use utility tokens if the token issuer is directly related to or a subsidiary of such digital asset exchange. This measure aims to prevent potential conflicts of interest which might affect the trading and pricing behavior of such tokens.

For not ready-to-use utility tokens, approval for their offering is required, along with the submission of a filing and draft prospectus.<sup>11</sup> These tokens must be offered through an authorized ICO portal. The SEC has chosen to closely regulate these tokens due to their potential for speculative trading by investors.

Unbacked cryptoassets, typically referring to common cryptocurrencies traded globally, are subject to specific regulations by the SEC. The SEC has banned the trading of meme coins and fan coins on Thai digital asset exchanges.<sup>12</sup> Regarding stablecoins, only tokens not pegged to THB are allowed to trade.

Stablecoins pegged to THB fall under the regulation of the BOT. Currently, the BOT permits private companies to offer THB-backed stablecoins if they are qualified as e-money. However, more complex stablecoins that involve minting, burning, or using smart contracts for payment conditions must seek approval to be tested in the BOT's Enhanced Regulatory Sandbox which will be discussed more later in this article.

Additionally, the SEC has introduced further regulations requiring digital asset exchanges to establish listing rules for selecting digital assets. These rules stipu-

late that assets must not be privacy coins, must disclose their source code or smart contract, and must have a whitepaper detailing key project information. If a digital asset shows significant negative changes or fails to comply with listing rules, procedures must be set for delisting the asset, including specifying the date and time for suspending trading, deposits, or withdrawals, and informing investors in advance to protect their rights.<sup>13</sup>

Digital asset trading platforms must also establish transparent and fair trading rules that ensure asset prices are efficient and follow market mechanisms. Additionally, they must have clearing and settlement rules that guarantee the secure and reliable delivery of digital assets after payment. Market maker rules should also be set to ensure that market makers maintain liquidity in digital asset trading according to market mechanisms, without exploiting other investors.

## Digital Asset Businesses in Thailand and Their Key Regulations

In late 2022, the SEC expanded the categories of digital asset businesses from the original five types, namely 1) digital asset exchanges; 2) digital asset brokers; 3) digital asset dealers; 4) digital asset advisory services; and 5) digital asset fund managers to include a sixth category, digital asset custodians. This new category accommodates businesses that provide services for the custody or safekeeping of digital assets and the management of cryptographic keys or other confidential items necessary for authorizing transfers or transactions involving digital assets, either fully or partially.

The emergence of digital asset custodial wallet providers aims to assure investors of the long-term security of their digital asset holdings. The SEC sets out rules for safekeeping of digital assets. For instance, digital asset businesses must store no more than 50% of the customer's digital asset value in hot wallets. The remaining assets should be kept in the custody systems of digital asset custodial wallet providers.<sup>14</sup>

Additionally, in January 2025, the SEC issued new guidelines to allow digital asset custodial wallet providers to be business-

es with experience or expertise in keeping direct custody of other traditional financial assets.<sup>15</sup> This allows traditional securities custodians to immediately offer digital asset custody services. However, digital asset custodial wallet providers must have an independent business structure to comply with the SEC's independence rules. Specifically:

1. The digital asset custodial wallet provider must not hold more than 5% of the total shares of the digital asset business it serves, including shares held by related parties.
2. The digital asset business being served must not hold more than 5% of the total shares of the digital asset custodial wallet provider.

To enhance the flexibility of digital asset offerings and custody, the SEC has issued additional guidelines allowing digital asset issuers to temporarily hold digital assets issued for customers during the issuance process.

Given that some digital assets currently provide various forms of returns during holding and safekeeping, the SEC aims to prevent misleading advertising about these returns. Therefore, the SEC has implemented strict regulations on providing returns to investors. Digital asset businesses must not promise or provide returns from the safekeeping of digital assets, except in the following cases:<sup>16</sup>

1. Returns generated as part of a consensus mechanism of certain blockchains.
2. Returns generated from blockchain upgrades (hard fork or soft fork).
3. Returns from airdrops by the digital asset issuer.
4. Returns that comply with promotional guidelines.

Additionally, digital asset businesses may provide factual information or knowledge about using DeFi systems without soliciting or encouraging customers to use these services. This rule is to limit the use of investment tokens in DeFi applications.

For new digital asset offerings, the SEC has issued regulations to support fundraising through ICOs. In Thailand, ICOs do not need to be limited to investment tokens. They can also include Group 2 ready-to-use utility tokens and not ready-to-use utility tokens. For a digital token to

be eligible for an ICO, the issuer must aim to raise funds from the public. Additionally, the token should grant investors the right to invest in a specific project or business, or offer the right to receive certain goods, services or benefits.

Furthermore, to support private companies in issuing ICOs, the Revenue Department issued a Royal Decree in 2023 to exempt taxes related to the offering of investment tokens. This includes exemptions from corporate income tax and value-added tax (VAT) for ICOs in the primary market. Additionally, the trading of investment tokens on digital asset exchanges (secondary market) will also be exempt from VAT. These changes aim to align digital investment tokens with the same regulatory framework as securities.<sup>17</sup>

Investors eligible to participate in ICOs include:

1. Institutional investors, ultra-high-net-worth investors, or large investors as defined by the SEC.
2. Non-large investors can invest up to THB300,000 per offering, except for ICOs backed by real estate revenue streams or infrastructure project revenue streams.

For the issuer, the maximum amount that retail investors can invest in each round of offering is the greater of either up to four times the issuer's shareholders' equity or up to 70% of the total offering amount per round.<sup>18</sup>

Currently, the SEC in Thailand authorized a fund management company to participate in the offering of spot Bitcoin exchange traded funds (ETFs) in 2024.<sup>19</sup> The SEC has also updated regulations to allow Thai investors to directly invest in digital assets through fund management companies. In March 2025, the SEC amended the rules to exempt securities companies (SC) and asset management companies (AMCs) from needing a digital asset fund manager license if SCs and AMCs already hold licenses for mutual fund (MF) and private fund (PF) management.<sup>20</sup> These amended regulations will enhance the growth of investments in digital assets and provide diversification benefits for MF and PF investments.

The SEC also places significant emphasis on advertising practices. The updated regulations require digital asset operators to inform the SEC about their advertising campaigns. All advertisements, especially those featuring key figures like influencers or prominent spokespersons,

must adhere to content standards to prevent misleading or exaggerated claims. Furthermore, these advertisements can only be distributed through the official channels of the business operator and must include relevant disclosures about the risks associated with digital assets.

One more key innovative regulation by the SEC is about allowing digital asset service providers to use certain cryptocurrencies as a medium of payment for the purchase of investment tokens and utility tokens. These cryptocurrencies include: BTC, ETH, Ripple (XRP), Stellar (XLM), USDT, USD Coin (USDC), and stablecoins used in programmable payment tests under the Enhanced Regulatory Sandbox, as specified by the BOT.<sup>21</sup> This regulatory adjustment broadens the use of cryptocurrency as a medium of exchange for regulated businesses to facilitate transactions beyond fiat currency.

Additionally, the government and the SEC are considering the creation of a national blockchain infrastructure to support small and medium-sized enterprises (SMEs) that lack the funds to develop their own blockchain or face limitations in joining private blockchains. This government blockchain initiative is named "Chain Aue Arthorn", which means the "blockchain for all".<sup>22</sup>

While the SEC is encouraging digital asset businesses in Thailand, the BOT has not permitted financial institutions under its supervision to freely invest in or participate in cryptoasset-related activities. The BOT has established regulations that cap commercial banks' investments at 3% of their capital funds to balance the advantages of new innovations with proper risk management.<sup>23</sup>

## THB Stablecoin and Regulation Approach by the BOT

In 2024, the BOT launched the Enhanced Regulatory Sandbox, which differs from the regulatory sandbox established in 2019. The Enhanced Regulatory Sandbox aims to foster the development of innovative financial services that have not yet been introduced and are not currently regulated by Thai law. This initiative al-

lows regulatory authorities to study and develop appropriate oversight measures, thereby minimizing potential impacts on the stability of the payment system and the overall financial system of the country.

Under the Enhanced Regulatory Sandbox, businesses can experiment with services related to stablecoins that have automated conditions for payments (programmable payments). One example of a company testing stablecoins in the Enhanced Regulatory Sandbox is Siam Commercial Bank (SCB) 10X, which is introducing the Rubie wallet.<sup>24</sup> The purpose of this wallet is to allow tourists to exchange digital assets and stablecoins from the global market into THB issued by Rubie wallet, called THBX. Users can immediately use the Rubie wallet with Thailand's payment systems, such as QR code payments.

In addition to the possibility of offering a tourist wallet as mentioned above, businesses can also present other business models under the Enhanced Regulatory Sandbox. These include escrow payment services that use DLT and smart contracts to manage funds and set conditions for money transfers, asset tokenization that creates stablecoins backed by other assets, or THB programmable payments to support the exchange of digital assets across different blockchains.

However, the BOT still does not permit the use of created stablecoins for investment or speculative purposes, such as staking. Businesses must also ensure that the assets used to back the value of stablecoins are kept separate from other assets in the form of deposits at financial institutions. Additionally, businesses must ensure that holders of stablecoins can convert these units back into THB under the terms, methods, and conditions agreed upon in the Service Level Agreement (SLA). Know Your Customer (KYC), Know Your Merchant (KYM), and Customer Due Diligence (CDD) are just a few minimum processes that businesses need to implement.

According to those regulatory developments, it appears that the BOT is relatively open to allowing certain types of digital assets to be used as a means of payment, provided there is sufficient regulatory oversight.

In addition to allowing the private sector to introduce innovations related to digital assets and their use as a medium of payment, the BOT has also been experimenting with and presenting CBDC. This includes both retail CBDC for the general public and wholesale CBDC for financial institutions. As of 2023, the BOT has completed testing the use of retail CBDC through a

project called the Project Bang Khun Phom, which applied smart contracts to enable programmability on the CBDC.<sup>25</sup>

Regarding wholesale CBDC, studies began with the development of CBDC for financial institutions to use domestically through the Project Inthanon in 2018. This was followed by the Project Inthanon-Lion-Rock between the BOT and the Hong Kong Monetary Authority (HKMA) from 2019 to 2021, focusing on using wholesale CBDC for international money transfers. This project later evolved into the mBridge project, which involved testing with the HKMA, the Digital Currency Institute of the People's Bank of China (PBC DCI), the Central Bank of the United Arab Emirates (CBUAE), and the BIS Innovation Hub (BISIH) in Hong Kong.<sup>26</sup>

# Conclusion

Encouraging financial innovation in Thailand through various regulations for digital asset businesses and the creation of stablecoins is one of the policies that aim to drive the country's economic growth. With appropriate regulations, private companies will gain confidence in developing and utilizing digital tokens to explore new growth opportunities. Financial service providers will assist companies in fundraising and expanding their investor bases, while investors will have access to a diverse range of digital investment tokens that cater to their needs.

Thai regulators appear to support "Responsible Innovation" and emphasize the need for proper risk management to avoid negative impacts on the stability of both the payment and financial systems. Given the current regulations, Thailand's digital asset market is expected to grow significantly and will become one of the leading capital markets in Asia.

## Notes

- 1 Data as of March 2025 obtained from the Securities and Exchange Commission.
- 2 See note 1 above.

- 3 IMF (2022), Regulating the Crypto Ecosystem: The Case of Unbacked Crypto Assets.
- 4 [https://www.sec.or.th/EN/Pages/News\\_Detail.aspx?SECID=8839](https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=8839)
- 5 <https://www.tilleke.com/insights/thailand-se-c-implements-new-ico-regulations/>
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- 9 [https://www.sec.or.th/EN/Pages/News\\_Detail.aspx?SECID=11020](https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=11020)
- 10 See note 9 above.
- 11 See note 9 above.
- 12 [https://www.sec.or.th/EN/Pages/News\\_Detail.aspx?SECID=8994](https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=8994)
- 13 <https://www.tilleke.com/insights/thailand-updates-requirements-for-digital-asset-business-governance-and-exchange-rules/>
- 14 The Notification of the Securities and Exchange Commission No. GorThor. 19/2561 Re: Rules, Conditions and Procedures for Undertaking Digital Asset Businesses.
- 15 [https://www.sec.or.th/EN/Pages/News\\_Detail.aspx?SECID=10470](https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=10470)
- 16 The Notification of the Securities and Exchange Commission No. GorThor. 19/2561 Re: Rules, Conditions and Procedures for Undertaking Digital Asset Businesses.
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# DEFI



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25 [https://www.bot.or.th/en/financial-innovation/digital-finance/central-bank-digital-currency/\\_/Pilot-CBDC-2024.html](https://www.bot.or.th/en/financial-innovation/digital-finance/central-bank-digital-currency/_/Pilot-CBDC-2024.html)

26 [https://www.bis.org/about/bisih/topics/cbdc/mcbdc\\_bridge.htm](https://www.bis.org/about/bisih/topics/cbdc/mcbdc_bridge.htm)

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Assistant Professor Roongkiat of Chulalongkorn Business School earned a Ph.D. in pension fund management from the London School of Economics and Political Science. He has expertise in Financial Planning, Capital Markets and Bank Management. His research has been recognized: the 2018 Securities and Exchange Commission (SEC) Best Paper award for the study of mutual fund performance in Thailand and 2017 Char-

tered Financial Analyst (CFA) Institute Best Paper award for the study of market microstructure. During 2022-2024, he has undertaken two research projects on digital financial services and cryptocurrency markets in Thailand. The first project received a grant from the National Research Council of Thailand (NRCT) while the second one is in collaboration with the Thailand SEC.