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THAILAND

Newsletter

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Boost for Thailand's Digital Economy: Streamlined ICO Shelf Filing Rules for Soft Power Sectors

The Securities and Exchange Commission ("SEC") recently announced amendments to the regulations related to Initial Coin Offering ("ICO") shelf filing and to the cap on funds raised from retail investors. These amendments came into effect on September 16, 2024, and are designed to expand the options available for ICO applications, supporting the financing of soft power industries and fostering the growth of Thailand's digital and creative economies. These regulatory updates followed a comprehensive public consultation process conducted in June 2024. The feedback received was largely in favor of the proposed changes, so they were duly adopted. The key highlights are summarized below:

1. Shelf Filing for ICOs¹

The SEC now permits issuers to file multiple lots of tokens under a single shelf registration, provided these tokens are backed by underlying or invested assets of a similar nature or are part of similar projects. This is particularly relevant to issuers involved in 'Soft Power' industries, which include:

- i. Music,
- ii. Films, animations, dramas, acting, and television programs, as well as any other content broadcast through television, online channels, or similar media, and
- iii. Arts and performing arts.

Remark: Such filing must not involve Real Estate-backed ICOs or Infra-backed ICOs.

2. ICO Applications

Issuers are required to submit an ICO application (Form 17-2) along with Part 1 (Filing - Base) of the filing, which includes essential information about the issuer, the digital tokens being offered, and investment disclaimer. In addition, they must submit Part 2 (Filing - Pricing) of the filing, which contains pricing information for

¹Notification of the Office of the SEC No. Sor Jor. 24/2567 Re: Determination of Characteristics and Types of Digital Tokens Eligible for Shelf Filing

the digital tokens and detailed specifics of the offering. The application will be reviewed and must be approved by the SEC in accordance with current ICO regulations. If there is any supplementary information, issuers are required to submit Part 3 (Filing - Supplement) of the filing. The entire review process will be completed within 30 days of submission of the complete information. Issuers are also expected to adhere to additional ICO regulations (as applicable).

3. 2-Year Offering Period

Issuers can make multiple offerings under a single application without being subject to any restrictions on the total amount or number of offerings for a period of 2 years from the initial approval date. This extends beyond the typical timeframe of 6 months.

4. Exemption from Fundraising Limits²

The amendments remove the cap on the total amount of funds that can be raised from retail investors (investors who are not institutional investors, ultra-high net worth investors, or high net worth investors according to SEC rules) for tokens associated with the Soft Power projects.

However, this exemption does not apply to other types of projects, which remain subject to the previous limitations.

5. Relevant Fees³

The fees for shelf filing are consistent with those applied to general applications. Details are as follows:

1.	ICO Application Fee	THB 300,000/Application
2.	ICO Filing Fee	0.05% of the total value of all tokens offered. If the calculated amount is less than THB 30,000, a minimum fee of THB 30,000 will be charged.
3.	Annual Information Disclosure Fee	THB 10,000

6. Information Disclosure on ICO Portal⁴

Issuers are required to submit sales information on their ICO offerings to the SEC twice a year. The reports must be submitted either (i) within 15 days from the end of June and December of each year, or (ii) within 15 days from the completion of the ICO offering (2 years after the initial approval date), whichever occurs first.

²Notification of the Office of the SEC No. Sor Jor. 25/2567 Re: Initial Coin Offering without Requirement of Maximum Offering Amounts to Investors Who Are Not Institutional Investors, Ultra High Net Worth Investors or High Net Worth Investors

³Notification of the SEC No. Kor Jor. 26/2567 Re: Initial Coin Offerings to the Public (No. 13)

⁴Notification of the Office of the SEC No. Sor Jor. 26/2567 Re: Rules in Details Regarding Information Disclosure of ICO Portals (No. 2)

Conclusion

These amendments are designed to enhance flexibility and facilitate issuance of digital tokens. We believe they will create greater opportunities to leverage digital tokens for fundraising, in line with technological advancements, while ensuring continued investor protection.

Should you have any questions about how these amendments may affect your business, please do not hesitate to contact the authors, whose contact information is provided in the left-hand column.

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