
Newsletter

February 4, 2025

Thai SEC's Public Hearing Regarding Acceptance of USDC and USDT (Tether)



Panupan Udomsuvannakul
Partner
panupan.u@morihamada.com



Koraphot Jirachocksubsin
Counsel
koraphot.j@morihamada.com

In recent years, the global digital asset market has experienced rapid growth and significant transformation, prompting regulatory bodies worldwide to adapt and update their frameworks to ensure a secure and efficient environment for all stakeholders. In Thailand, the Securities and Exchange Commission (the "SEC") has been at the forefront of these efforts, continuously updating and adjusting its regulations to keep pace with the evolving landscape of digital assets.

The SEC has a history of proactive engagement with the digital asset market. In June 2018, the SEC established regulations for the issuance and trading of digital tokens and cryptocurrencies, setting the foundations for a regulated and transparent market.

These regulations include conditions for issuers and ICO portals to accept cryptocurrencies in transactions, as well as stipulations for digital asset exchanges to trade or exchange digital assets with Thai Baht or other cryptocurrencies that appear on the SEC's official list of accepted cryptocurrencies. Currently, this list contains five types of cryptocurrencies:

1. Bitcoin (BTC);
2. Ethereum (ETH);
3. Ripple (XRP);
4. Stellar (XLM); and
5. Cryptocurrency used in programmable payment testing by the Bank of Thailand under an Enhanced Regulatory Sandbox.

This list is periodically updated to reflect the changing dynamics and needs of the market.

As part of its ongoing efforts to enhance the regulatory framework, the SEC has opened a public hearing on its website until 1 February 2025, inviting feedback on the proposed improvements to the criteria for the accepted cryptocurrency list. This initiative aims to ensure that the regulations remain robust, while being flexible and conducive to the growth of the digital asset market in Thailand. The key highlights of the proposed notification are summarized below.

Inclusion of Stablecoins

The SEC is proposing adding the following two cryptocurrencies to its official list:

1. **USD Coin (USDC); and**
2. **Tether (USDT).**

These stablecoins are pegged by assets and are designed to maintain a stable value, making them less volatile compared to other cryptocurrencies. The inclusion of these stablecoins is expected to provide several benefits:

- **Increased Flexibility for Issuers and ICO Portals:** Issuers and ICO Portals will be able to accept USDC and USDT from investors, thereby broadening the range of accepted cryptocurrencies for transactions.
- **Enhanced Trading Options for Digital Asset Exchanges:** Digital asset exchanges will be able to facilitate trading and exchanges involving USDC and USDT, thus providing more options for traders and investors.
- **More Choices for Investors:** Investors will have additional options for using stablecoins in their transactions, whether for purchasing digital tokens or trading on digital asset exchanges.

Monitoring and Future Adjustments

In addition, the SEC will closely monitor any developments related to the regulation of stablecoins, including global regulatory trends such as the European Union's Markets in Crypto-Assets Regulation (MiCA). This ongoing monitoring will help the SEC make necessary adjustments to the regulatory framework to keep pace with the evolving digital asset landscape.

How Digital Asset Operators Should Prepare for These Changes

With the proposed inclusion of USDC and USDT on the SEC's cryptocurrency list, digital asset operators in the digital asset space should take proactive steps to prepare for these changes:

- **Review and Update Internal Policies:** Review their current policies and procedures to ensure they align with the new regulations. This includes updating compliance protocols to accommodate the acceptance and trading of USDC and USDT.
- **Enhance Technical Infrastructure:** Ensure that the technical infrastructure is capable of supporting transactions involving USDC and USDT. This may involve upgrading trading platforms, wallets, and other digital asset management systems.

The proposed inclusion of USDC and USDT in the SEC's cryptocurrency list marks a significant step towards enhancing the regulatory environment for digital assets in Thailand. By incorporating stablecoins, the SEC aims to provide greater flexibility and a broader range of options for businesses and investors, fostering a more dynamic and resilient digital asset market.

Chandler Mori Hamada will closely monitor these legal developments and keep you updated once they are enacted. If you have any questions in relation to the topic raised in this briefing, please contact the authors listed above.