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# Thailand Moves to Recognise Digital Assets in Derivatives Market

Thailand is taking a significant step toward integrating digital assets into its financial system following the cabinet's approval of a proposal to allow digital assets, including cryptocurrencies and digital tokens, to be used as underlying assets in the derivatives market. The initiative requires amendments to the Derivatives Trading Act and forms part of broader efforts by regulators to modernise Thailand's capital markets while strengthening investor protection and regulatory oversight.

Under the proposed framework, the Securities and Exchange Commission (SEC) will expand the scope of permissible reference assets for derivatives contracts to include digital assets, enabling licensed market participants to develop derivative products linked to cryptocurrencies. In parallel, the SEC is reviewing the regulatory framework governing derivatives brokers, exchanges and clearinghouses to ensure that licensing and supervision mechanisms remain suitable for products referencing emerging asset classes.

The regulatory changes will also reclassify carbon credits as "goods" rather than "variables" under the derivatives framework, allowing for the creation of both cash-settled and physically delivered carbon credit futures. This development is expected to align with Thailand's broader climate policy objectives and the draft Climate Change Act, while supporting the country's transition toward carbon neutrality.

From a legal perspective, the proposed amendments signal Thailand's intention to treat digital assets as a recognised asset class within the regulated capital market rather than as standalone speculative instruments. If implemented, the reforms may facilitate the introduction of new financial products such as cryptocurrency-linked derivatives and exchange-traded funds (ETFs), while also requiring market participants to comply with additional licensing, compliance and investor protection requirements under Thailand's securities and derivatives regulatory framework.