



Thailand Advances Sustainable Finance and Digital Asset Regulation

Thailand's Capital Market Supervisory Board has approved new regulatory frameworks to support the issuance of Transition Bonds and Thailand Amber Bonds, marking a significant step in aligning the country's capital markets with global sustainability standards. These instruments are designed to facilitate funding for businesses transitioning toward lower-carbon operations, including "amber" activities that still generate emissions but follow recognised pathways under the Thailand Taxonomy and the Paris Agreement. The reforms are accompanied by enhanced disclosure requirements aimed at improving transparency and reinforcing investor confidence in sustainability-linked debt instruments.

In parallel, the Securities and Exchange Commission (SEC) is progressing toward the introduction of Bitcoin exchange-traded funds (ETFs) and other digital asset-linked products, with regulatory clarity expected in the near term. These instruments will be subject to stringent risk classification, reflecting the volatility of digital assets, and fund managers will be required to demonstrate adequate expertise and robust risk management capabilities. The initiative forms part of a broader effort to modernise Thailand's financial ecosystem and expand investment opportunities in both traditional and digital asset classes.

Beyond product innovation, the SEC is also proposing stricter safeguards to address financial crime risks within capital markets. A key measure includes expanding the definition of "major shareholders" to capture not only direct equity holders but also funding providers or financial backers who may exert control over licensed entities. Such parties would be subject to regulatory approval requirements, with the aim of improving transparency around ultimate beneficial ownership and preventing the misuse of financial structures for money laundering or other illicit activities.

From a legal perspective, these developments reflect a dual-track regulatory strategy: promoting market innovation while strengthening oversight and enforcement. The introduction of new financial instruments, coupled with tighter governance rules, signals Thailand's intention to

remain competitive in both sustainable finance and digital assets. However, the effectiveness of these reforms will depend on clear legal implementation, regulatory coordination, and the ability to balance innovation with systemic risk management. Collectively, the measures represent a significant evolution in Thailand's capital market regulation, with long-term implications for investor protection, market integrity, and international alignment.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com

