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Thailand SEC Tightens Internal Audit and Governance Standards to Strengthen Fraud Prevention in Listed Companies

The Securities and Exchange Commission (SEC) of Thailand has introduced strengthened corporate governance requirements for listed companies, focusing on enhancing internal audit standards as part of a broader effort to prevent fraud, conflicts of interest, and irregular transactions in the capital market. The initiative responds to several high-profile corporate governance failures in recent years that resulted in investor losses and reduced confidence in listed entities.

Under the new framework, which has been approved in principle by the Capital Market Supervisory Board and is currently undergoing public consultation, listed companies will be required to place greater emphasis on the qualifications and professional competence of internal audit personnel. In particular, the head of the internal audit function will be subject to stricter qualification criteria designed to ensure higher levels of professional expertise and independence in internal control systems.

The proposed requirements stipulate that chief internal audit executives must hold recognised professional certifications, either at national or international level, and possess at least five years of relevant professional experience, including a minimum of three years specifically in internal auditing. Acceptable qualifications include certifications such as Certified Internal Auditor (CIA), Internal Audit Practitioner credentials, and Thailand's Certified Professional Internal Auditor qualification, all of which are intended to align with internationally recognised auditing standards.

Audit committees will be responsible for assessing and selecting suitably qualified candidates, while listed companies will also be required to disclose relevant information to investors to enhance transparency and accountability. The SEC's approach reflects an increasing regulatory focus on strengthening internal control systems at the organisational level, rather than relying solely on external enforcement mechanisms.

In parallel, the SEC has intensified its enforcement actions against market misconduct and financial crime. During the first five months of 2026, the regulator pursued multiple criminal and civil cases involving offences such as market manipulation, corporate fraud, false disclosures, director misconduct, and unauthorised securities or digital asset activities. The SEC also reported significant recovery of illicit gains through civil proceedings and continued efforts to disrupt fraudulent schemes, including the blocking of hundreds of scam-related cases and suspicious digital platforms.

From a broader regulatory perspective, the SEC is also advancing additional measures targeting risks associated with customer onboarding, nominee structures, and potential money laundering vulnerabilities in securities and digital asset markets. These developments are complemented by a risk-based supervisory approach to know-your-customer (KYC) and customer due diligence obligations, with sanctions applicable to financial intermediaries that fail to adequately monitor client identity and transaction risks.

From a legal and commercial standpoint, the strengthened internal audit requirements signal a clear shift towards more proactive governance enforcement within Thailand's capital markets. Listed companies will need to reassess their internal control frameworks, audit committee responsibilities, and talent requirements for key compliance functions. The increased emphasis on professional certification and experience requirements is likely to raise the governance baseline across the market, while also increasing compliance expectations for issuers and regulated intermediaries. More broadly, the reforms reflect Thailand's ongoing effort to align its capital market regulatory regime with international best practices, enhance investor protection, and reinforce market integrity in response to evolving financial and technological risks.

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