



SEC strengthens digital token offering governance

To enhance transparent governance on digital token offering and build confidence to the investors, the Securities and Exchange Commission of Thailand (“SEC”) issued the Notification No. GorJor. 7/2567 regarding Digital Token Offering to the Public (No. 10) (the “SEC Notification No.7/2567”), which became into force on 16 April 2024.

The material amendments to the digital token governance can be summarized as below:

1. New Requirements on Check & Balance Mechanism and Conflict-of-Interest Handling

The digital token issuer shall implement (i) the Check & Balance mechanism; at least; consisting of appointing an independent auditor and having annual audit; (ii) preventive measures and management for conflict of interests; including (iii) disclosure of the said mechanism and measures in the filing documents for digital token offering to the SEC Office.

Moreover, it is noteworthy that the SEC Notification No.7/2567 requires issuance and offering of digital tokens to be approved by the board of directors of a public company before the date of filing an application for digital tokens offering in order to ensure that the board of directors take accountability for their approval decisions.

2. Amendment to the rules with regard to resolutions of digital token holders and arrangements of the digital token holder meetings

The amended rules cover methods and rationale of resolution requests, resolutions of digital token holders, and the procedures for holding of the meetings of digital token holders. Mainly, the procedures for holding the meetings of digital token holders or

sending a notice requesting for a resolution of digital token holders shall follow the same rules as specified in the SEC Notification No. SorRor. 26/2555 regarding the requirements concerning the items and contents in the trust deed of the real estate investment trust dated 21 November B.E.2555, mutatis mutandis. In any case, the resolution of the digital token holders shall be passed by a majority vote unless it is specified in a registration statement otherwise which requires more than the majority vote.

3. Additional requirements for advertisement of digital token offering

It is amended by the SEC Notification No.7/2567 that if the issuer advertises the digital tokens by any means other than distribution of a prospectus after the effective date of a draft registration statement and the prospectus, the issuer shall carry out the advertisement with appropriateness in term of content, content proportion, and presentation methods in order to ensure that the investors receive necessary information, which is beneficial for their decision making. Importantly, the advertised content must be in Thai language and in compliance with the requirements set forth in clause 4 of SEC Notification No.7/2567.

In the event that the issuer fails to comply with the aforementioned requirements, the SEC has authorities to order the issuer to suspend and/or modify a sale promotion or advertisement, explain to the investors, and/or act or refrain from doing any action within specified period so that the investors can consider and decide based on complete, accurate, correct, and non-deceptive information.

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

