

Major Developments in Thai Capital Market

November 2019

Agenda

- I. Revisions and Modifications of the Securities and Exchange Act*
- II. SDGs Considerations in Thai Capital Market*

I. Revisions and Modifications of the Securities and Exchange Act



Establishing the CMDf

- The Capital Market Development Fund (CMDf) is established as a juristic person, not a government agency, and manage its operation independently from the Stock Exchange of Thailand (SET).
- Initial fund is came from SET's money and SET shall make an annual contribution at the rate of not less than 90% of net income after expenses, tax and reserves.
- CMDf's objective is to promote Thailand's capital market in the area of infrastructures development, building investment literacy for the public, professional development, and supporting related research and academic work.

I. Revisions and Modifications of the Securities and Exchange Act (cont.)



Supervision of Securities Business

- For flexibility of securities business supervision and supporting Financial Technology, SEC's Board has discretionary power to prescribe required paid-up capital suitable for the business nature and risks.
- There is no minimum amount of required capital specified in the provision.

I. Revisions and Modifications of the Securities and Exchange Act (cont.)



Improving Fiduciary Duty of AMC and Fund Voting

- **Asset management company (AMC) must have a policy on prevention of conflicts of interest (COI) in managing mutual fund, as well as to monitor and oversee acts that may cause of COI and unfair characteristic.**
- **Improving fund voting mechanism for revision or modification of mutual fund project that shall be made from the majority votes of total investment units of the attending unitholders with the voting right.**

II. SDGs Considerations in Thai Capital Market



2017

- SEC has launched the Investment Governance Code for Institution Investors (I-Code) that contains investment governance principles and guideline.
- 7 core principles of I-CODE take into account ESG factors.



2018

- SET has created the SET THSI Index (SETTHSI) for the purpose of indicating the price of the sustainable companies that pass the market capital size and liquidity criteria.
- Currently, companies listed in the SETTHSI represented over 53% of the total market capitalization.

II. SDGs Considerations in Thai Capital Market (cont.)

SET 2019

- Thailand had 20 listed companies in the Dow Jones Sustainability Indices (DJSI), the highest number of listed companies in the ASEAN region for 6 consecutive years.

FETCO 2019

- Federation of Thai Capital Markets Organization (FETCO)* launch “Thailand Responsible Business Network (TRBN)” with the objective to drive business awareness and action in support of achieving the SDGs.
- TRBN project is cover 6 areas of circular economy, climate change, supply chain management, human rights, business integrity and responsible investment.



*FETCO comprised of 7 organizations namely;

- Association of Thai Securities Companies
- Investment Analysts Association
- Thailand Investors Association
- The Stock Exchange of Thailand
- Thailand Listed Companies Association
- Association of Investment Management Companies
- Thai Bond Market Association

Thank you