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THAILAND

Newsletter

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Client Alert – New ICO Governance Regulation Adopted

Further to our newsletter issued on 30 January regarding the public hearing on the draft notification aimed at enhancing ICO governance (read more [HERE](#)), the notification was subsequently officially adopted and came into effect on 11 April 2024.

Please find below a brief summary of the key mechanisms under the notification discussed in our previous newsletter.

1. Check and Balance Mechanisms

The proposed notifications adjust the minimum fund requirement by increasing the net capital ratio (NC¹) to accommodate digital asset businesses. This adjustment includes modifying the NC ratio to support asset custody in hot wallets and cold wallets in accordance with the proportion and sources of customer digital asset holdings. They also enhance the fund maintenance schedule to mitigate the risks associated with providing digital asset trading services and remove the obligation to manage funds on behalf of shareholders and related operations.

2. Requirements for Token Holder Resolutions and Meeting Procedures

New requirements for digital token holder resolutions and meeting procedures have been introduced. These requirements aim to enhance decision-making processes and internal management for token issuers. Infrastructure-backed tokens have separate criteria and are not subject to these new requirements.

3. Requirements for Advertising of ICOs

Advertisements for ICOs must not pressure investors, must not contain misleading information or guarantees of returns, and must contain clear warnings of the risks involved. Advertisements should specify reliable information sources and adhere to regulatory compliance. In certain cases, advertising and marketing expenses for digital tokens can be treated as expenses.

If you have any questions in relation to the issues raised in this newsletter, please contact the authors listed in the left-hand column.