



Recent Developments and Future Direction

A. Recent Developments

1. Thailand Financial Instruments Information Center

In December 2010, the BOT signed an agreement with the SEC, SET, ThaiBMA, and the PDMO to create the Thailand Financial Instruments Information Center (TFIIC). TFIIC is part of the Thai government's 5-year Capital Market Master Plan, 2009 and aims to collect information on financial instruments by related sources, share information, and provide linkages among related agencies.

The vision for TFIIC is for it to become an accessible and standardized securities data center for Thailand. Its mission parameters include⁴⁶

- (i) providing complete, international-standard securities information for ready use in economic and policy analysis;
- (ii) disclosing useful information to licensed securities market stakeholders through an easily accessible channel;
- (iii) effectively coordinating multiple agencies covering the securities market in developing the financial securities market; and
- (iv) acting as the communications channel on financial securities between these multiple agencies covering the securities market and the public.

TFIIC has been operating since 2011.

2. ASEAN Disclosure Standards Scheme

Effective 1 April 2013, securities market regulators in Malaysia, Singapore, and Thailand implemented the ASEAN Disclosure Standards Scheme (the Scheme) for multi-jurisdictional public offerings of equity and plain debt securities in ASEAN.

The Scheme aims to facilitate fund-raising activities as well as to enhance the investment opportunities within ASEAN capital markets. Issuers offering equity and plain debt securities in multiple jurisdictions within ASEAN will only need to comply with one single set of disclosure standards for prospectuses, known as the ASEAN Disclosure Standards, bringing about greater efficiency and cost savings to issuers. The Scheme is benchmarked against the International Organization of Securities Commissions' disclosure standards on cross-border offerings. In addition, the Scheme fully adopts the IFRS and the International Standards on Auditing.

⁴⁶ Adapted for this document from the TFIIC website at <http://www.tfiic.org/en/Content/about/vision.html>

The Scheme operates on an opt-in basis and ASEAN members will adopt the Scheme as and when they are ready to do so. Malaysia, Singapore, and Thailand are the first three ASEAN jurisdictions to implement the Scheme.

3. Securities and Exchange Commission Capital Market Knowledge Center

In March 2015, the SEC opened the SEC Capital Market Knowledge Center as a comprehensive source of financial and investment information for business enterprises and the public at large. The SEC Capital Market Knowledge Center is housed at the SEC and provides an overview of fund mobilization and capital market mechanisms. The main purpose of the knowledge center is to educate the public about the capital market and its products. Information on bonds available at the center is on the general nature of each type of bond and the bond market at large.

4. Mizuho Pilot under ASEAN+3 Multi-Currency Bond Issuance Framework

On 28 September 2015, Mizuho Bank issued the first ever bond under AMBIF (see also B.2 in this chapter, and Chapter IX.B.6) in Thailand. The bond was issued under the Baht Bond concept, which is explained in the course of the Thailand Bond Market Guide.

Figure 10.1: Securities and Exchange Commission News Release on AMBIF Pilot Issue

SEC News Release
From : Home > SEC News Release

No. 105 / 2015 Friday 25 September 2015

Pilot issue of local currency bonds under AMBIF launched in Thailand

Bangkok, September 28, 2015 – The SEC approved the Mizuho Bank, Ltd. offering of THB 3 billion baht-denominated bond, the first issue under the ASEAN +3 Multi-Currency Bond Issuance Framework (AMBIF) cooperation.

AMBIF, an initiative of ASEAN Bond Market Forum (ABMF), aims to boost product quantity and variety and the growth of bond market in ASEAN + 3 in response to demand of fundraisers and investors in the region. Bond issuers will be enabled to raise funds through multi-jurisdictional offerings to non-retail investors with a standard filing form prepared in English language.

Rapee Sucharitakul, SEC Secretary-General said, "With the Mizuho Bank, Ltd. pilot issuance of baht-denominated bonds in Thailand under AMBIF, bond market development in ASEAN +3 region has reached another milestone. This also reflects international recognition on solid foundation of Thai capital market. In addition, AMBIF initiative will help widen access to a variety of financial options for Thai businesses while staying cost competitive, whereas provide Thai investors with more choices of investment and better diversification."

For details on issuance and offering of local currency-denominated bonds under AMBIF, please visit <https://asianbondsonline.adb.org/regional/abmf.php> and https://asianbondsonline.adb.org/documents/abmf_ambif_implementation_guide_tha.pdf, respectively

The Securities and Exchange Commission, Thailand
333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak Bangkok 10900, Thailand
Tel: +66 1207 or +66 2695 9999 Fax: +66 2695 9660 e-mail: info@sec.or.th
Copyright www.sec.or.th 2013 Privacy Policy | Disclaimer | Site Map

AMBIF = ASEAN+3 Multi-Currency Bond Issuance Framework.

Source: Securities and Exchange Commission, Thailand. http://www.sec.or.th/en/Pages/News/Detail_News.aspx?tg=NEWS&lg=en&news_no=105&news_yy=2015

B. Future Direction

Thailand is participating in a number of regional initiatives that are expected to have a beneficial impact on the Thai bond market and the regional bond market at large.

1. ASEAN Capital Market Forum Facilitates Cross-Border Fundraising and Investments

The SEC jointly signed a memorandum of understanding with the Monetary Authority of Singapore, Singapore Exchange, and Securities Commission Malaysia to establish a Streamlined Review Framework (the Framework) for the ASEAN Common Prospectus. The Framework, which is an initiative under the ASEAN Capital Market Forum Implementation Plan endorsed by the ASEAN Finance Ministers, will facilitate cross-border offerings of equity securities and plain debt securities in ASEAN.⁴⁷

This initiative, which is aimed at publicly offered securities, is expected to stimulate cross-border investment in the debt securities of participating markets since investors will find the documentation and disclosure information increasingly familiar.

2. ASEAN+3 Multi-Currency Bond Issuance Framework

The introduction of AMBIF in the regional market in 2015 signaled an opportunity to expand bond and note issuance activities in the Thai market. Potential issuers have identified Thailand as a market of particular interest, largely due to the increased focus on decentralized funding for the support of domestic business operations by ASEAN+3 corporates.

Aimed at the issuance of PP-AI in Thailand, AMBIF encourages domestic and regional issuers to take advantage of streamlined issuance approval processes not only in Thailand, but also in other regional markets. For further details on AMBIF, please refer to Chapter IX.B.6.

The key advantage of AMBIF lies in the ability of regional issuers to tap multiple markets, including Thailand, using the same or similar approval processes. The additional issuance avenues across markets offer an alternative for corporates otherwise dependent on bank loans and other forms of financing.

3. Securities and Exchange Commission Reviews Note Issuance Program Concept

At this stage, the issuance of domestic bonds and notes in the form of an MTN program is not evident in the Thai market. However, Thailand has an MTN-like program in which the issuer who has updated publicly available information (e.g., a Thai listed company or a foreign company that has submitted updated information to the SEC) can refer to such information when submitting its application for the next issuance approval, instead of submitting the whole documentation.

⁴⁷ See <http://www.mas.gov.sg/News-and-Publications/Media-Releases/2015/Facilitating-Cross-Border-Capital-Raising-in-ASEAN.aspx>

As part of its regulatory review, the SEC is presently in the process of evaluating the benefits of bond and note issuance via an MTN program similar to those practiced in the international bond market.

Issuance via an MTN program would allow issuers to tap the market on short notice and take advantage of beneficial market conditions. AMBIF promotes the note issuance program, or the MTN note program format, because it not only gives funding flexibility to issuers but also represents the most common format of bond and note issuance in the international bond market (for more details on AMBIF, see Chapter IX). This means that potential issuers, as well as investors and intermediaries, are likely to be familiar with such note issuance programs and related practices. At the same time, it is expected that potential issuers would benefit from reusing or adopting existing documentation or information on disclosure items.