

Opening Address: Thailand Focus 2024 – Adapting to a Changing World

Revitalizing Capital Market: Boosting Efficiency and Restoring Confidence (15 mins)

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Distinguished guests, ladies and gentlemen

Good morning and welcome to Thailand Focus 2024 in the theme – “Adapting to a Changing World.” As Chairman of The Stock Exchange of Thailand, it is my honor to address you on the critical topic of revitalizing our capital markets through enhanced efficiency and restored confidence.

We gather today in a world of rapid change and unprecedented challenges. The global economic landscape is shifting beneath our feet, driven by technological advancements, geopolitical realignments, and evolving investor preferences. In this dynamic environment, adaptability is not just an advantage -- it is a necessity.

Thailand's capital market has shown remarkable resilience, weathering global financial storms, political uncertainties, and the recent pandemic. To

thrive in this new era, we must proactively shape our future, positioning ourselves as leaders in innovation and sustainable growth.

The Stock Exchange of Thailand has developed a strategy focused on three key pillars: Trust & Confidence, Market Competitiveness, and Sustainability. These form the foundation of our vision for a vibrant, efficient, and forward-looking capital market: "Make it Work for Every Future." Let me elaborate on these pillars and our initiatives to bring them to life.

1. Trust & Confidence

As a lawyer in the capital market for my entire 43-year career and as a committee member of SET and 8 non-listed and listed companies, I have found that governance is a key issue in regaining **trust and confidence**. Timely and effective legal action is crucial in maintaining trust; as lawyers say, **'Justice delayed is justice denied.'**

Trust is the bedrock of any thriving capital market. We've made enhancing trust and confidence our top priority through key initiatives:

Tightening Collaboration Between Regulatory Bodies:

From my personal experience as SET's Legal Committee and Committee member, I have seen a great need to strengthen collaboration and exchange case information between regulatory bodies to improve the enforcement process. Thanks to support from Khun Pichai, the current Deputy Prime Minister and Minister of Finance and the former chairman of the SET Board, early this week, we've signed MOUs with the Securities and Exchange Commission and the Anti-Money Laundering Office to enhance enforcement efficiency. These agreements facilitate information sharing and expertise exchange, potentially shortening the prosecution process from years to months.

Strengthening Legal Frameworks: Moreover, we're collaborating with key regulators – including the Securities and Exchange Commission (SEC), Anti-Money Laundering Office (AMLO), and Public Prosecutors – to redesign the workflow. This redesign aims to facilitate better information sharing and to engage regulators in the enforcement process from its initial stages. Notably,

for the first time, both the SEC and SET chairmen now have legal or lawyer backgrounds, bringing valuable expertise to these initiatives.

Leveraging Technology and AI: We're harnessing AI to enhance our operations, including bolstering market surveillance, monitoring systemic risk across stock and bond markets, and utilizing AI to identify suspicious disclosures by listed companies, enabling a clearer understanding of their financial well-being. These AI applications will significantly boost overall efficiency of market surveillance.

Emphasizing Transparency: We're committed to clear communication and timely disclosure of investment-impacting information. For example, we've provided key data like program trading and short sale values. SET and SEC are considering implementing disclosure requirements for **share financing transactions** by major shareholders and directors, as well as encouraging more active participation in "Opportunity Day" events, which facilitate investor-executive meetings. These efforts aim to empower investors with the information needed for informed decision-making.

Inclusive Market Ecosystem: We're committed to creating an ecosystem that supports all investor segments - from retail to institutional, domestic to foreign. This includes introducing tailored products, educational initiatives, improving rules and regulations, and ensuring equal access to services and information for all market participants.

2. Market Competitiveness

In today's interconnected global markets, maintaining competitiveness is crucial. We are taking several strategic steps to ensure that the Thai capital market remains an attractive destination for both domestic and international investors.

We're **promoting capital market utilization in high-growth sectors** by encouraging listings from future-oriented industries. Many of our listed companies are now involved in New Economy sectors like Digital & e-Commerce, New Medical, and Agri & Food Tech.

We're exploring schemes to incentivize large corporations to invest in new economy businesses or startups, and to encourage these startups to accelerate the transformation and move up to SET and mai. Additionally, we're providing a development platform for SMEs and startups through our Live Platform. This initiative aims to nurture new businesses, facilitating their capital funding or eventual listing on the stock exchange, and supporting their expansion into larger markets. We are also considering various approaches to support targeted sectors like healthcare and food tech. One idea we're exploring is how we might leverage the capital market to accelerate innovation in these areas. For instance, we're looking into the potential of setting up and listing holding companies that could invest in these innovations. This concept, if realized, might not only speed up the development of cutting-edge technologies but also open up exciting new investment avenues in our capital market.

We are continually innovating to meet evolving investor needs. Recent introductions include new **ETFs providing** exposure to global markets, **fractional Depository Receipts (DRs)** allowing easier access to international

stocks, and a **Digital Asset trading platform**. These new offerings not only provide our investors with diverse opportunities but also position our market as a gateway to regional and global investments.

Recognizing that competitiveness in today's world often means looking beyond borders, we are fostering partnerships with other exchanges in the region and beyond. These collaborations will facilitate cross-listings and create new investment channels, increasing the depth and breadth of investment opportunities available to our investors.

Infrastructure remains the backbone of any competitive market.

We've invested heavily in our technological infrastructure, implementing a new state-of-the-art trading system developed with Nasdaq. This system aligns with international practices, accommodates higher transaction volumes, and supports global investment products. It features international protocols for increased foreign investor accessibility, enhanced market depth visibility, and nanosecond-level timestamping.

We've also upgraded our market data and surveillance systems, improving our ability to detect and analyze abnormal trading efficiently. These advancements position the SET as a technologically advanced exchange globally, creating a seamless, cutting-edge trading environment that benefits all market participants.

By implementing these initiatives, we aim to position the SET not just as Thailand's exchange, but as a key player in the global financial ecosystem, making our market work for every future.

3. Sustainability

Sustainability is now central to long-term value creation and risk management. We are strengthening our commitment to integrate Environmental, Social, and Governance (ESG) considerations into the fabric of our market.

We're actively promoting ESG integration among our listed companies. As of last year, 445 listed companies—approximately 50% of our total listings—have provided Greenhouse Gas (GHG) disclosures, a 30% increase from the

previous year. Notably, the total GHG emissions disclosed by these firms decreased by 6.1%.

We're launching our "**Value Up**" initiative to enhance corporate governance, shareholder value, and investor communication, integrating it with our upgraded ThaiESG Fund scheme. This scheme, which has attracted increased investment flows, offers tax benefits for investing in companies with high ESG ratings and strong governance practices.

Another significant development in this area is the initiative of the '**Vayupak Fund**', to invest in Thai capital market. This fund provides an attractive savings option with a compelling return structure while supporting market development. Thanks to the Ministry of Finance for continued support and further supportive initiatives.

To support this, we're strengthening ESG disclosure requirements and expanding our ESG ratings coverage, providing investors with better tools to assess the sustainability performance of listed companies. **Moreover, we're**

engaging FTSE Russell, a leading global provider of ESG ratings, to evaluate the ESG performance of our listed companies.

This is crucial for attracting both domestic and international capital. Additionally, we're developing and promoting new sustainable finance products, including ESG-focused funds and innovative offerings like **Carbon Credits and other climate-related products**. We're also exploring other financial instruments that can drive sustainable growth. Our goal is to channel more capital towards sustainable development initiatives, aligning our market with global efforts to address climate change and promote responsible business practices that benefit both the environment and society.

Recognizing the significant role of family-owned businesses in our economy, we've developed targeted programs to support their growth and succession planning. This commitment extends to our sustainable finance initiatives, as we believe the capital market is essential for the long-term development of these businesses. This August, we successfully held our 2nd annual conference on family business, further demonstrating our dedication to

this sector. The event provided valuable insights on how the capital market can support family-owned enterprises in areas such as professional management, capital structure optimization, and governance enhancement. By **bridging family businesses with capital market opportunities**, we aim to foster their sustainable growth and contribute to the overall economic resilience of our market.

[Closing]

Ladies and Gentlemen, as we progress through today's sessions, you'll gain deeper insights into various aspects of Thailand's capital market and economy. Our program covers crucial topics that I've touched upon earlier including Monetary Policy, Capital Market Trust & Confidence, Business Relocations, Medical Hubs, Digital Transformation, and Climate Actions. These expert-led discussions will offer a comprehensive view of Thailand's capital market landscape and its opportunities.

With my legal background and capital market experience, **I'm committed** to **boosting efficiency and restoring confidence** in the Thai market. We're

ensuring our regulatory framework is **robust, fair, and aligned with international best practices**. This legal foundation underpins all our efforts, from improving processes to developing new financial products, fostering a trustworthy and dynamic market.

The Stock Exchange of Thailand is dedicated to creating opportunities and enhancing trust in our market. We're **adapting to change, fostering innovation, and building resilience** to remain **globally competitive**. Our initiatives in AI-powered surveillance, sustainability, and new product development aim to boost efficiency, transparency, and investor protection.

With your support, we can build a capital market that shapes tomorrow's demands and allows investors to capitalize on Thailand's growth story. I encourage you to engage actively in today's sessions. Together, let's work towards a **vibrant, trustworthy**, and prosperous future for Thailand's capital market.

Thank you.