



Panel discussion: Reforming the Market - Capital Markets at an inflection Point

Dr. Pornanong Budsaratragoon, Secretary General, The Securities and Exchange Commission

Mr. Asadej Kongsiri, President, The Stock Exchange of Thailand

Mrs. Chavinda Hanratanakool, Chairman, Association of Investment Management Companies

Mr. Songpol Chevapanyaroj, Secretary General, Government Pension Fund

Summarized by Mr. Parit Ngaobenjakul, Research Department, SET

Initiatives to Enhance Liquidity & Broaden Investor Base

Mr. Asadej Kongsiri (President, The Stock Exchange of Thailand)

- The key priority is to attract new capital into the market, with liquidity expected to follow.
- One of the initiatives already being implemented to strengthen the quality of supply is the Jump+ program, modeled after Japan's Value Up initiative, which supports listed firms in communicating growth plans and enhancing investor visibility.
- SET is exploring ways to develop market platforms that can better support new economy firms and SMEs in raising capital and participating in the market.
- Collaboration with regulators and industry associations includes initiatives such as the proposed individual savings account to broaden domestic investment participation.

Dr. Pornanong Budsaratragoon (Secretary General, The Securities and Exchange Commission)

- Maintaining a balance of supply and demand is essential, with quality supply defined by strong fundamentals and good governance.

- Key measures include uplifting the backdoor listing and resume-trading criteria to be aligned with IPO standards, promotion of the Value Up and Jump+ plans, and requirements for more frequent disclosure such as interim MD&A reports.
- Ongoing reforms involve streamlining the IPO process, enhancing transparency for conflicts of interest and primary listings, and aligning ESG disclosure standards with ISSB to improve global visibility.
- On the demand side, initiatives include Vayupak Fund, ThaiESG and ThaiESGX funds to channel long-term savings into the market and expanding the role of institutional investors. In addition, discussions are underway on establishing an individual savings account (ISA), modeled after international practices such as Japan, which would create a unified platform for retail investors and incentivize long-term investment in domestic securities.

Mrs. Chavinda Hanratanakool (Chairman, Association of Investment Management Companies)

- Two critical challenges facing the Thai market are the limited attractiveness of local products compared with offshore and digital assets and recurring corporate governance concerns undermining investor confidence.
- The revival of the Vayupak fund has helped stabilize the market in the short term. However, the maturity and outflow of Long-Term Equity Funds (LTFs) has created new liquidity pressures, leading to complementary measures such as the ThaiESGx fund, which are also viewed as short-term solutions.
- From the perspective of institutional investors, a more sustainable approach under internal discussion is the introduction of a Mandatory Provident Fund, which would provide a steady annual inflow of capital, stabilize the market, reduce volatility, and expand retirement security for the broader labor force.
- Another long-term option is an individual investment/savings account (ISA), which would consolidate different investment products into a single platform, giving investors greater flexibility to allocate across mutual funds, equities, and other instruments according to their preferences.

Mr. Songpol Chevapanyaroj, Secretary General, Government Pension Fund

- The Government Pension Fund manages around US\$45 billion for 1.2 million members and is shifting its strategic asset allocation (SAA), with growth assets rising from approximately 40% toward 50–60%.
- Greater confidence in the domestic market has been supported by recent regulatory reforms and market practice improvements introduced by the SEC and SET.
- Thai equity exposure has increased, moving from market-wide benchmarks toward stock-level and free-float selection.
- Investment strategies extend beyond public markets to include private companies, with the aim of incubating firms for eventual listing, while maintaining a focus on medium- to long-term investment horizons.

Regulatory Reforms to Strengthen Market Confidence

Dr. Pornanong Budsaratagoon (Secretary General, The Securities and Exchange Commission)

- Effective market oversight requires not only strong governance but also robust surveillance and enforcement, with the SEC focusing on stronger internal controls, greater transparency, and clearer accountability at the board and management levels.
- Oversight of gatekeepers such as financial advisors and auditors has been reinforced. Tools like audit quality indicators are being deployed, while pending legal amendments will further expand SEC enforcement powers against misconduct.
- Supervisory and investigative processes have been tightened through the use of digital tools, data analytics, and AI technologies, enabling faster detection and response to wrongdoing.
- Collaboration across agencies, and stakeholders, is regarded as essential. The SEC views long-term market integrity as resting on three pillars: sound corporate governance, effective market force mechanisms, and a strong regulatory framework.

Mr. Asadej Kongsiri (President, The Stock Exchange of Thailand)

- Enhancing communication and the use of technology with regulators has improved the speed of supervisory and enforcement actions.
- Over the past 18 months, a number of market mechanism adjustments were introduced, including dynamic price bands, minimum resting times, and limits on high-frequency trading. While these measures aimed to ensure fairness, investors expressed concerns about excessive change.
- SET has acknowledged these concerns and recognizes that frequent regulatory adjustments can undermine certainty and consistency. To address this, the exchange would refrain from introducing further changes at least until early next year.
- As a central platform, SET must balance the interests of diverse stakeholders, but its long-term priority remains to deliver an efficient market with low transaction costs and transparent information for both domestic and international investors.

Mrs. Chavinda Hanratanakool (Chairman, Association of Investment Management Companies)

- For institutional investors, preventive measures and effective enforcement are critical to restoring confidence. AIMC has established an ESG Collective Action Committee, which last year reviewed 13 cases, the majority related to governance issues undermining investor trust.
- Asset managers, traditionally passive, are now adopting a more active role in engaging with listed companies to ensure accountability and improved practices.
- To strengthen market oversight, AIMC proposes reducing regulatory fragmentation by improving information sharing among regulators and establishing early-warning systems.
- Higher standards are also expected for disclosures and investment-related materials, with stronger penalties for misconduct to raise market discipline, alongside efforts to empower the SEC to shorten enforcement timelines.

Mr. Songpol Chevapanyaroj, Secretary General, Government Pension Fund

- Investor confidence depends on stability, enforcement, and liquidity, requiring collaboration not only between SEC and SET but also among listed companies and investors.

- Over the past two years, GPF has observed closer cooperation between regulators and improvements in market practices, which have contributed to stronger domestic market confidence. At the same time, GPF continues to emphasize financial education for members, encouraging voluntary savings beyond the mandatory 3% contribution (up to 30% of salary).
- New opportunities, such as access to the Vayupak fund for members, have been well received, with positive performance reinforcing confidence.
- Looking ahead, GPF supports broader stakeholder engagement, including focus groups on priority reforms, while aligning its own strategy toward increased allocation to growth and domestic assets.