

## Thai News Update: 28 March 2018

### 1. Draft Decree On Digital Assets Approved

Source: Bangkok Post ([Link](#))

The cabinet approved a draft of a royal decree on March 27 to regulate digital-asset-related transactions endorsed by the Council of State. Finance Minister Apisak Tantivorawong said the Council of State has not modified the essence of the draft proposed by the Finance Ministry, which the cabinet approved in principle on March 13, but narrowed the definition of digital assets to cryptocurrencies and digital tokens, removing other assets such as electronic data, as specified by the ministry in the previous draft. The new law is not meant to prohibit cryptocurrencies, initial coin offerings (ICOs) and other digital asset-related transactions, but to protect investors, said Mr Apisak. He said the Finance Ministry and the Securities and Exchange Commission (SEC) are working on organic laws that require all digital asset transactions, including those of digital asset exchanges, brokers and dealers, to be registered with the relevant authorities. Meanwhile, Deputy Finance Minister Wisut Srisuphan said the tax collection structure for investors who make digital-asset-related trades will remain unchanged, allowing the tax-collecting agency to impose levies on digital assets, as earlier approved by the cabinet.

### 2. 15% Tax For Digital Currencies Trade

Source: The Nation ([Link](#))

TRANSACTIONS involving cryptocurrencies, including digital tokens, will be subject to a 15 per cent withholding tax under a measure approved by the Cabinet March 27. Finance Minister Apisak Tantivorawong said the Cabinet approved the draft bill on digital asset business – after it was examined by the Council of the State - before forwarding it for announcement in the Government Gazette. The council had proposed that other currencies be removed from the draft bill and that the provisions for cryptocurrencies and tokens be left unchanged. If there are additional digital currencies in the future, views on them could be presented to the Cabinet for consideration. The tax collection arrangements for cryptocurrencies could be maintained as proposed by the Revenue Department. Deputy Finance Minister Wisudthi Srisuphan said the 15 per cent tax included the

value-added tax (VAT) that would be collected on digital-currency transactions. If there is a digital-currency exchange without any profit generated, only VAT would be levied.

### **3. INVEST ASEAN China, New Tech ‘Growth Driver In Next**

**Source: The Nation ([Link](#))**

Maybank Kim Eng, Asean's leading investment bank, said at its Invest Asean conference on March 26 that it believes the rise of China and new technology will be the two key forces driving the biggest change in Asean in the next decade. Between 2006 and 2016, China's outward investment into Asean has risen at a CAGR of 45 per cent, from US\$1.8 billion to US\$71.6 billion, making it the 3rd largest FDI contributor to Asean. Trade between Asean and China has also increased by 16 per cent from 2016 to 2017. Asean also accounts for the largest share of Chinese M&A investment, making up about 30 per cent of total M&A investment to Belt & Road countries for the period of 2005-2016. Last year, China strengthened its commitment to the Belt & Road Initiative (BRI) by pledging an additional US\$124 billion. Given China's high savings rate and its push to strengthen regional connectivity via the BRI, the capital flows to Asean will continue increasing and accelerating in the next few years. John Chong, CEO of Maybank Kim Eng Group, said he believes the tech environment in Asean is still at an early phase of growth despite the disruption the marketplace is experiencing.

### **4. 7,000 State Agencies Preparing E-Payments**

**Source: Bangkok Post ([Link](#))**

Some 7,000 state agencies are set to fully use the e-transaction system for money transfers and social welfare payments to citizens starting in June, says the Comptroller-General's Department. The Finance Ministry mandated state agencies adopt an electronic payment system instead of cash and cheques starting from March 27, said director-general Suttirat Rattanachot. The 7,000 state agencies have gradually installed electronic data capture (EDC) machines and are able to make payments via QR code, said Ms Suttirat. A dual payment system for e-payments and cash is permitted in the initial stage, but all state agencies must fully receive and expedite payment through an electronic system by June, she said. Apart from receiving and making payments with

citizens, fully adopting electronic systems for money transfers between different state agencies and transferring tax money to provincial treasuries is also in the works, said Ms. Sittirat.

### **5. Bahtfintech Sets Sights On Coin Offering To Raise B900m**

**Source: Bangkok Post ([Link](#))**

Bahtfintech Co, a new blockchain-based e-money startup, plans to raise 900 million baht in funds through an initial coin offering (ICO) to cash in on opportunities in social commerce. Thailand's e-commerce market is estimated to be worth 2.8 trillion baht, of which the C2C portion is projected at 1.4 trillion baht. Bahtfintech estimates that fraud happens with 33% of C2C transactions, a sum of 456 billion baht. The company's service functions as an escrow account, wherein buyers have to consent to transfer money to sellers when they receive the correct products. If there's an error, the system will not transfer the money. The platform uses blockchain-based technology to make secure and transparent transactions, as well as to support 11 digital coins such as bitcoin and ethereum that will be added to Bahtfintech automatically, as it is also an exchange. The company hopes to operate by this year. It needs to raise 900 million baht in funds for its registered capital to reach 200 million baht in compliance with Bank of Thailand licensing rules.

### **6. Innovation, Tech Seen As Key In IDE Ecosystem Sets Stage For Thai Startups**

**Source: The Nation ([Link](#))**

Innovation and technology are expected to be the tools for solving the most critical problems while the development of an innovation ecosystem is the crucial factor in creating a positive impact on the world. Sarah Jane Maxted, executive director of MIT Regional Entrepreneurship Acceleration Programme (MIT REAP), said at the MIT Global Startup Workshop 2018, that the three elements of innovation ecosystem include system, strategy and stakeholders, while the innovation ecosystem stakeholders model consists of risk capital, entrepreneur, corporate, government, and university. Edward Rubesch, programme director of the Innovation Driven Entrepreneurship Center (IDE), under the University of Thai Chamber of Commerce, said at the same event that as the stakeholder in innovation ecosystem, the UTCC has partnered with MIT REAP, authorised by Massachusetts Institutes of Technology (MIT), to operate the IDE Centre with the goal of creating new entrepreneurs with exponential growth in global scale.