



Investment Fraud and Investor Protection: Key Trends, Emerging Risks, and New Solutions

May 2025

*The contents of this report will not be used for commercial purposes.
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ACRA	Accounting and Corporate Regulatory Authority
AGC	Attorney-General's Chambers
AGM	Annual General Meeting
AI	Artificial Intelligence
AMCC	Affiliate Members Consultative Committee
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
AMLO	Anti-Money Laundering Office
AOC	Anti-Online Scam Operation Center
APAC	Asia Pacific
API	Application Programming Interface
AQM	Accounting Quality Model
ASC	Anti-Scam Center
ASCO	Association of Securities Companies
BBC	British Broadcasting Corporation
BNM	Bank Negara Malaysia
BOT	Bank of Thailand
CAD	Commercial Affairs Department
CAT	Consolidated Audit Trail
CCIB	CyberCrime Investigation Bureau
CEO	Chief Executive Officer
CETU	Cyber and Emerging Technologies Unit
CFO	Chief Financial Officer
CFTC	Commodity Futures Trading Commission
CIB	Central Investigation Bureau
CMCF	Capital Market Compensation Fund
CMG	Capital Markets Group
CMS	Capital Markets Services
CMSL	Capital Markets Services License
COJ	Court of Justice
COSMIC	Collaborative Sharing of Money Laundering/Terrorism Financing (ML/TF) Information & Cases
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSC	Civil Sanction Committee
CSRC	China Securities Regulatory Commission
DOJ	Department of Justice
DSI	Department of Special Investigation
DT	Derivatives Trading
ECD	Economic Crime Division
ECID	Economic Crime Investigation Division
EDGAR	Electronic Data Gathering, Analysis, and Retrieval
EGM	Extraordinary General Meeting
ELCID	Electronic Company Information Disclosure

EPS	Earnings Per Share
ESG	Environmental, Social and Governance
FAP	Federation of Accounting Professions
FBI	Federal Bureau of Investigation
FDI	Foreign Direct Investment
FID	Financial Institutions Directory
FINRA	Financial Industry Regulatory Authority
FRB	Federal Reserve Board
SFB	Securities and Futures Bureau
FSC	Financial Supervisory Commission
GDP	Gross Domestic Product
ICE	Intercontinental Exchange
IFL	Institute for Financial Literacy
I-GRIP	INTERPOL's Global Rapid Intervention of Payments
IOD	Thai Institute of Directors
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering
IRDA	Insolvency, Restructuring and Dissolution Act
ISC	Investor Service Center
JRF	Juridical Reform Foundation
KYC	Know Your Customer
MACC	Malaysian Anti-Corruption Commission
MAS	Monetary Authority of Singapore
MCCG	Malaysian Code on Corporate Governance
MCMC	Malaysian Communications and Multimedia Commission
MDES	Ministry of Digital Economy and Society
MJIB	Ministry of Justice Investigation Bureau
ML	Machine Learning
MLA	Mutual Legal Assistance
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOJ	Ministry of Justice
MOPS	Market Observation Post System
MOU	Memorandum of understanding
NACC	National Anti-Corruption Commission
NARS	National Asset Recovery Strategy
NASDAQ	National Association of Securities Dealers Automated Quotations
NFP	National Fraud Portal
NLP	Natural language processing
NSRC	National Scam Response Centre

NSRC	National Scam Response Centre
NYSE	New York Stock Exchange
OAG	Office of the Attorney General
OCC	Office of the Comptroller of Currency
OTC	Over-the-Counter
PCA	Prevention of Corruption Act
PCAOB	Public Company Accounting Oversight Board
PDPA	Personal Data Protection Act
PDRM	Royal Malaysia Police
RIA	Registered Investment Advisor
RO	Restriction Order
RTP	Royal Thai Police
SC	Securities Commission Malaysia
SEC	Securities and Exchange Commission
SET	Stock Exchange of Thailand
SFA	Securities and Futures Act
SFB	Securities and Futures Bureau
SFIPC	Securities and Futures Investors Protection Center
SGX	Singapore Exchange
SIAS	Securities Investors Association Singapore
SIPC	Securities Investor Protection Corporation
SIPF	Securities Investor Protection Fund
SME	Subject Matter Expert
SOX	Sarbanes-Oxley Act
SPF	Singapore Police Force
SPX	Standard and Poor's 500 Index
SRO	Self-Regulatory Organization
SSRA	Special Securities Representative Action
STI	Straits Times Index
STI	Securities Trading
STR	Suspicious Transaction Report
TFAC	Thailand Federation of Accounting Professions
TFE	Taiwan Futures Exchange
TFEX	Thailand Futures Exchange
ThaiBMA	Thai Bond Market Association
TIA	Thai Investors Association
TIIP	Thai Intelligent Investors Program
TLCA	Thai Listed Companies Association
TOPIX	Tokyo Stock Price Index
TRIS	Thai Rating and Information Services
TSD	Thailand Securities Depository

This report examines the rising issue of investment fraud in Thailand, uncovers critical areas of improvement in investor protection, and highlights the urgent need to reform

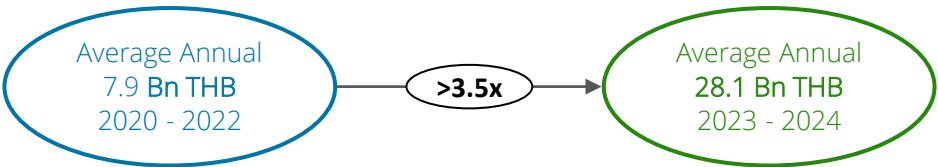
Chapter 1 - Overview of Investment Fraud and Investor Protection

We start by defining the types of investment fraud and the sub-schemes this report focuses on. We then evaluate their impact in Thailand, and the investor protection framework & stakeholder ecosystem we will use to delve deeper.

- Defining Fraud and Category:** We define investment fraud as deceptive practices intended to mislead investors for financial gain, categorized into three distinct types: market abuse, financial statement fraud, and investor scams.



- Focus of this Report:** A comprehensive framework has been developed to categorize 5 primary fraud categories and over 25 sub-schemes. The report focuses on fraud schemes most relevant to Thailand and proposes actionable initiatives to strengthen local investor protection.
- Rise and Impact of Investment Fraud:** Economic crime in Thailand has surged by 150% over the past two decades, with investment fraud being a key subset. The financial impact of investment fraud in the last 5 years have increased by almost fourfold.



Investment Fraud, Estimated Financial Damage
(Refer to Appendix 2.1 for analysis methodology)

- Investor Protection Framework:** The framework is built across four key stages: prevention, detection, enforcement, and recovery. This structured approach is grounded in the analysis of real-world investor protection measures.



- Key Stakeholders in the Ecosystem:** A diverse set of stakeholders collectively contribute to market integrity and effective investor protection, each playing a distinct role through direct oversight or supportive engagement.

Chapter 2 examines the current investment fraud landscape in Thailand, evaluates the effectiveness of regulatory mechanisms at each stage to safeguard investors, and identifies critical areas of improvement across the 4 stages of investor protection

Chapter 2 - Thailand Today: Current State of Investment Fraud in Thailand

- **Impact of Investment Fraud Cases in Thailand:** An analysis of 95 investment fraud cases in Thailand from 2020 to 2025 reveals an average annual financial impact to investors of 18.7 – 21.3 billion THB
- **Thailand's Investor Protection Landscape:** Current initiatives and regulations from key stakeholders including SEC, SET, AMLO, DSI, and ASCO, primarily focus on market abuse and financial statement fraud, while investor scam protection remains relatively underemphasized
- **Analysis of 3 Case Clusters:** Reveal distinct areas of improvement in prevention and detection across market abuse, financial statement fraud, and Ponzi schemes. In contrast, enforcement and recovery stages exhibit recurring themes of challenges across all fraud types
- **Key Areas of Improvement Identified:** Deep dives into case clusters, SME focus group interviews, and past literature review reveals 15 areas of improvement across all stages of investor protection, which are summarized as follows:
 - **Prevention:** Enhancing the supervision of financial intermediaries and management screening, together with improving investor education and raising awareness of protection tools, are critical steps to address current vulnerabilities in fraud prevention efforts
 - **Detection:** Enhancing surveillance capabilities across trade monitoring, financial statement analytics, and corporate disclosures will support earlier detection of fraudulent activities. Expanding investigative resources will further improve the timeliness and effectiveness of fraud identification
 - **Enforcement:** Improving cross-agency coordination, reducing duplication in investigations, and strengthening evidence-gathering processes are essential to increase enforcement speed and impact. Additionally, ensuring that penalties against perpetrators of fraud are sufficiently deterrent remains a priority
 - **Recovery:** Accelerating asset recovery processes, improving recovery rates, and establishing clear investor compensation mechanisms is necessary to ensure that victims receive adequate restitution and support

Chapter 3 will explore insights and best practices from global leaders to identify lessons that Thailand can adapt to strengthen on its own investor protection framework

Chapter 3 - Inspirations from Leading Markets

Spotlight on Leading Global Markets

- U.S. and Singapore are recognized as global leaders on investor protection regulation, while markets like Taiwan and Malaysia have evolved in the recent past

Key Learnings from Global Markets:

- **United States:** leads in fraud prevention and enforcement with reforms like the Sarbanes-Oxley Act, Dodd-Frank Act, and corporate governance post-Enron. The country also excels in fraud detection with advanced systems such as the Consolidated Audit Trail (CAT) for real time trading and FINRA's AI driven cross market surveillance, which detects manipulative practices across exchanges
- **Singapore:** demonstrates strength in fraud detection and enforcement, utilizing advanced AI/ML systems and real-time alerts to identify and prevent fraudulent activities, while protected whistleblowing frameworks ensure critical misconduct is reported. Its enforcement capabilities are reinforced through seamless cross-agency collaboration, where MAS, CAD, and ACRA coordinated swift regulatory actions and imposed heavy penalties

Other Markets:

- **Malaysia:** strengthens investor protection through robust corporate governance, whistleblower safeguards, public education, and rapid scam response, while compensation mechanisms and initiatives like the MCGG and InvestSmart® enhance transparency and financial redress
- **China:** employs a zero-tolerance approach to financial fraud, enforcing strict penalties, mandatory delisting, and enhanced oversight while strengthening accountability, coordination, and risk prevention to regulate the capital market
- **Taiwan:** strengthens fraud prevention through AI-driven detection, cross-agency coordination, and strict regulations, while public awareness campaigns further mitigate risks

Summary of What Thailand Can Learn from Other Markets:

- Thailand can enhance fraud prevention by adopting best practices from global leaders. For prevention, the U.S. legal framework, investor education initiatives and whistleblower incentives provide a strong foundation. In fraud detection, Taiwan's AI-driven systems and Singapore's real-time alerts offer models for early identification. For enforcement, Malaysia's focus on governance and real-time intervention systems, along with Singapore's cross-agency collaboration, offer a roadmap to stronger regulatory action

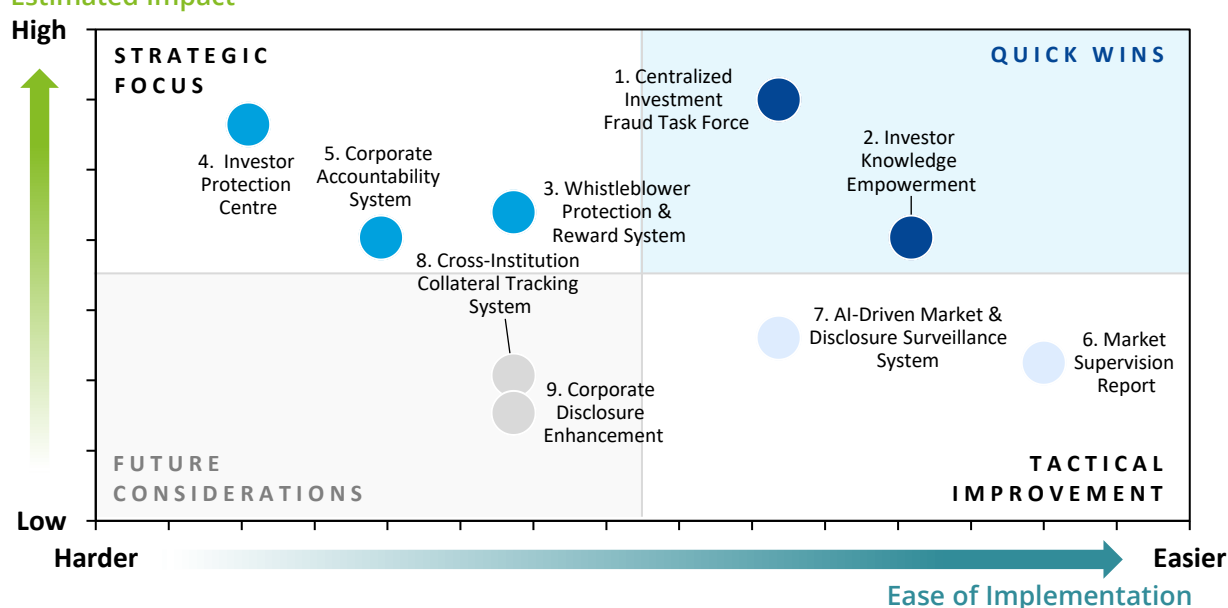
Chapter 4 will outline a prioritized roadmap of initiatives and strategic foundations, drawing on global best practices, to guide Thailand in strengthening investor protection

Chapter 4 – Thailand’s Path Forward

Initiatives to Strengthen Investor Protection:

- 65 relevant best practices were translated into a set of initiatives tailored to Thailand’s investor protection areas of improvement, and prioritized based on potential impact and ease of implementation
- The prioritization reveals 2 quick wins, 3 strategic focus, 2 tactical improvements, and 2 future considerations, forming a clear and actionable reform roadmap

Estimated Impact



Concluding Remarks:

- Restoring investor confidence will require not only a single reform, but also 5 strategic foundations: holistic implementation, continuous improvement, cross-sector collaboration, transparent engagement, and balanced regulation

1	Evidence-Based and Locally Relevant	Address root causes of past fraud to prevent future cases, while adapting global best practices to fit Thailand’s market context
2	Continuous Improvement	Ensure the framework evolves alongside fraud — through technology, data, and global insights — to stay ahead of emerging risks
3	Cross-Sector Collaboration	Align efforts across regulators, law enforcement, exchanges, professional firms, and investors for unified action
4	Transparent Engagement	Build public trust through clear, timely communication on enforcement and investor redress
5	Holistic and Balanced Reform	Implement end-to-end reforms across prevention, detection, enforcement and recovery – without overburdening the market or limiting growth

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Chapter 1

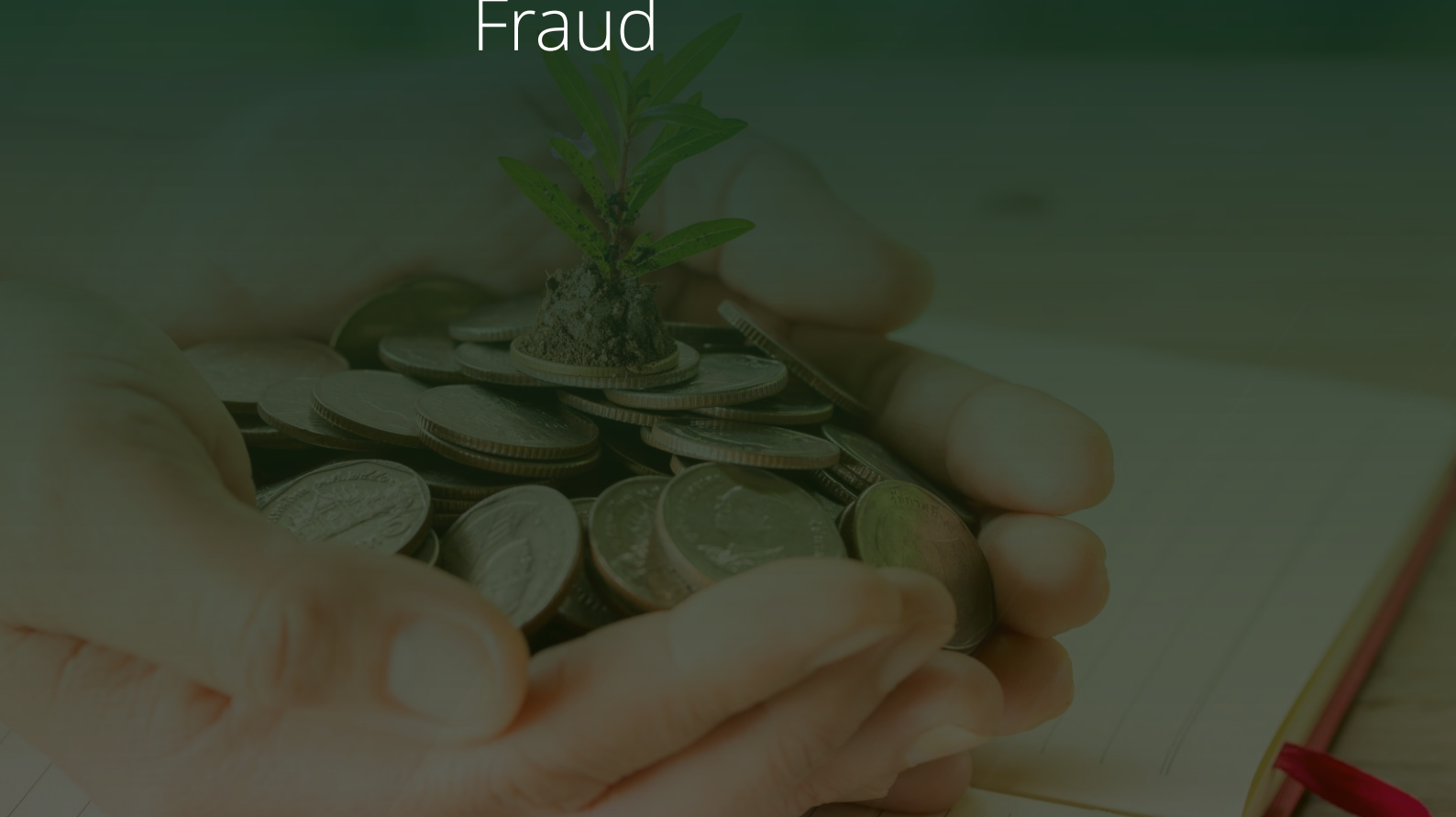
Overview of Investment Fraud and Investor Protection

- 1.1 Defining Investment Fraud
- 1.2 Focus of this Report
- 1.3 Emergence and Impact of Investment Fraud
- 1.4 A Framework for Investor Protection
- 1.5 Key Stakeholders in the Ecosystem



1.1

Defining Investment Fraud



Defining Investment Fraud

We define investment fraud as deceptive practices intended to mislead investors for financial gain, categorized into three distinct types: market abuse, financial statement fraud, and investor scams

What is investment fraud?



Investment fraud is a deceptive practice intended to mislead investors for financial gains^{1,2}.

It often involves inducing individuals to make asset purchases or sale decisions based on false, misleading, or disadvantaged information, with the expectation of earning returns.

Thailand’s prevalent fraud schemes generally fall into 3 categories: market abuse, financial statement fraud, and investor scams

Three primary fraud categories prevalent in Thailand: (1) market abuse (*primarily price manipulation and circular trading*), (2) financial statement fraud (*characterized by revenue and expense manipulation*), and (3) investor scams (*featuring traditional Ponzi schemes and the recently emerging financial grooming schemes that have gained prominence in the past few years*).



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Definition	Deliberate attempt to interfere with the free and fair operation of financial markets by artificially affecting the price, supply, or demand of securities ³	Alteration or falsification of financial records to mislead stakeholders or conceal the true financial position of an entity, or steal from the entity ⁴	Deceptive scheme where actors with deceptive intent convince individuals to invest money in fake or misleading ventures ⁵
Examples of Scheme	<ul style="list-style-type: none">• Price Manipulation• Circular Trading• Use of Insider Info• ...	<ul style="list-style-type: none">• Revenue Manipulation• Asset Misrepresentation• Expense Manipulation• ...	<ul style="list-style-type: none">• Ponzi Scheme• Financial Grooming• Phantom Project Scam• ...

Sources:

1) Law offices of Robert Wayne Pearce, [Investment Fraud: Definition, Examples, and Investor Rights](#), 2024

2) Investopedia, [What Is Securities Fraud? Definition, Main Elements, and Examples](#), 2022

3) National Law Review, [Explaining Market Manipulation and Tips on How to Stop It](#), 2024

4) Insribe, [Financial Statement Fraud: Understanding and Preventing the Hidden Threat](#), 2025

5) FraudSMART, [Investment scams – FraudSMART](#), Accessed March 2025

1.2

Focus of this Report



Focus of this Report

Our analysis of 95 investment fraud cases in Thailand reveals that the majority occur within authorized markets

There are two main types of fraud: authorized and unauthorized

The primary distinction between authorized and unauthorized fraud centers around the consent for the use of funds. **Authorized fraud** involves scammers persuading account holders to initiate payments under false pretenses. In contrast, **unauthorized fraud** occurs when payments are executed without the account holder's knowledge or consent¹.

This report focuses primarily on authorized fraud and examines common fraud schemes across the 95 cases* in Thailand to identify key areas of improvement in the investor protection ecosystem². We then propose actionable initiatives to strengthen Thailand's investor protection framework and restore investor confidence. The chart below presents a comprehensive fraud taxonomy, highlighting common fraud schemes in Thailand.

Type	Category	Scheme	
Authorized Fraud	1. Market Abuse Fraud	1A. Price Manipulation	1D. Reference Price Influence
		1B. Circular Trading	1E. Improper Order Handling
		1C. Misuse of Insider Information	–
	2. Financial Statement Fraud	2A. Revenue Manipulation	2D. Procurement Fraud
		2B. Asset Misrepresentation	2E. Disclosure Fraud
		2C. Expense Manipulation	–
	3. Investor Scam	3A. Ponzi Scheme	3D. Affinity Fraud
		3B. Financial Grooming	3E. Pre-IPO Investment Fraud
		3C. Phantom Project Scam	–
Unauthorized Fraud	4. Cyber Crimes	4A. Phishing	4C. Malware/ Ransomware
		4B. Hacking	–
	5. Others	5A. Forgery of Documents	

Based on analysis of **90+ case studies** using publicly available data

 Common Scheme in TH

Notes: *Common fraud schemes refer to fraud schemes observed across 95 investment fraud cases, refer to Appendix 2.1 for analysis methodology and Appendix 2.2 for the list of cases analysed

Sources:

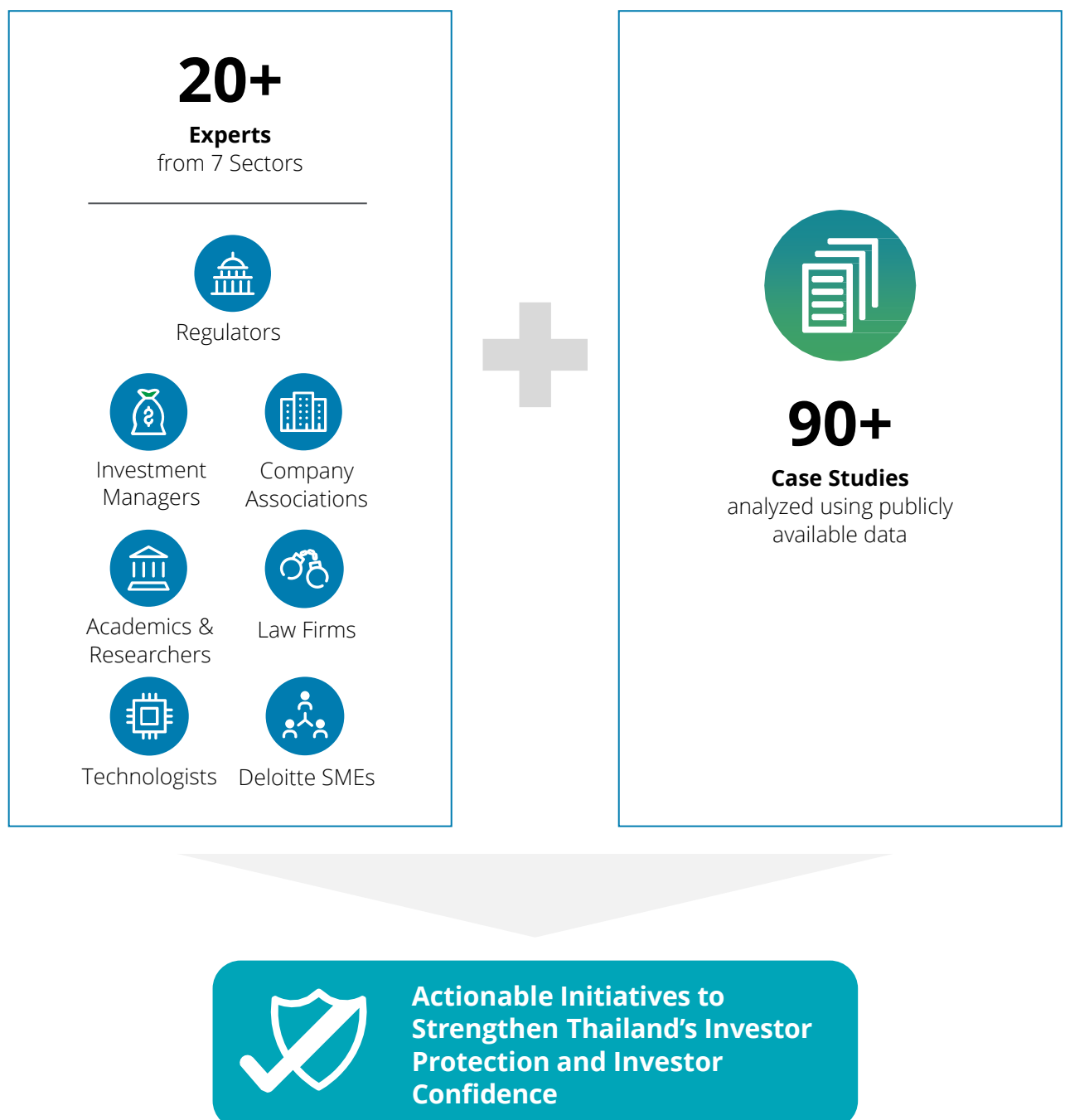
- 1) Visa, [Visa Direct Risk and Compliance FAQ](#), 2023
- 2) Deloitte Analysis on Thailand Common Investment Scheme

Focus of this Report

This targeted approach addresses key areas of improvement for local investor protection and provides actionable initiatives to enhance investor protection and boost investor confidence in Thailand

This targeted approach integrates expert insights from 7 sectors with an analysis of common fraud scheme case studies to derive actionable initiatives

1. In-depth interviews with more than 20 experts from 7 relevant agencies were conducted to gather perspectives and recommendations from individuals with direct experience
2. Case studies of over 95 investment fraud incidents in Thailand were analyzed to identify real-world patterns and loopholes, forming the basis for more effective prevention strategies



Focus of this Report

Research Guiding Principles

Research Guiding Principles

This report is anchored on clear principles to uphold accuracy, objectivity, and neutrality. It sets firm standards for how information is sourced, assessed, and presented—ensuring the highest levels of integrity and transparency. By adhering to these guidelines, the report delivers insights that are both reliable and responsible, with full regard for legal and ethical obligations.

1 Anonymization of Case Names

Given the ongoing nature of the cases analyzed for the purposes of this report, the names of the cases have been anonymized to avoid prejudicing the proceedings. Anonymization ensures that the analysis remains focused on the broader impact and substantive issues, rather than on the identities of the parties involved.

2 Use of Publicly Available Data

All datapoints will be sourced exclusively from publicly available information to ensure transparency, verifiability, and accessibility. Any numbers derived from proprietary models will be explicitly identified, with methodologies clearly documented. Private or confidential information will be excluded from all analysis and reporting.

3 Factual and Objective Analysis

The report will prioritize factual accuracy and objectivity, with qualitative information verified by at least two credible sources. Analyses will be cross-validated by subject matter experts (SMEs) from at least two different sectors to ensure reliability, neutrality, and the avoidance of any bias or subjective interpretation.

Focus of this Report

Our report analyzes the demand, supply, and enabling factors of investment fraud to identify root causes and propose targeted initiatives that strengthen investor protection and market integrity

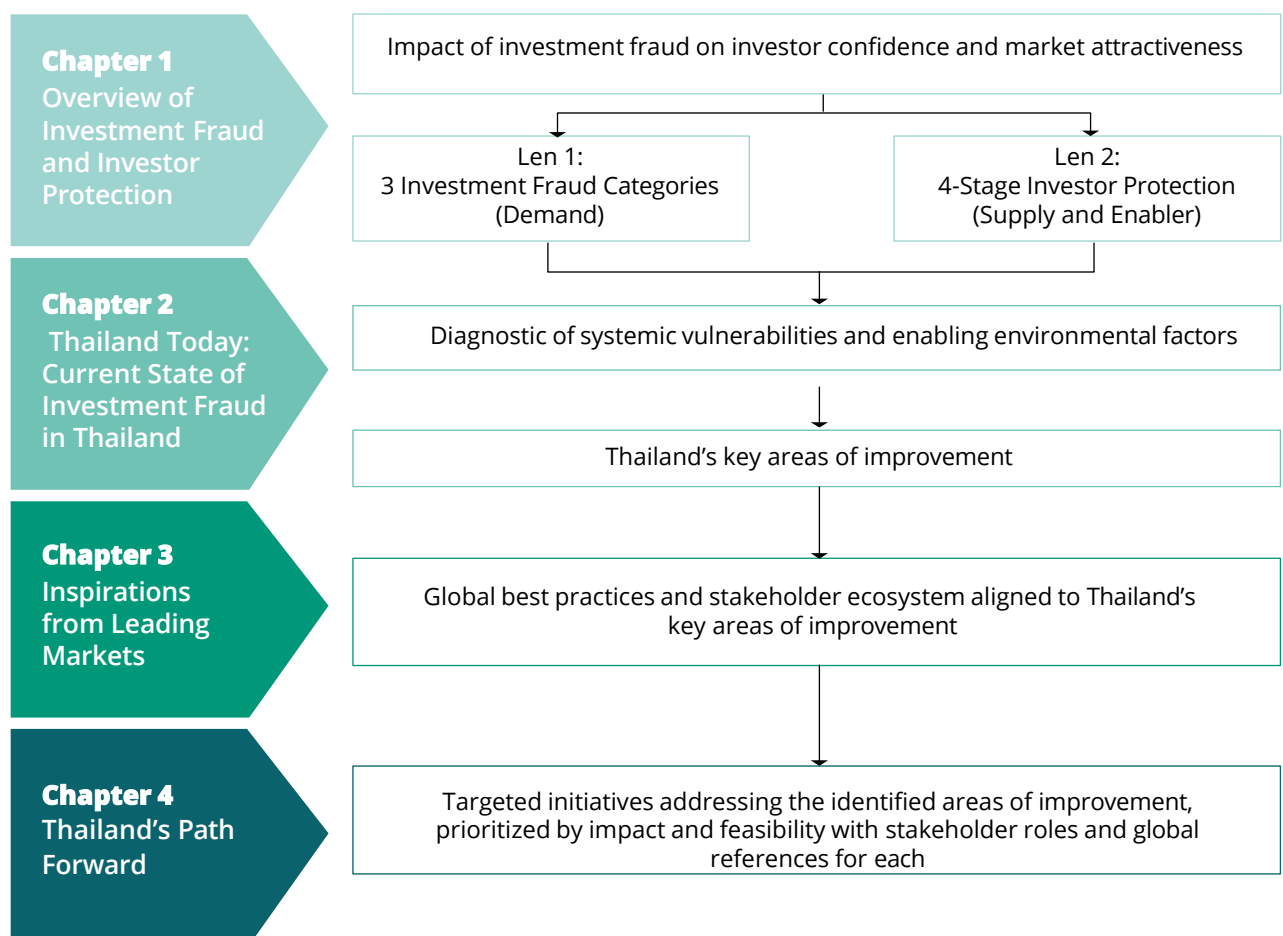
Research Report Approach

The report begins in Chapter 1 by analyzing the impact of investment fraud on Thailand's capital market, highlighting how it reduces investor confidence and market attractiveness. We then classify fraud types based on actual cases to identify which schemes most significantly affect investors, representing the demand side.

In Chapter 2, we analyze these cases alongside insights from subject matter expert interviews to identify systemic vulnerabilities and enabling environmental factors that allow fraudsters to commit fraud, representing the supply side.

In Chapter 3, we explore international best practices and stakeholder ecosystems to understand how other markets address similar challenges.

In Chapter 4, we propose key initiatives tailored to Thailand, mapped to the areas of improvement identified in earlier chapters. These initiatives are prioritized based on potential impact and ease of implementation, with recommended stakeholder involvement to support effective execution.



1.3

Emergence of Investment Fraud and Its Impact

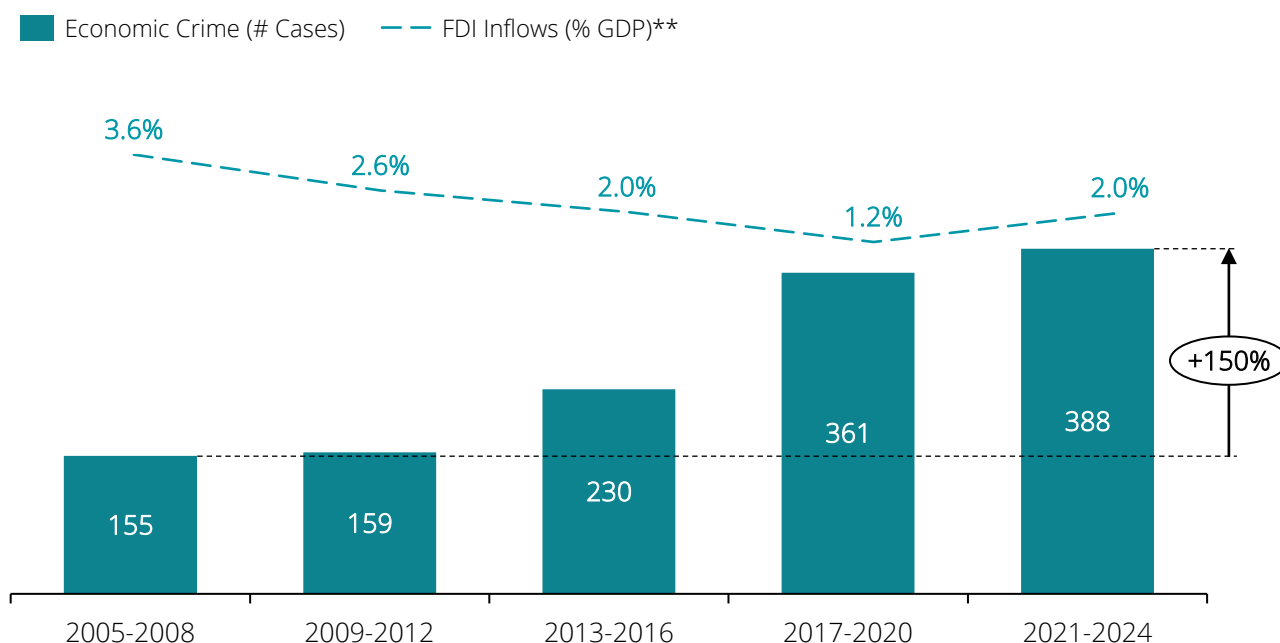


Emergence of Investment Fraud and Its Impact

Economic crime in Thailand has surged by 150% over the past two decades, with investment fraud being a key subset; this has eroded investor confidence and overall market stability

The Thai capital market, a vital engine for economic stability and growth, faces increasing challenges due to the rise in economic crimes, particularly fraudulent investment schemes. These schemes have undermined investor confidence^{1,2,3}, which is crucial for maintaining market stability and growth.

Number of Economic Crime Cases Investigated by the Department of Special Investigation (DSI) and Their Impact on FDI Inflows*, 2005 – 2024^{4,5}



The downtrend in net FDI inflows as a share of GDP signals declining investor confidence

Economic crime, with investment fraud as the most prevalent subtype**, has emerged as a critical issue in Thailand. These crimes have increased by 150% over the past two decades, as reported by the Department of Special Investigation (DSI). Fraud schemes such as price manipulation, procurement fraud, and disclosure fraud have caused substantial financial losses while eroding investor confidence^{1,2}.

This decline is reflected in the net Foreign Direct Investment (FDI) inflows (% of GDP), which dropped from 3.6% of GDP in 2005–2008 to just 2.0% in 2021–2024⁵. The drop highlights waning foreign investor interest amidst rising economic crime.

Notes: * FDI Inflows for FY2024 are estimated based on numbers of Q1 to Q3 2024 **The biennial Thai Economic Crime Survey⁶, sampling over 50 Thai and international companies operating in Thailand, identifies asset misappropriation as the most prevalent economic crime, followed by procurement fraud—both classified as investment fraud

Sources:

- 1) TDRI, [Reforming the capital market landscape](#), 2023
- 2) The Nation, [Scandals and slumping market: A tough year for the Thai stock exchange](#), 2024
- 3) Bangkok Post, [Get tough on stock market misconduct](#), 2025
- 4) Department of Special Investigation, [Annual Report 2024](#), 2025
- 5) World Bank, [Foreign direct investment, net inflows](#), 2025
- 6) The Nation, [Economic fraudsters may be 'winning the war' in Thailand](#), 2025

Emergence of Investment Fraud and Its Impact

Despite a steady number of cases, the financial impact of investment fraud has increased by almost fourfold in the past 5 years

The damage caused by investment fraud cases has grown 3.5-fold, while the number of cases per year has remained relatively constant

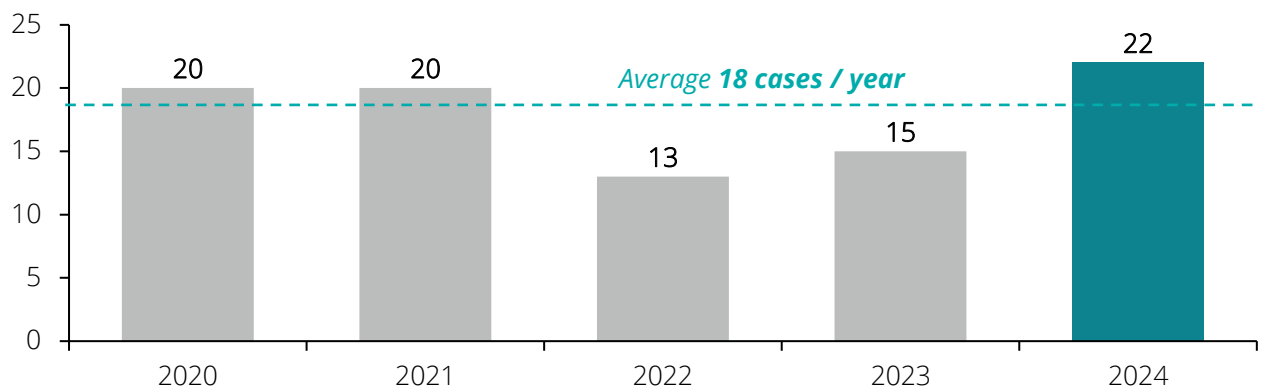
In recent years, investment fraud has become a significant issue in Thailand. Appendix 2.1 outlines the approach used to consolidate fragmented investment fraud financial damage across multiple sources into a unified dataset, addressing gaps by incorporating findings from prior studies. An analysis of 95 investment fraud cases* across the 3 different fraud types reveals the following key findings:

The analysis produced the following key findings:

- The number of investment fraud cases has remained relatively constant, averaging 18 cases per year over the past five years.
- The estimated annual financial damage** increased from 7.9 Bn THB to 28.1 Bn THB, representing a 3.5-fold rise from 2020-2022 to 2023-2024 levels, despite no substantial growth in case numbers.

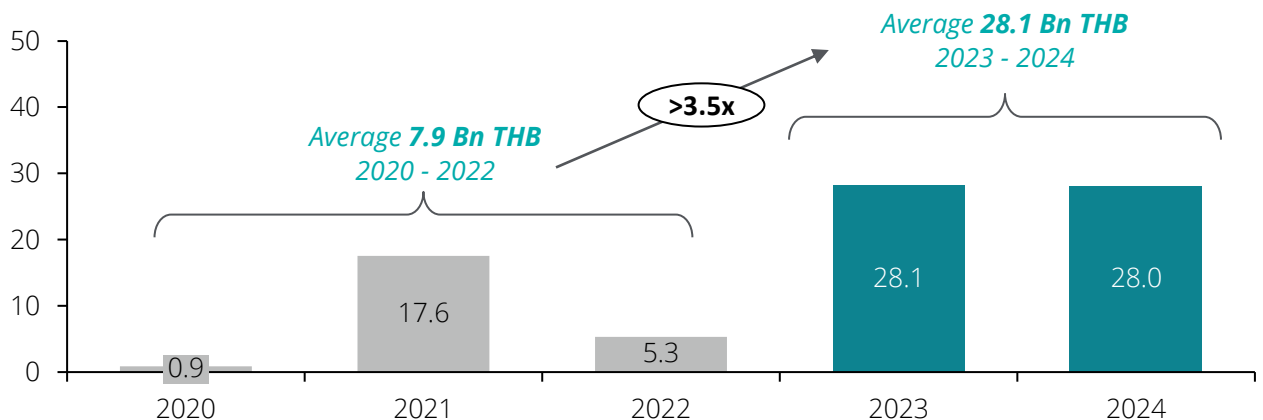
Investment Fraud Cases, 2020 – 2024

Units: Cases



Investment Fraud Estimated Financial Damage*, 2020 – 2024

Units: Bn THB



Notes: *Refer to the list of 95 investment fraud cases analyzed in Appendix 2.2, **The financial damage is the average annual financial damage (2020 – 2024) across upper and lower bound values. Detailed methodology in Appendix 2.1

Emergence of Investment Fraud and Its Impact

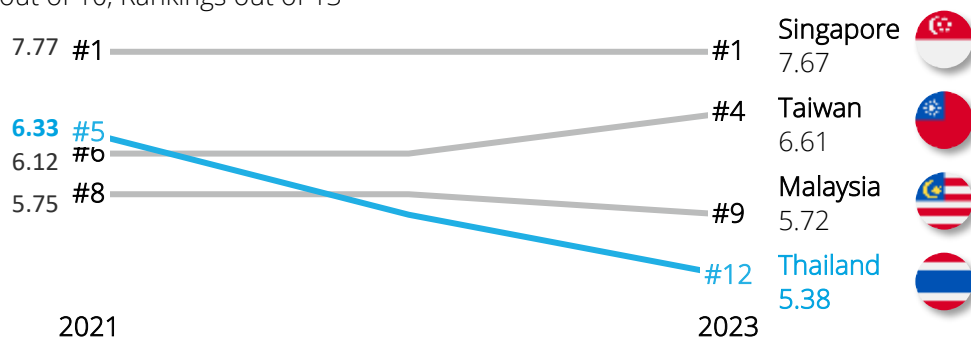
Beyond direct investor losses, investment fraud has broader consequences—dampening Thailand’s market appeal within APAC and contributing to the underperformance of the SET Index

Thailand dropped its rank to 12 in APAC in the ease of doing business report in 2023 (from 5 in 2021)¹

Thailand's score declined across all three scoring pillars: **operating environment** (-1.1), **market development** (-1.0), and **regulatory environment** (-0.9). The same study attributes the 4 most common factors that drive this market attractiveness: (1) access to currency controls and the **strength of investor protection** (2) payments infrastructure, (3) language skills and (4) quality of anti-bribery and corruption frameworks

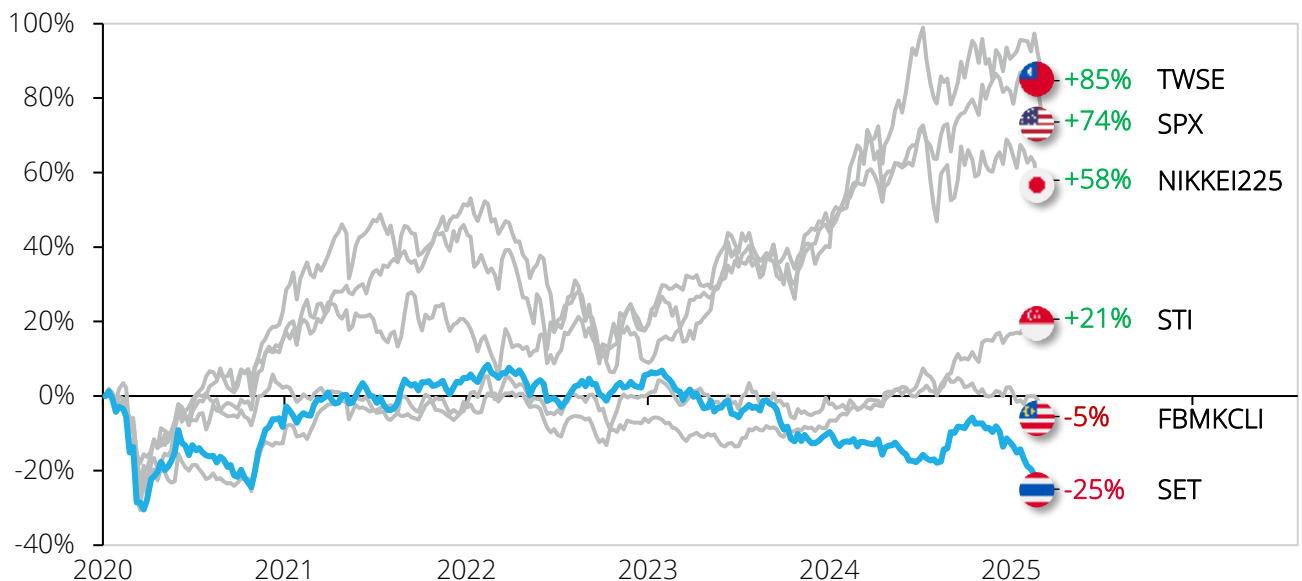
Average Scores and Ranking

Scores out of 10, Rankings out of 13



The Thai capital market’s diminished appeal is evident in the SET Index's underperformance compared to regional and global benchmarks²

As shown in the figure below, the SET Index has shown a weaker recovery post-COVID-19 and has continued to trend downward, while broader markets rebounded. This divergence in 2022 stems from economic challenges such as modest growth projections, political instability, rising geopolitical tensions, and securities fraud cases, all of which have eroded investor confidence^{3,4}. These issues highlight significant foreign investment outflows and underscore the need for regulatory reforms to restore confidence in Thailand's capital market.



Sources:

- 1) ASIFMA, [Asafa capital markets survey 2024](#), 2024
- 2) TradingView, Tickers: SET, FBMKCLI, STI, IX0001, NIKKEI225, [www.tradingview.com](#), Accessed March 2025
- 3) The Nation, [Thai stock market turmoil: Is now the time to invest?](#), 2025
- 4) Indian Journal of Integrated Research in Law, [Critical study on the impact of securities fraud cases](#), 2025

1.4

A Framework for Investor Protection



A Framework for Investor Protection

We have defined the investor protection framework in four stages, illustrated through real-world examples

Our four-stage approach highlights real-world examples of investor protection measures across Prevention, Detection, Enforcement, and Recovery in Thailand's regulatory system



Investor Protection combines public regulations, policies, and private sector controls to safeguard investors' rights across various channels (physical, digital, phone). It also relies on the effectiveness of institutions involved in law enforcement^{1,2}.

	1. Prevention	2. Detection	3. Enforcement	4. Recovery
Definition	Measures and systems designed to protect investors before harm occurs. These measures aim to create a transparent and trustworthy environment for investors ³	Technology systems and processes to identify suspicious or illegal activities in the marketplace ⁴	Processes of investigating violations of securities laws and taking actions against individuals or entities engaged in illegal activities in capital markets ⁵	Mechanisms for compensating investors and restoring their losses after fraud or misconduct has been identified ⁶
Examples of Investor Protection Measures	Investor education programs: Programs to improve investor awareness and prevent scams	Whistleblower channels & protections: Secure reporting systems with whistleblower safeguards	Trading suspension: Regulatory actions preventing fraudsters from market participation	Investor protection funds: Reserved funds for compensating financial fraud victims
	Mandatory disclosure requirements: Rules ensuring investors get key investment information	Market surveillance tools: Systems detecting suspicious activities to prevent losses	Accessible means of retribution: Practical pathways for victims to recover fraudulent losses	Asset recovery programs: Services helping victims reclaim lost assets due to fraud
	Central fraud registry: Database tracking fraudsters to prevent future schemes	Forensic accounting tools: Investigation of financial records to uncover fraud	Asset seizure and liquidation: Confiscation and conversion of illegally obtained assets into cash	Dispute resolution: Efficient methods to resolve investment and securities conflicts

Sources:

- 1) Bank for International Settlement, [Preventive Vigilance – The Key Tool of Good Governance at Public Sector Institutions](#), 2018
- 2) European Security & Market Authority, [The European Securities and Markets Authority \(ESMA\)](#)
- 3) UK Financial Conduct Authority, [Reducing and preventing financial crime](#), 2024
- 4) IBM, [What is fraud detection?](#), 2024
- 5) U.S. SEC, [Enforcement and Litigation](#), 2024
- 6) FasterCapital, [Asset Recovery: Assisting Investors with the Investor Protection Act](#), 2024

1.5

Key Stakeholders in the Ecosystem



Key Stakeholders in the Ecosystem

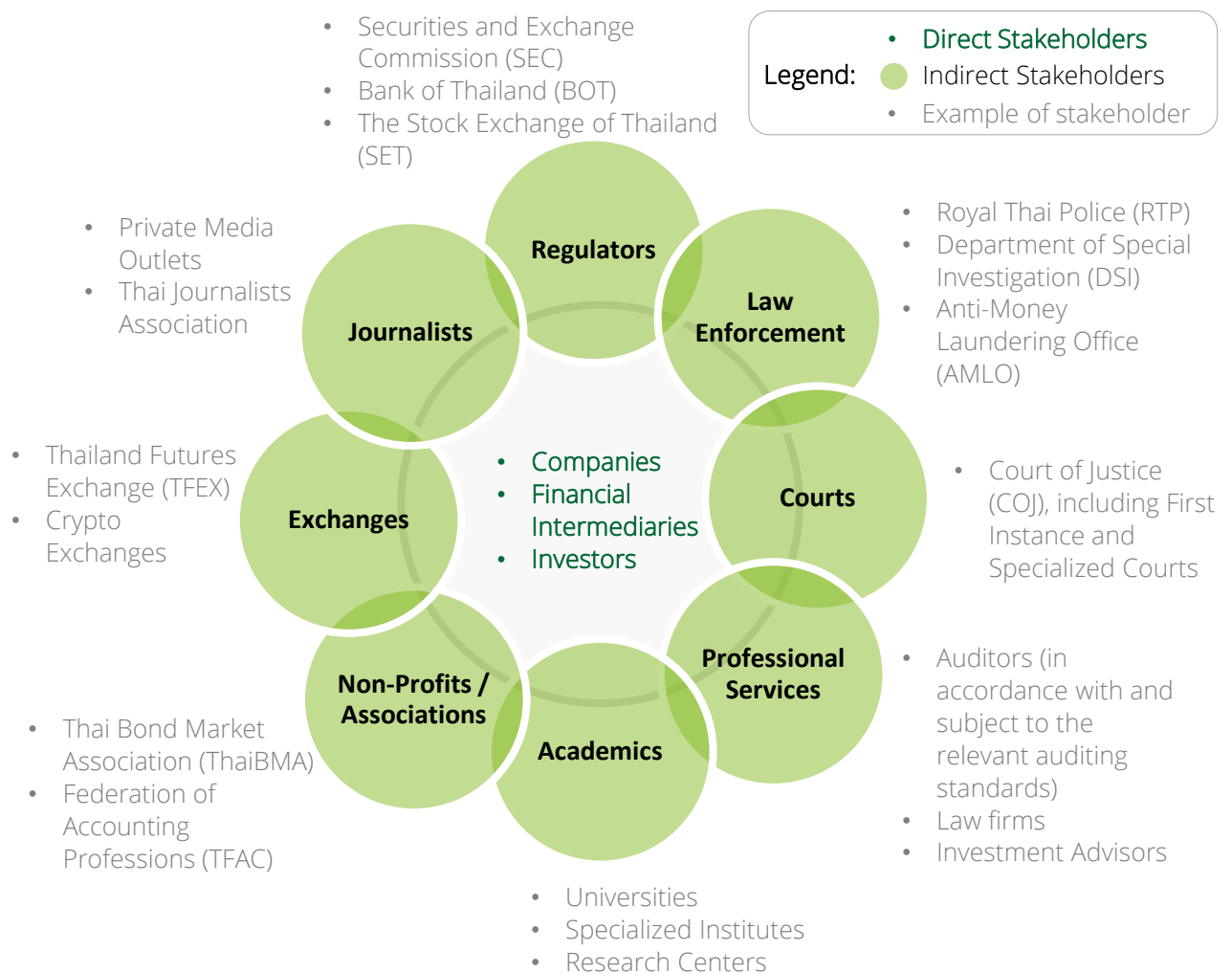
The financial ecosystem relies on a set of diverse stakeholders to uphold market integrity and provide investor protection

We categorize stakeholders using a two-lens approach to clarify their roles and responsibilities in tackling investment fraud and providing investor protection

Direct stakeholders are individuals or entities directly involved in investment transactions. They must implement protection mechanisms to prevent fraud.

Indirect stakeholders are those who are not directly affected by or involved in investment transactions. However, they have a vested interest in maintaining the trustworthiness and stability of capital markets.

The stakeholder framework below highlights examples of indirect stakeholders in Thailand. Direct stakeholders include firms, financial intermediaries such as asset managers and financial advisors and investors who actively participate in primary financial transactions.



Key Stakeholders in the Ecosystem

Each stakeholder plays a different role in upholding market integrity, whether through direct oversight or supportive involvement

Effective investor protection relies on close collaboration between direct and indirect stakeholders, each fulfilling their own role within the broader system

Type	Stakeholder	Definition
Direct Stakeholders	 Companies (Issuers)	Private and publicly listed companies that issue various investment products to raise capital
	 Financial Intermediaries	Entities that facilitate, advise, and manage the trading of investment securities. These include banks, brokerages, asset managers, mutual funds, financial advisors, investment bankers, and others. Financial intermediaries, such as hedge funds, also play a role in identifying, scrutinizing, and calling out companies with questionable financial records by signaling their skepticism to the market
	 Investors	Everyday consumers, high-net-worth individuals, and institutional investors who allocate money into tradable securities, hard assets, and digital assets to manage their wealth and cash flows
Indirect Stakeholders	 Regulatory Bodies	Government agencies responsible for regulating investment activities
	 Law Enforcement Agencies	Local, provincial, and national police along with other enforcement bodies tasked with investigating and prosecuting investment-related crimes
	 Judiciaries	Courts and arbitrators that interpret laws and issue judgments on investment fraud cases
	 Professional Services Provider	Law offices, accountants, consultants, advisors, investment professionals, and other entities offering adjacent services
	 Academics	Universities conducting research on investment fraud and investor protection topics
	 Non-Profit & Industry Associations	Non-profit organizations or collectives that pursue public interests or advocate for the interests of select groups within the investment ecosystem
	 Exchanges	Platforms or technologies through which primary and secondary trade is performed in financial markets
	 Journalists	Professionals who investigate and report on investment fraud and financial misconduct while raising public awareness about investor protection efforts

Sources:
1) Deloitte Analysis

Chapter 2

Thailand Today: The Current State of Investment Fraud

- 2.1 Impact of Investment Fraud Cases in Thailand
- 2.2 Thailand's Investor Protection Landscape
- 2.3 Analysis of Recurring Fraud Schemes in Thailand
- 2.4 Key Areas of Improvement





2.1

Impact of Investment Fraud Cases in Thailand

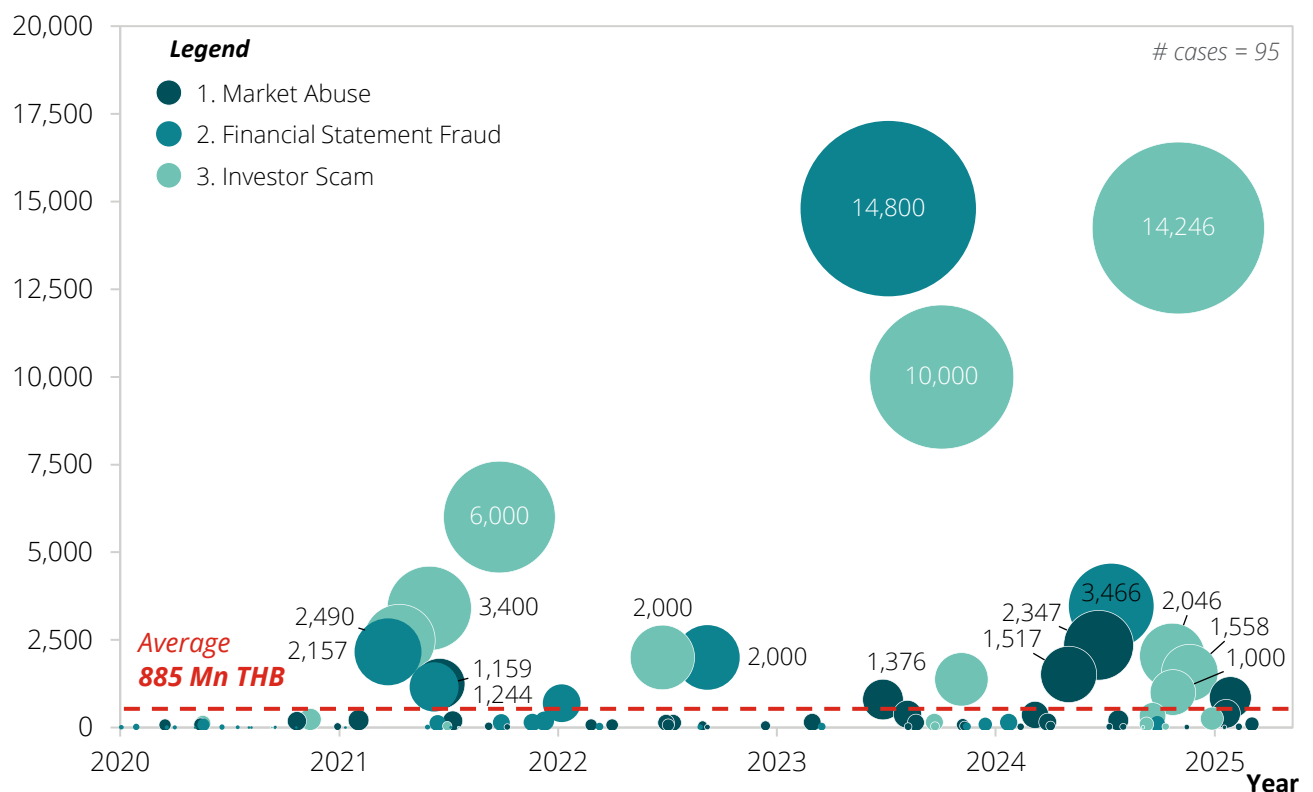
Impact of Investment Fraud Cases in Thailand

An analysis of 95 investment fraud cases in Thailand from 2020 to 2025 reveals an estimated annual financial impact of 18.7 – 21.3 billion THB

Investment fraud financial damage in Thailand, 2020 - 2025

The study of 95 investment fraud cases between January 2020 and March 2025^{1,2,3,4,5} reveals an estimated annual financial damage of 18.7–21.3 billion THB, with an estimated average financial loss of 885 million THB per case*. These figures underscore the severe economic repercussions of fraudulent activities in the Thai investment landscape.

Estimated Financial Damage to Investors (Mn THB)



Data Consolidation Approach

Data on investment fraud investor damage is fragmented across multiple sources, including regulatory press releases, investigative reports, and media coverage. This fragmentation results in inconsistencies in reported figures and gaps in available information for certain cases.

The approach detailed in **Appendix 2.1** consolidates these disparate data points into a unified dataset, addressing gaps by incorporating findings from prior studies. It provides a structured methodology to estimate financial damage, offering a conservative upper and lower bounds for cases where estimated investor loss data is unavailable. This approach ensures a comprehensive assessment of estimated financial impact to investors across all identified cases while accounting for variations in reporting standards and data availability.

Notes: *Detailed data consolidation methodology in **Appendix 2.1** and list of 95 investment fraud cases analyzed in **Appendix 2.2**

Sources:

- 1) SEC Thailand, [SEC News](#), Articles 1/2563 – 47/2568
- 2) DSI, [Mission News](#), Articles from Jan 2020 – Mar 2025
- 3) The Nation, [Nationthailand.com](#), Accessed March 3, 2025
- 4) Bangkok Post, [Breaking news, Thailand news, Latest news, World news](#), Accessed March 3, 2025
- 5) MCOT.net, [Thai News Agency](#), Accessed March 3, 2025

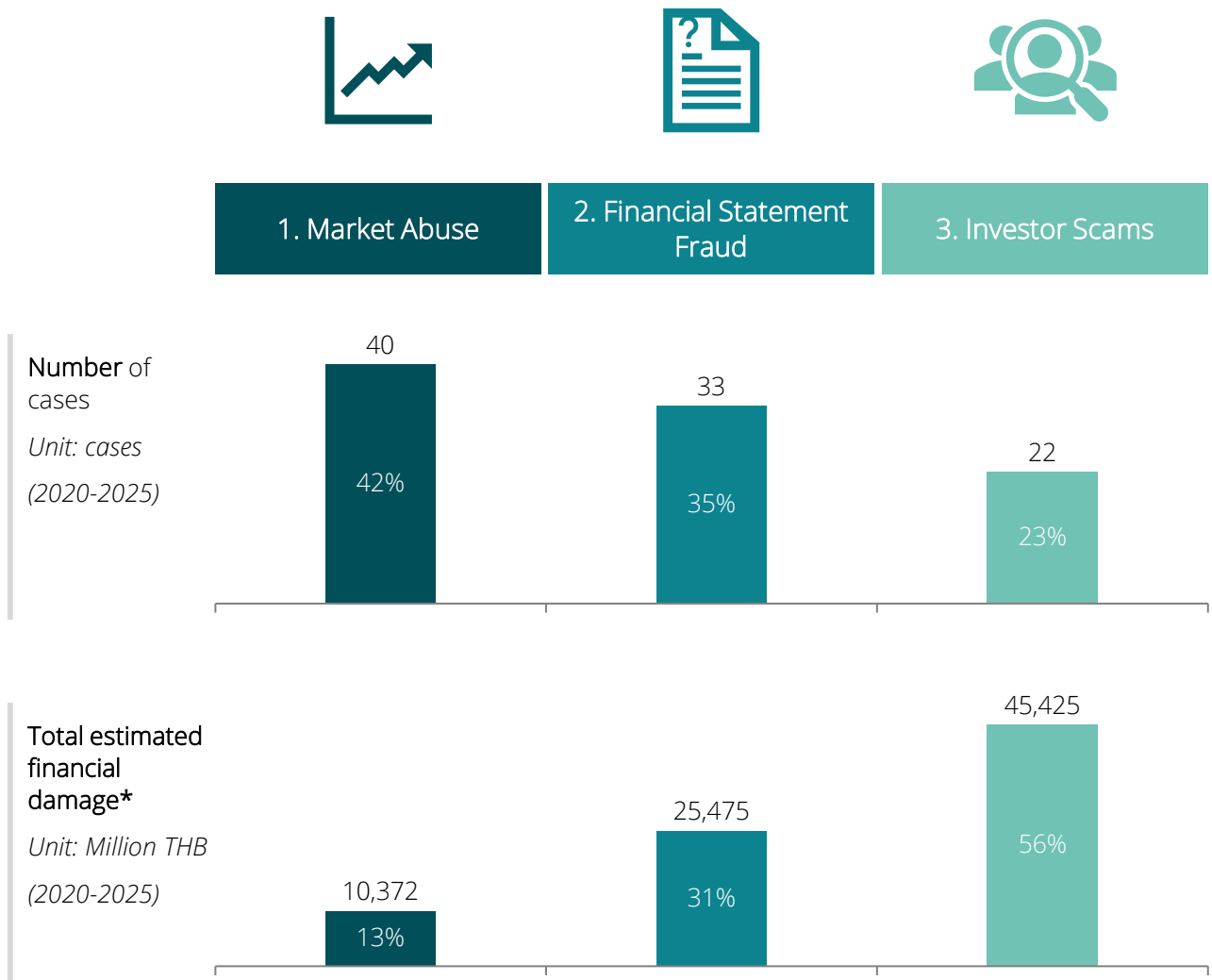
Impact of Investment Fraud Cases in Thailand

Identifying key trends across Market Abuse, Financial Statement Fraud, and Investor Scams helps target the most prevalent and damaging schemes to strengthen investor protection

Key investment fraud trends

1. **Market Abuse and Financial Statement Fraud dominate in prevalence**, accounting for approximately 77% of total cases
2. **Investor Scams cause the highest financial damage**: Despite representing only 23% of cases, Investor Scams account for more than half of the total financial damage

While Investor Scams inflict the most financial harm, all three fraud types – Market Abuse, Financial Statement Fraud, and Investor Scams – require urgent attention due to their frequency and visibility in public discourse. Their frequent presence in headlines undermines market confidence. Addressing these schemes comprehensively can help restore trust in Thailand's capital market while safeguarding investors and the broader financial system.



Notes: *Average total estimated financial damage (2020 – 2025) across upper and lower bound scenarios

Impact of Investment Fraud Cases in Thailand

Market abuse is the most common type of investment fraud, with its financial impact rising 3.5 times over the past five years

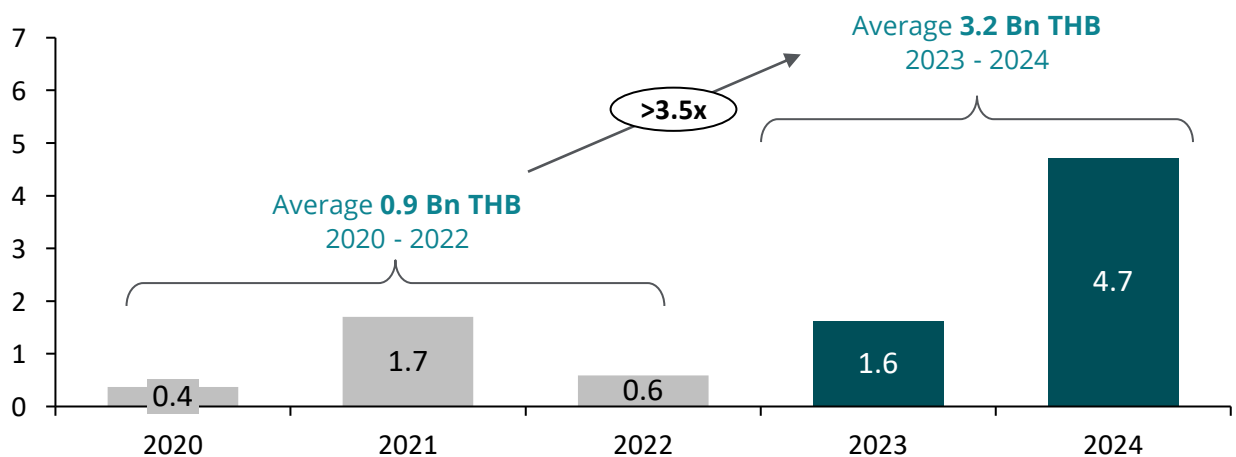


1. Market abuse

Market abuse accounts for 13% of total financial damage, making it the smallest contributor among fraud categories. However, its estimated annual financial impact increased from 0.9 billion THB during 2020–2022 to 3.2 billion THB in 2023–2024, reflecting a **3.5-fold rise** over the period.

Market Abuse: Estimated Financial Damage to investors*, 2020 – 2024

Units: Bn THB



Common Fraud Schemes

An analysis of 40 market abuse cases between January 2020 and March 2025 reveals **3 common fraud schemes** of market abuse in Thailand:



Price manipulation

Price manipulation in investment fraud deliberately alters the price of a security by artificially driving supply or demand¹



Circular trading

Circular trading involves transactions among participants to create an illusion of high activity and demand, without any actual change in ownership or risk¹



Misuse of insider information

Misuse of insider information refers to obtaining an unfair advantage by using confidential or non-public information for personal gain or to harm third parties¹

Notes: *Estimated financial damage is the average estimated annual financial damage (2020 – 2024) across upper and lower bound values. Detailed methodology in Appendix 2.1

Sources:

1) Financial Markets Standards Board, [22020525_BCA_Report_2022](#), 2022

Impact of Investment Fraud Cases in Thailand

Financial statement fraud often unfolds as an intricate network of smaller fraudulent schemes within a single case, leading to large estimated financial losses upon discovery

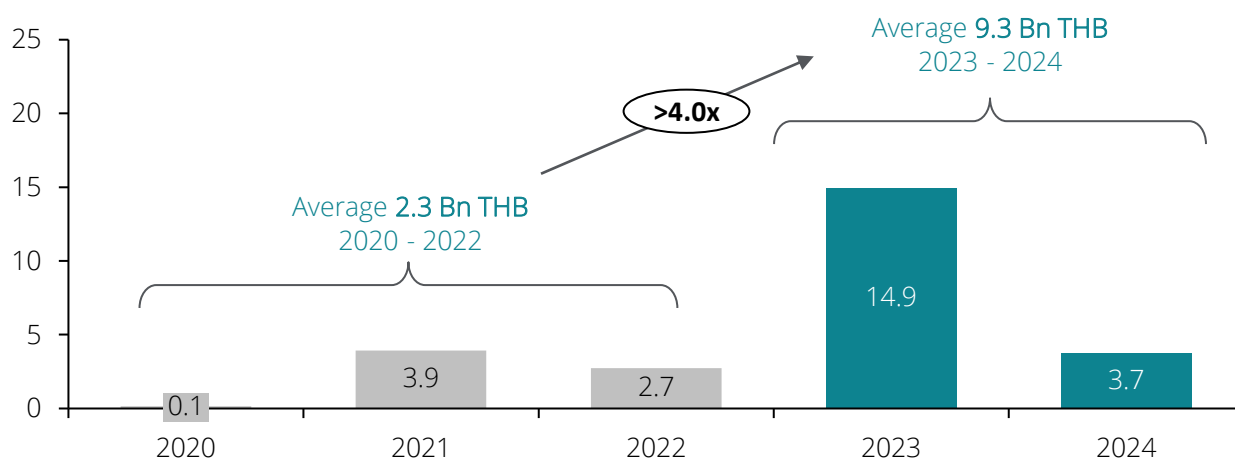


2. Financial statement fraud

Financial statement fraud accounts for approximately one-third of both total investment fraud cases and estimated financial damage in the past 5 years. In the recent years, the estimated annual financial impact* increased from 2.3 billion THB during 2020–2022 to 9.3 billion THB in 2023–2024, reflecting a **4.0-fold** rise over the period.

Financial Statement Fraud: Estimated Financial Damage*, 2020 – 2024

Units: Bn THB



Common Fraud Schemes

An analysis of 33 financial statement fraud cases between January 2020 and March 2025 reveals **5 common fraud schemes of market abuse** in Thailand:

- A Revenue Manipulation**
Artificial inflation/deflation of income streams (e.g. fictitious revenue, exaggerated revenue)^{1,2}
- B Asset Misrepresentation**
Distortion of asset valuation/ classification. (e.g. improper asset valuations)^{1,2}
- C Expense Manipulation**
Intentional distortion of cost recognition. (e.g., falsified expenses)^{1,2}
- D Disclosure Fraud**
Omission/misstatement of material information^{1,2}
- E Procurement Fraud**
Abuse of purchasing processes for financial gain. (e.g. phantom vendors, inflated costs)²

Notes: *Estimated financial damage is the average estimated annual financial damage (2020 – 2024) across upper and lower bound values. Detailed methodology in Appendix 2.1

Sources:

- 1) Asian Development Bank (ADB), [Financial Statement Fraud](#), 2016
- 2) Polonious Systems, [Workplace Fraud: 22 Types of Financial Statement Fraud](#), 2021

Impact of Investment Fraud Cases in Thailand

Most high impact investor scams are Ponzi schemes, with affinity fraud often driving their rapid scaling

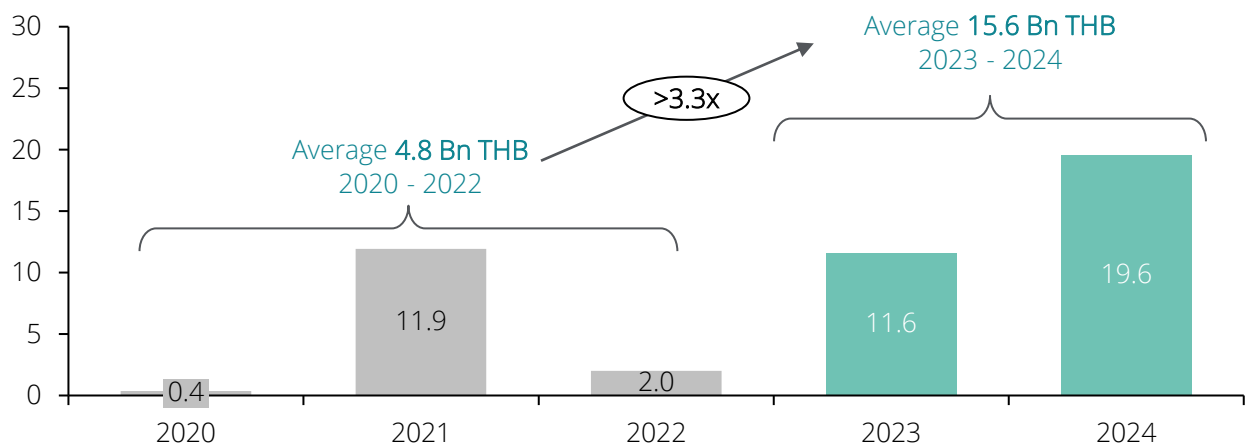


3. Investor Scams

Financial statement fraud accounts for over 50% of total estimated financial damage despite representing only 23% of all investment fraud cases. In recent years, the annual financial impact increased from 4.8 billion THB during 2020–2022 to 15.6 billion THB in 2023–2024, reflecting a **3.3-fold rise** over the period.

Investor Scam: Estimated Financial Damage*, 2020 – 2024

Units: Bn THB



Common Fraud Schemes

An analysis of 22 financial statement fraud cases between January 2020 and March 2025 reveals **5 common fraud schemes of market abuse in Thailand:**

- A Ponzi Scheme**
Ponzi schemes promise returns to earlier investors using funds from newer investors, rather than legitimate profits¹
- B Affinity Fraud**
Affinity fraud targets members of specific groups (e.g., religious, ethnic, or professional communities) by exploiting their trust²
- C Phantom Project**
Phantom projects raise funds from investors under false pretenses of financing a specific project, often grandiose, that will never be completed³
- D Financial Grooming**
Financial grooming builds trust over time to manipulate victims into fraudulent schemes under the guise of assistance⁴

Notes: *Estimated financial damage is the average estimated annual financial damage (2020 – 2024) across upper and lower bound values. Detailed methodology in Appendix 2.1

Sources:

- 1) Investopedia, [Ponzi Scheme: Definition, Examples](#), 2025
- 2) Investor.gov, [Affinity Fraud](#), 2025

- 3) Moneysmart, [Investment scams](#), 2025
- 4) Keesler Federal, [Financial Grooming](#), 2023



2.2 Thailand's Investor Protection Landscape

Thailand's Investor Protection Landscape

Thailand's current regulations and initiatives cover four key pillars of investor protection, primarily enforced by the SEC and SET

The SEC, along with related agencies, enforces measures that include strengthened listing criteria, regulatory collaboration, surveillance technology, and recovery funds

Since 2019, Thailand has enhanced investor protection by introducing the SEC Check First¹ verification tool and fostering collaboration between regulatory bodies. Regulators prioritize enforcement by expediting legal processes, increasing penalties, and allocating additional resources. At the same time, separate recovery initiatives developed by different regulators aim to support affected investors.

Non-exhaustive



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Prevention	[SEC] Launch investment educational media, 2023 ²		
	[SEC & SET] Strong securities issuers project, 2024 ¹		
	[SET & ASCO] Securities data exchange program, 2024 ⁵		
	[SEC] Strengthen professional oversight, 2025 ⁴		
Detection	[SEC] Securities and Exchange Act B.E. 2535, 1992 ¹⁵		[SEC & AOC] Launch Investment Scam Hotline, 2023 ⁷
	[SEC, SET, ThaiBMA, and BOT] Collaboration on information exchange and system upgrades to detect emerging risks, 2024 ¹		
	[SET] Platform to control illegal naked shorting, 2024 ⁶		
Enforcement	[SEC] Investor consultant regulation, 2017 ⁸		
	[SEC] Triple penalties for naked short selling, 2024 ⁹		
	[SEC, SET, and AMLO] Interagency Collaboration Framework, 2024 ¹⁰		
	[SEC] Enforcement Leadership Restructuring, 2024 ¹		
	[SEC & DSI] Enhance SEC's powers to file criminal cases, 2025 ¹¹		
Recovery	[SET] Securities Investor Protection Fund (SIPF), 2004 ¹²	[SEC] Recovery fund for affected investors, 2024 ¹⁴	
		[AMLO] Asset recovery streamlining, 2024 ¹³	

Sources:

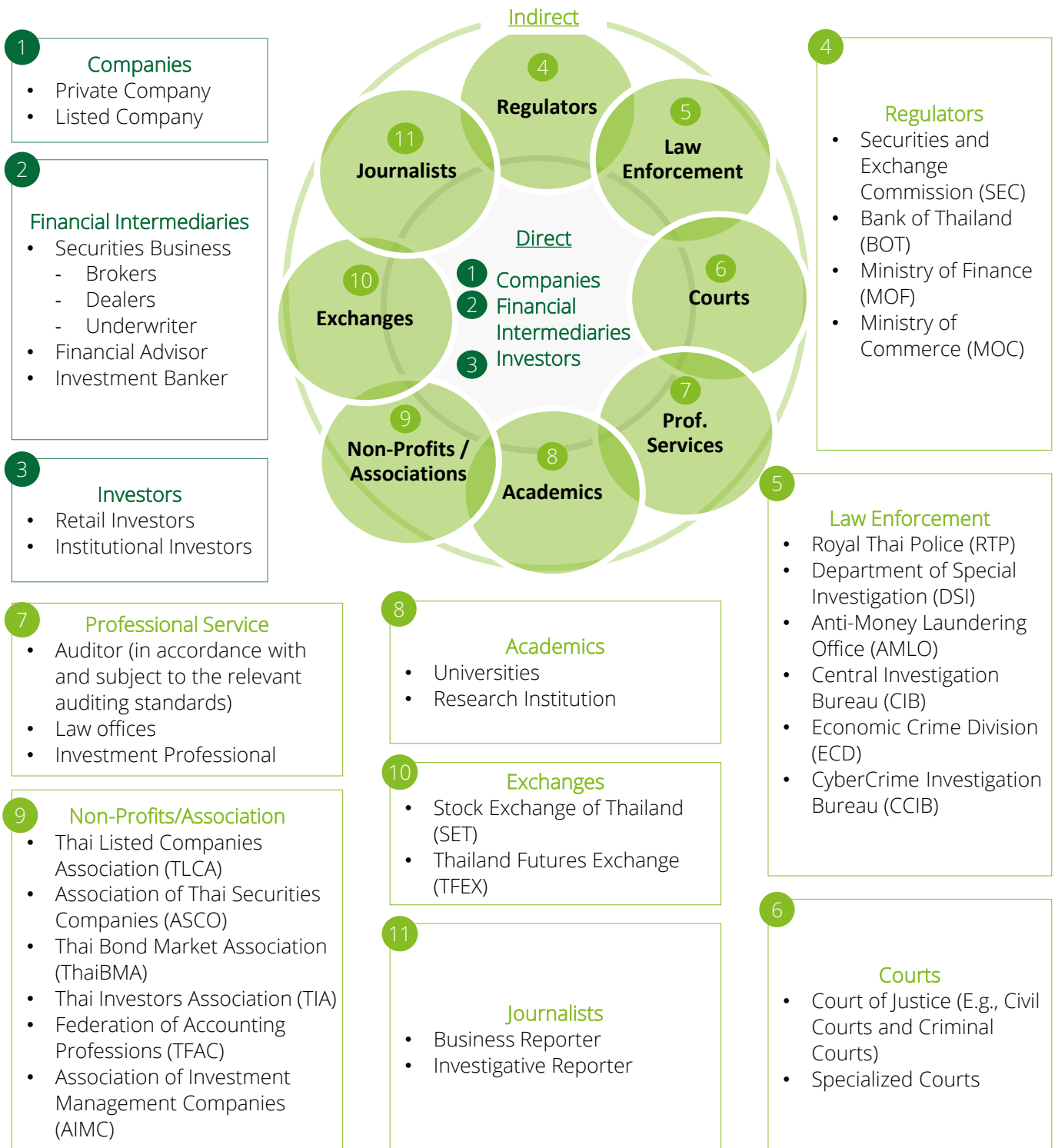
- 1) SEC Thailand, [SEC News](#), No. 31/2024
- 2) SEC Thailand, [SEC News](#), No. 170/2023
- 3) SEC Thailand, [SEC News](#), No. 90/2562
- 4) Bangkok Post, [News Detail](#), 2025
- 5) Refinanced, [News Detail](#), 2024
- 6) SET, [SET News Detail](#), 2024
- 7) SEC Thailand, [SEC News](#), No. 204/2023
- 8) SEC Thailand, [SEC Law](#), 2017
- 9) Bangkok Post, [News Detail](#), 2024
- 10) Bangkok Post, [News Detail](#), 2024
- 11) Thansettakij, [Press Release](#), 2025
- 12) SET, [Securities Investor Protection Fund \(SIPF\)](#), Accessed March 2025
- 13) AMLO, [Press Release](#), 2024
- 14) Forbes Thailand, [Press Release](#), 2024
- 15) SEC Thailand, [Securities and Exchange Act B.E.2535](#), Accessed March 2025

Thailand's Investor Protection Landscape

Our analysis reveals that both direct and indirect stakeholders play a crucial role in safeguarding market integrity

The stakeholder ecosystem in Thailand's capital market

For illustrative purposes only and not intended to express any opinion or statement on the extent and role of each of these stakeholders



Thailand's Investor Protection Landscape

Company management and governance bear the primary responsibility for fraud prevention, detection, and accurate financial reporting, while other stakeholders play important supporting roles

	Key Stakeholder*	Role	Key Responsibility
Companies	Listed Companies	Issuers of Securities	<ol style="list-style-type: none"> 1. Adhere to SEC and SET regulations¹ 2. Provide accurate financial disclosure 3. Practice good corporate governance²
	Private Companies	Business Entity	<ol style="list-style-type: none"> 1. Comply with applicable laws and regulations 2. Provide limited or no public financial disclosure 3. Report to relevant authorities as required
Financial Intermediaries	Broker	Facilitating securities transactions	<ol style="list-style-type: none"> 1. Execute trades on behalf of clients² 2. Provide market information and financial advice 3. Ensure compliance with regulatory requirements
	Financial Advisory	Financial and Investment Guide	<ol style="list-style-type: none"> 1. Offer investment advice based on client needs 2. Assist companies in capital raising activities 3. Ensure accuracy and completeness of information provided²
Investors	Retail Investor	Individual investor	<ol style="list-style-type: none"> 1. Make informed investment decisions 2. Stay updated on market trends and company information 3. Diversify investments to manage risk
	Institutional Investors	Organizations investing on behalf of others	<ol style="list-style-type: none"> 1. Conduct thorough research and due diligence 2. Exercise voting rights to promote good governance 3. Manage large-scale investments professionally
Regulators	Securities and Exchange Commission (SEC)	Regulator & Developer of Capital Market	<ol style="list-style-type: none"> 1. Issue and enforce capital market regulations 2. Monitor issuing companies 3. Refer serious offenses to DSI or ECID³
Exchanges	Stock Exchange of Thailand (SET)	Stock Exchange Operator & Regulator	<ol style="list-style-type: none"> 1. Provide platform for capital market activities 2. Oversee subsidiary companies (e.g., TSD)⁴ 3. Promote responsible business practices

Note: The key stakeholders selected are based on those who have direct and indirect involvement in real-world fraud cases

Sources:

1) SET, [Rules and Regulations Issuers](#), 2025

2) SEC Thailand, [Annual Report](#), 2022

3) SEC Thailand, [SEC Roles](#), Accessed March 2025

4) SET, [Corporate Governance Policy and Code of Conduct](#), 2022

Thailand's Investor Protection Landscape

Major law enforcement entities—AMLO, DSI, and RTP with specialized divisions—serve as primary investigation and enforcement authorities, while SEC and SET provide regulatory oversight and compliance support

	Key Stakeholder*	Role	Key Responsibility
Law Enforcement	Anti-Money Laundering Office (AMLO)	Government Regulatory Body	<ol style="list-style-type: none"> 1. Prevent money laundering and terrorist financing¹ 2. Issue AML/CTPF guidelines² 3. Monitor high-risk transactions
	Royal Thai Police (RTP)	Law & Police Force	<ol style="list-style-type: none"> 1. Maintain law and order nationwide 2. Oversee specialized divisions (CIB, CCIB, ECID) 3. Conduct criminal investigations³
	Central Investigation Bureau (CIB)	Law Enforcement Specialized Division	<ol style="list-style-type: none"> 1. Prevent and suppress complex crimes 2. Conduct technical investigations 3. Handle specialized operations (e.g., counter-terrorism)⁴
	Economic Crime Suppression Division (ECD)	Law Enforce Specialized Division	<ol style="list-style-type: none"> 1. Investigate economic and financial crimes 2. Handle cases referred by SEC⁵ 3. Gather evidence for prosecution
	CyberCrime Investigation Bureau (CCIB)	Law Enforcement Specialized Cybercrime	<ol style="list-style-type: none"> 1. Investigate and suppress cybercrimes 2. Coordinate international cybercrime efforts⁶ 3. Provide specialized cybercrime training
	Department of Special Investigation (DSI)	Law Enforcement Specialized Investigative Agency	<ol style="list-style-type: none"> 1. Investigate complex criminal cases⁷ 2. Handle cases referred by SEC⁵ 3. Forward cases to OAG for prosecution
Courts	Courts of Justice (COJ)	Court System	<ol style="list-style-type: none"> 1. Trial and adjudicate various case types 2. Ensure judicial independence 3. Interpret and apply laws
	Office of the Attorney General (OAG)	Prosecutorial Agency	<ol style="list-style-type: none"> 1. Conduct criminal prosecutions 2. Provide legal advice to state agencies 3. Facilitate international legal cooperation⁸
Prof. Service	Thai Rating and Information Services (TRIS)	Credit Rating Agency	<ol style="list-style-type: none"> 1. Provide credit ratings for companies and debt instruments⁹ 2. Inform investors of financial risks 3. Maintain rating methodology integrity

Sources:

- 1) AMLO, [Annual Report](#), 2013
- 2) AMLO, [AML&CTPF](#), 2016
- 3) RTP, [Royal Thai Police Act B.E.2546](#), Accessed March 2025
- 4) CIB, [About CIB](#), Accessed March 2025
- 5) SEC Thailand, [SEC Roles](#), Accessed March 2025
- 6) Bangkok Post, [New agency to tackle cybercrimes](#), 2020
- 7) DSI, [Mission and Duty](#), 2023
- 8) OAG, [About Us](#), Accessed March 2025
- 9) Tris, [About Tris Rating](#), Accessed March 2025

Thailand's Investor Protection Landscape

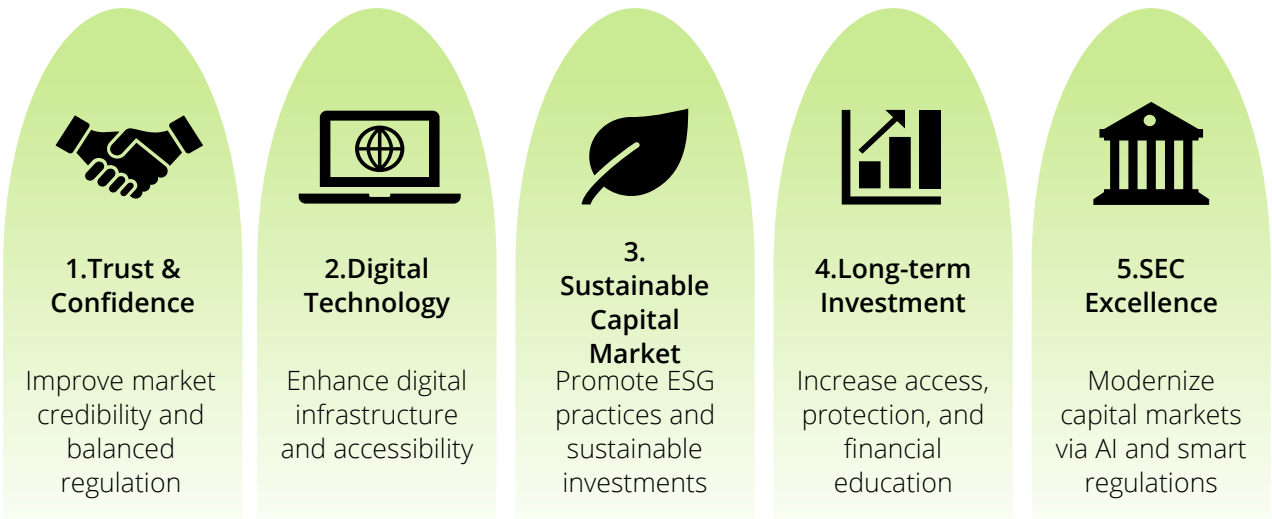
SEC and SET have initiated and implemented a strategic roadmap beginning in 2024 to enhance investor confidence through their joint objectives

While most initiatives focus on the securities market, they overlook essential safeguards against investor scams and fraudulent activities in other financial sectors

The SEC and SET are implementing strategic plans to enhance the quality of listed companies in Thailand's capital market. By leveraging digital technology and AI, they seek to strengthen investor protection and market credibility through smart regulation.

	Objective
SEC	Continuously elevate the quality of listed companies and the performance of market personnel with the 'Prevent – Discourage – Eradicate' measures under the 'Strong Issuer Program' ¹

The SEC has set five objectives for its strategic plan for 2025–2027^{2,3} as follows:



	Objective
SET	Create a high-quality capital market for sustainable growth ⁴

The SET's vision focuses on three key objectives:

- 1**

Elevate Capital Market Trust: Improve quality, strengthen investor protection, and prevent investment fraud
- 2**

Enhance Competitiveness: Attract investment, upgrade market infrastructure to global standards, and create business opportunities
- 3**

Drive Sustainability: Advance ESG initiatives, support national goals, and progress SET operations toward net zero

Sources:
1) SEC Thailand, [SEC News Detail](#), No.31/2024
2) SEC Thailand, [Strategic Plan 2567 – 2569](#), 2023

3) SEC Thailand, [Strategic Plan Full Book](#), Access March 2025
4) Securities of Exchange Thailand, [Strategic Plan 2567 – 2569](#), 2024

The background of the slide is a photograph of Wat Arun, a prominent Buddhist temple in Bangkok, Thailand. The temple is illuminated at night, with its golden spires and intricate carvings reflecting in the Chao Phraya River. The sky is dark, and the city lights in the distance are visible. The text is overlaid on the right side of the image.

2.3

Analysis of Recurring Fraud Schemes in Thailand

1. Market Abuse
2. Financial Statement Fraud
3. Investor Scams

Analysis of Recurring Fraud Schemes in Thailand

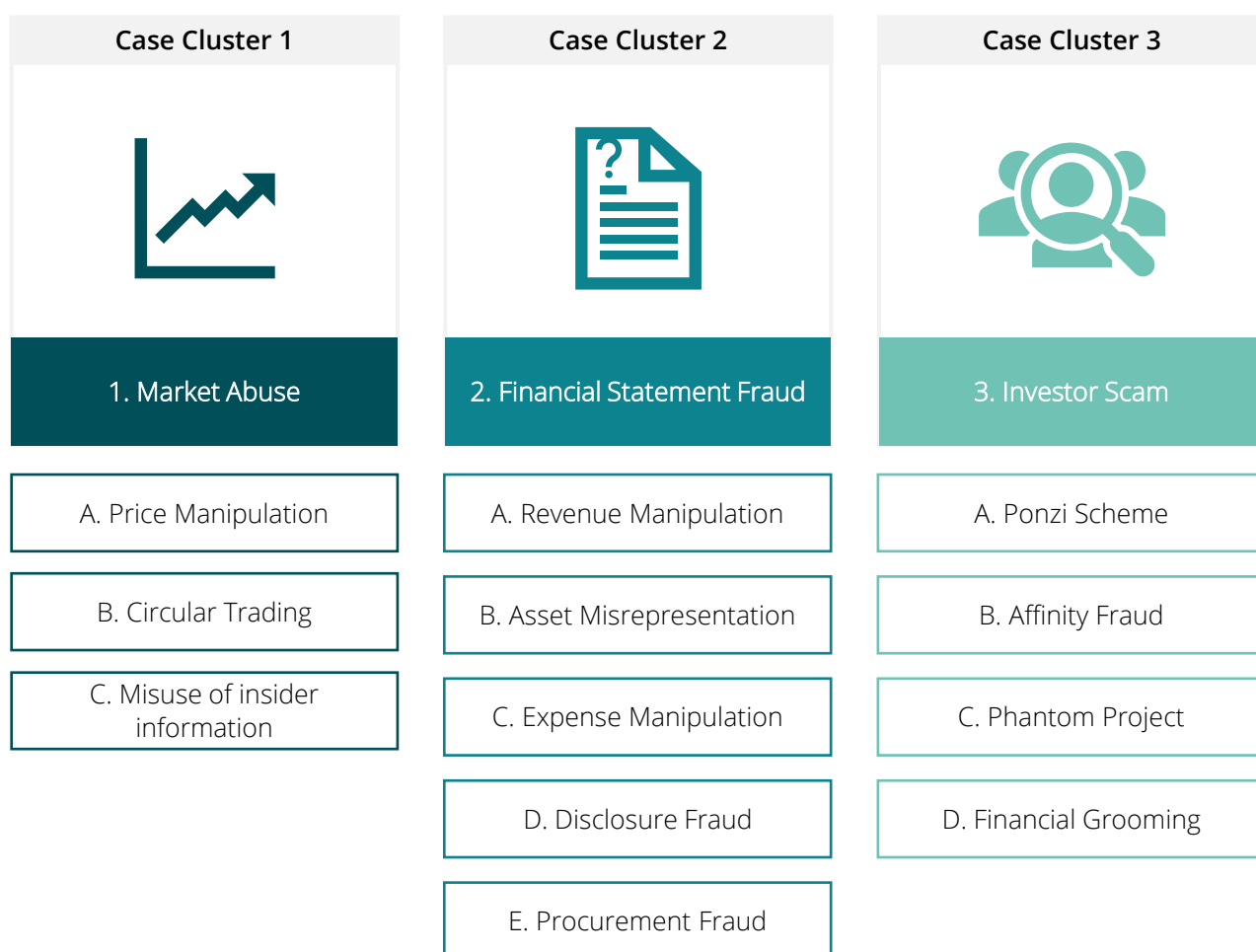
We will develop an illustrative case study for each fraud category to demonstrate how these schemes are executed and to identify overarching areas for improvement within existing systems

Framework for illustrative case study

In this section, we will analyze common fraud schemes based on a review of 95 cases that occurred in Thailand, **categorized into three main types: market abuse, financial statement fraud, and investor scams**. This analysis will draw on real-world examples to illustrate the mechanisms and dynamics of these fraudulent activities.

Each fraud category will feature an illustrative case study, which consolidates observations and insights from multiple cases analyzed within the same fraud type. These illustrative cases are designed to demonstrate how fraud schemes are executed within each category, focusing on their mechanics and operational methods. It is important to note that individual cases may involve elements from multiple fraud categories.

Additionally, this section will **identify potential areas for improvement** within existing frameworks, laying the groundwork for actionable initiatives informed by these identified areas for improvement and lessons learned from international best practices.



Analysis of Recurring Fraud Schemes in Thailand

Systemic vulnerabilities in Thai markets enable price manipulation through artificial inflation and false demand creation via large buy orders that trigger unusual trading patterns

Market Abuse Illustrative Case Study – A. Price Manipulation

A. Price Manipulation

B. Circular Trading

C. Misuse of insider information

There are 2 common activities across price manipulation cases:

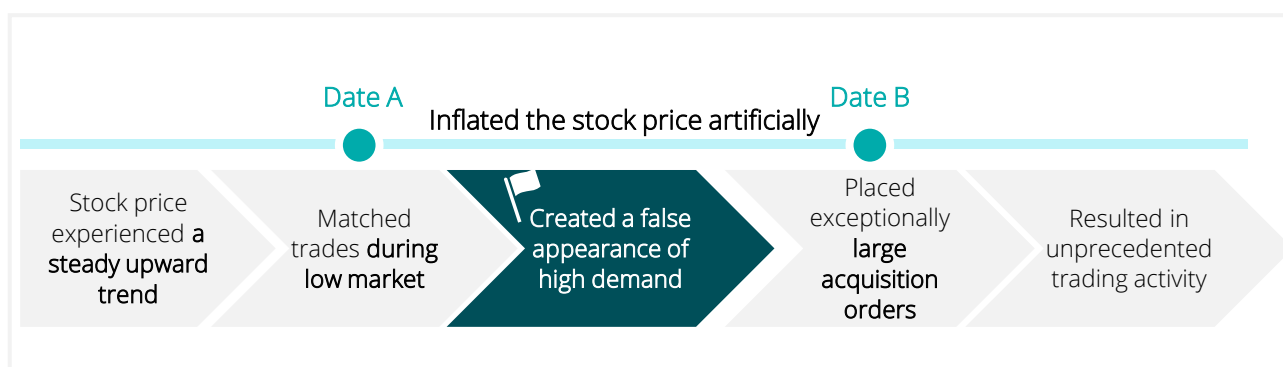
Key
Fraudulent
Activities

1 Inflated prices through matched trades during low-volume periods

2 Large buy orders spiked trading volume

What happened:

Key Action	Key Summary
1. Artificial Price Inflation	<ul style="list-style-type: none"> In the months leading up to a specific date, the share price of a certain stock experienced a steady upward trend. On Date A, suspicious trading patterns emerged, characterized by matched trades executed during periods of low market activity. These transactions artificially inflated the stock's price by creating a false appearance of high demand, causing prices to exceed typical market levels.
2. Large Buy Orders	<ul style="list-style-type: none"> On Date B, an unidentified market participant placed exceptionally large acquisition orders for the asset (substantial volume at a specific price point). This resulted in unprecedented trading activity, with total volume reaching record levels not previously observed in the marketplace.



Analysis of Recurring Fraud Schemes in Thailand

Recurring circular trading fraud in Thailand involves colluding buyers and sellers using multiple accounts to fake market activity, inflate prices, and earn illicit profits

Market Abuse Illustrative Case Study – B. Circular Trading

A. Price Manipulation

B. Circular Trading

C. Misuse of insider information

There are 2 common activities across circular trading cases:

Key Fraudulent Activities

1 Collusion among buyers and sellers to trade at inflated prices

2 Use of multiple brokerage accounts

What happened:

Key Action

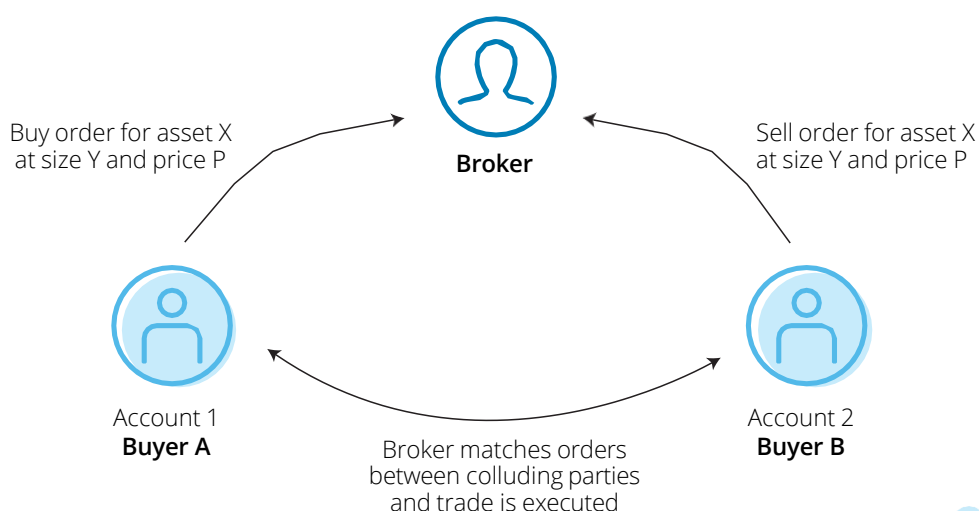
Key Summary

1. Collusion Among Sellers and Buyers

- An individual investor utilized misrepresented financial credentials to establish multiple trading accounts across several securities firms.
- A network of sellers coordinated with this investor to trade securities at artificially inflated prices, collectively generating profits exceeding several hundred million in currency value.

2. Illusion of High Activity

- The trading platform executed standard transaction orders through intermediaries, however, these trades were pre-arranged by collaborating individuals.
- This activity created artificial market signals suggesting increased trading volume and demand, deceiving other market participants.



Analysis of Recurring Fraud Schemes in Thailand

Insider information is misused through unauthorized access, personal trading, and sharing with others to enable coordinated market advantages

Market Abuse Illustrative Case Study – C. Misuse of Insider Information

A. Price Manipulation

B. Circular Trading

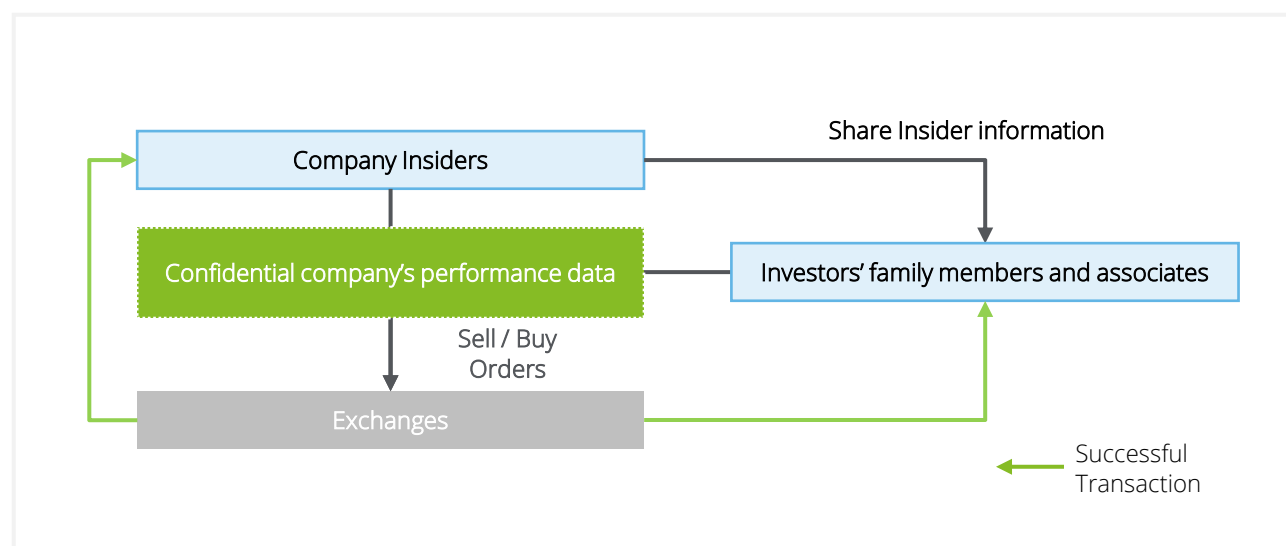
C. Misuse of insider information

There are 3 common activities across price manipulation cases:

Key Fraudulent Activities	1	Accessing confidential company performance data before public disclosure
	2	Using insider knowledge to sell shares, avoiding losses or gaining profits
	3	Sharing insider information with others who may trade on it

What happened:

Key Action	Key Summary
1. Access to Insider Information	<ul style="list-style-type: none"> Multiple individuals obtained confidential financial performance data of a company before public disclosure. This non-public information created an unfair market advantage for those involved.
2. Trading Based on Insider Knowledge	<ul style="list-style-type: none"> The accused strategically sold company shares based on privileged information These trades were timed to avoid losses or secure profits using knowledge unavailable to the public.
3. Potential Tipping and Collusion	<ul style="list-style-type: none"> Insider information appears to have been shared among family members and associates. This sharing enabled coordinated trading activities that magnified the impact of the confidential data misuse.

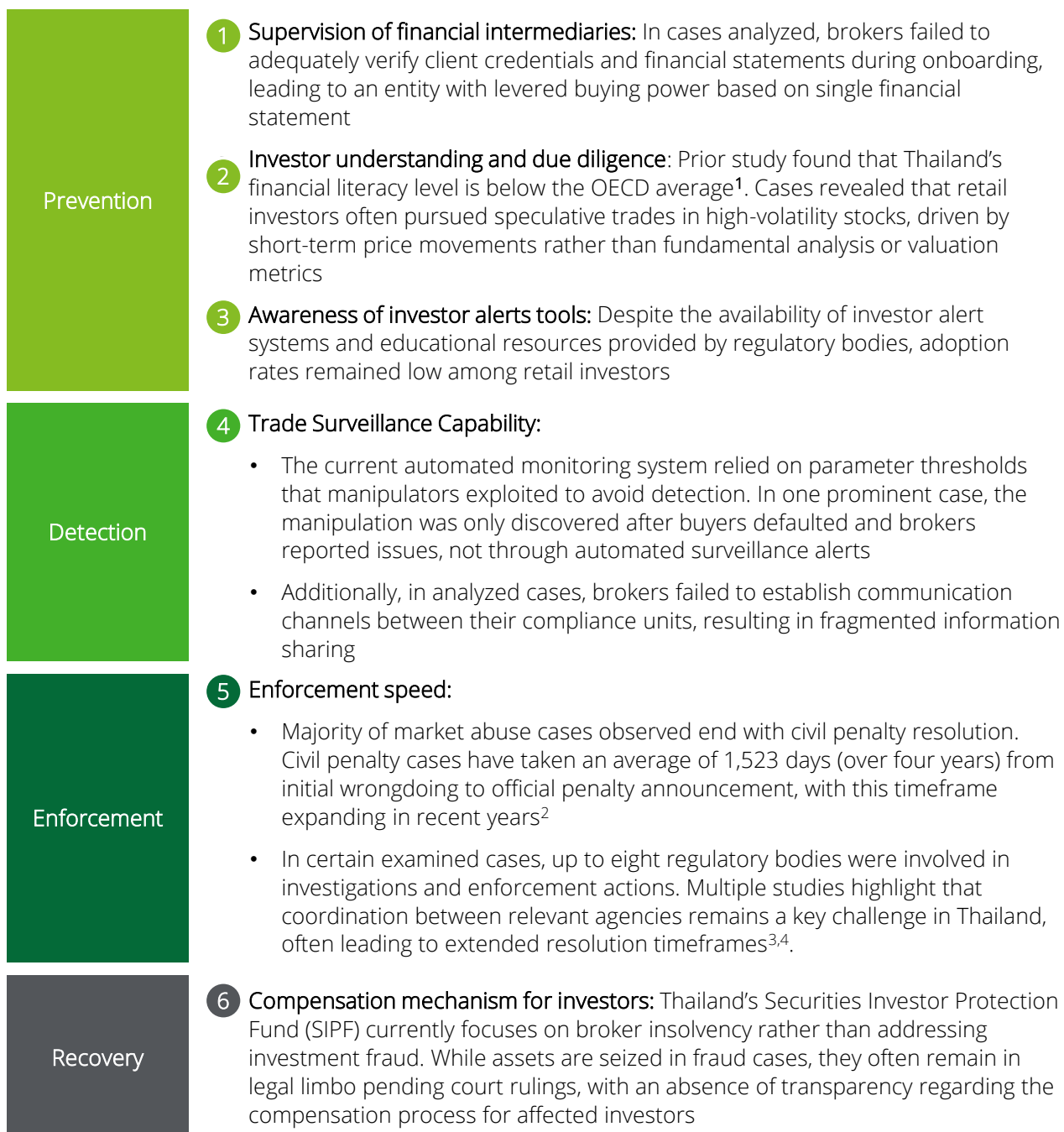


Analysis of Recurring Fraud Schemes in Thailand

Key areas for potential improvement identified through analysis of 40 market abuse cases, insights from 25 SMEs and review of past literatures

Market Abuse: Potential Areas of Improvement for Investor Protection in Thailand

Through the analysis of 40 market abuse cases and 25 subject matter expert (SME) evaluations and review of past literatures, several critical areas have been identified to strengthen investor protection, particularly in addressing price manipulation, circular trading, and the misuse of insider information:



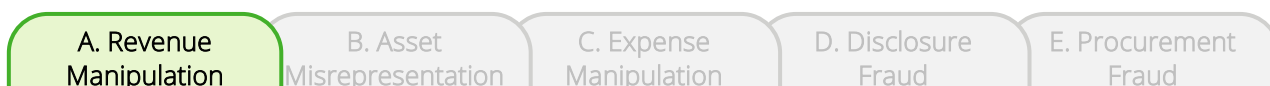
Sources:

- | | |
|--|--|
| 1) Bangkok Post, Financial illiteracy a big problem , 2020 | 3) ThaiJO, Original Research Article , 2023 |
| 2) Bangkok Post, Get tough on stock market misconduct , 2025 | 4) UNAFEI, Resource Material Series No.66 , 2004 |

Analysis of Recurring Fraud Schemes in Thailand

Revenue manipulation schemes often involve circular trading with related parties and premature revenue recognition through contractual loopholes, creating inflated financial results that mislead stakeholders.

Financial Statement Fraud Illustrative Case Study – A. Revenue Manipulation

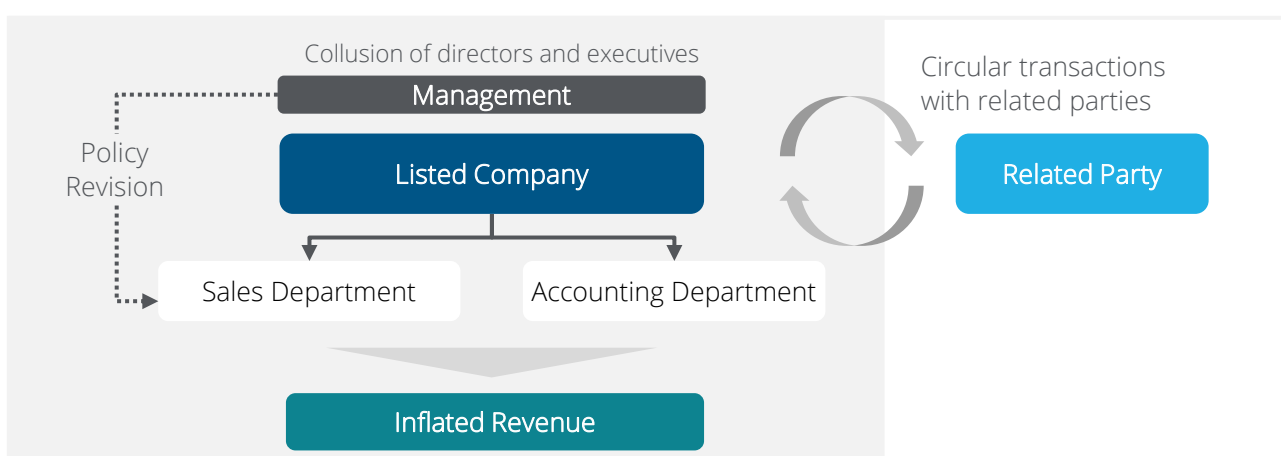


There are 2 common activities across revenue manipulation cases:

Key Fraudulent Activities	1	Fictitious revenue and sales
	2	Premature revenue recognition through contractual manipulation

What happened:

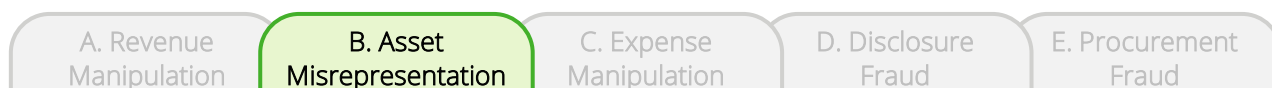
Key Action	Key Summary
1. Fictitious Sales Transactions	<ul style="list-style-type: none"> Circular Trading to Inflate Revenue: Fraudulent schemes often involve circular trading with related parties or shell companies, where funds are cycled back and forth to create the illusion of legitimate sales and cash flow. Use of VAT Payments for Legitimacy: Paying VAT on fictitious sales is a common tactic to make fraudulent transactions appear legitimate. By complying with tax obligations on paper, companies reduce suspicion and create the impression of genuine business activity.
2. Manipulation of Revenue Recognition	<ul style="list-style-type: none"> Revenue Recognition on Unsold Inventory: Revenue is prematurely booked for products distributed to intermediaries (e.g., distributors or retailers) without verification by sales or finance teams as to whether the products have been sold to end customers. This creates inflated revenue figures in financial statements.



Analysis of Recurring Fraud Schemes in Thailand

Asset misrepresentation involves inflating asset values (e.g., goodwill, inventory) and siphoning company resources through improper loans or undervalued transfers for personal gain

Financial Statement Fraud Illustrative Case Study – B. Asset Misrepresentation

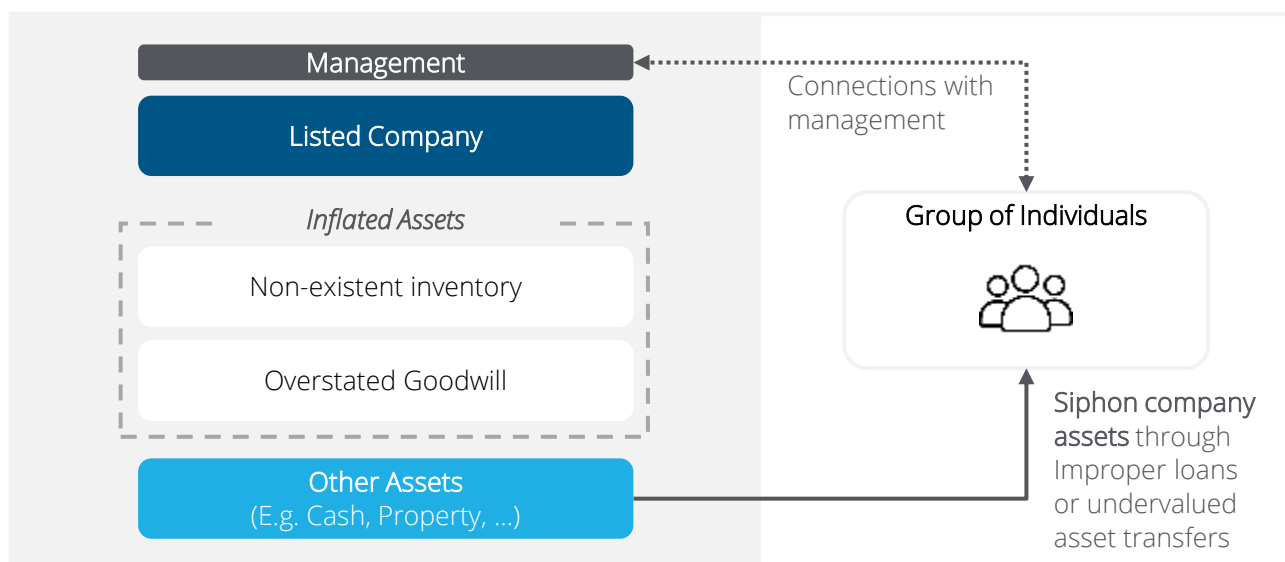


There are 2 common activities across asset misrepresentation fraud schemes:

Key Fraudulent Activities	1	Inflated Asset Valuation
	2	Siphoning of Company Assets

What happened:

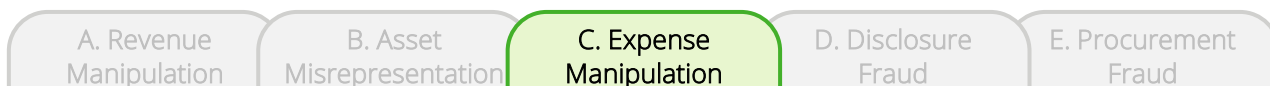
Key Action	Key Summary
1. Inflated Asset Valuation	<ul style="list-style-type: none"> Overstatement of Goodwill: Companies acquire assets or shares in affiliated entities at prices far above their market or book value. The excess payment is recorded as goodwill or intangible assets, which are later written down, revealing the inflated valuation. Non-Existent or Overvalued Inventory: Companies report inventory that does not exist or is significantly overvalued, creating a false impression of higher asset levels and operational efficiency.
2. Siphoning of Company Assets	<ul style="list-style-type: none"> Improper Loans and Advances: Loans are extended to related parties with no clear repayment terms, and repayments are funneled into personal accounts of executives or affiliates instead of the company. Undervalued Asset Transfers: Shares or other assets are transferred to individuals or related parties at prices below market value, effectively diverting corporate resources for personal gain while misrepresenting the company's financial position.



Analysis of Recurring Fraud Schemes in Thailand

Expense manipulation fraud involves overstating expenses to conceal embezzlement and delaying expense recognition to temporarily inflate profitability

Financial Statement Fraud Illustrative Case Study – C. Expense Manipulation

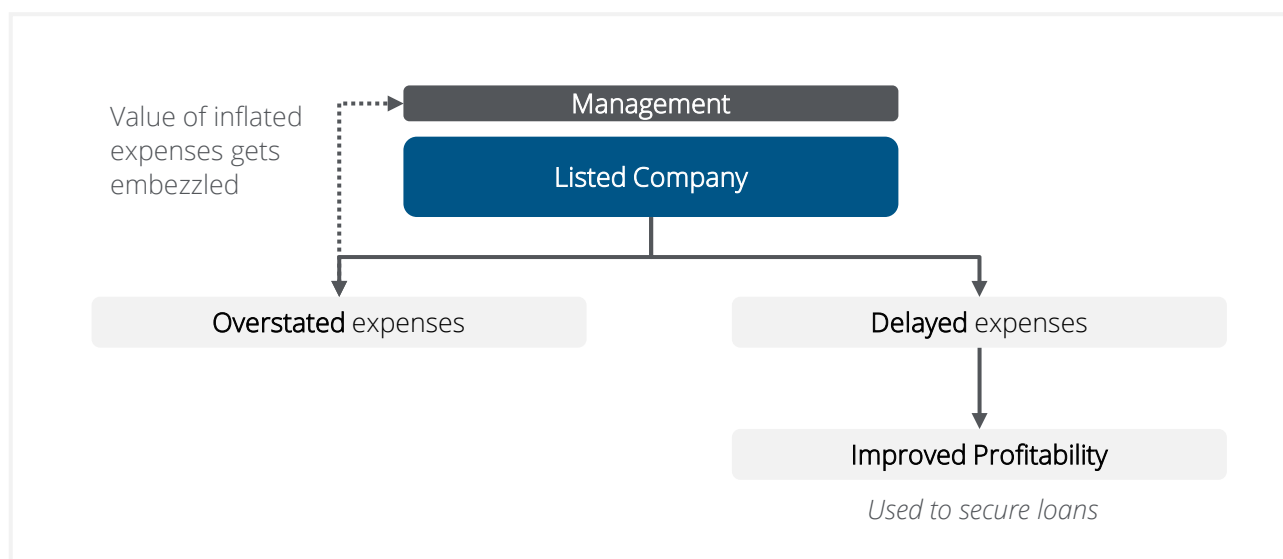


There are 2 common activities across expense manipulation cases:

Key Fraudulent Activities	1	Overstatement of expenses to hide embezzlement
	2	Delayed expenses recognition to temporarily improve profitability

What happened:

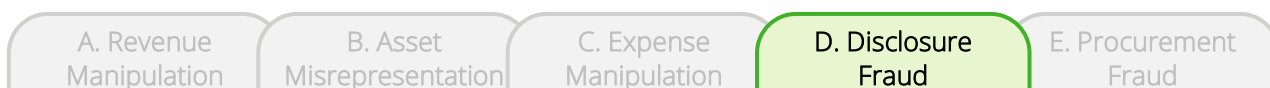
Key Action	Key Summary
1. Overstated Expenses	<ul style="list-style-type: none"> Fictitious Expenses: Companies fabricate invoices or receipts for non-existent transactions, inflating operating expenses. This reduces taxable income and can hide embezzlement. Related-Party Transactions: Inflated payments are made to affiliated entities under the guise of legitimate business expenses, with funds siphoned back to executives.
2. Delayed expenses recognition	<ul style="list-style-type: none"> Delayed Expense Recognition: Companies defer recording legitimate expenses to inflate profits temporarily, often to meet earnings targets or secure loans. Capitalization of Expenses: Operating expenses are misclassified as capital expenditures, spreading costs over several years instead of recognizing them immediately.



Analysis of Recurring Fraud Schemes in Thailand

Disclosure fraud involves concealing critical financial information or issuing misleading public statements to manipulate investor perceptions and market behavior

Financial Statement Fraud Illustrative Case Study – D. Disclosure Fraud



There are 2 common activities across disclosure fraud cases:

Key Fraudulent Activities	1	Concealment of material information
	2	Misleading public statements

What happened:

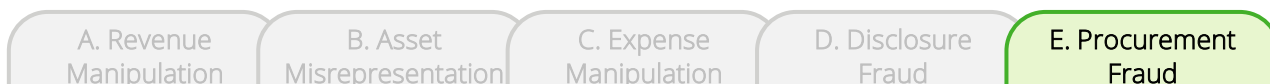
Key Action	Key Summary
1. Concealment of material information	<ul style="list-style-type: none"> • Hiding Financial Risks: Companies have concealed critical financial information, such as falling bond ratings or liquidity crises. For instance, a company may fail to disclose its downgraded bond rating, misleading investors about its creditworthiness and financial stability. • Asset Transfers and Misrepresentation: Another example involves hiding the transfer of client assets to foreign entities while maintaining public assurances of security, as seen in cases involving digital asset platforms.
2. Misleading public statements	<ul style="list-style-type: none"> • False Announcements of Business Deals: There have been instances where companies made public claims about securing significant business agreements or partnerships, which later proved to be unsubstantiated. • Fabricated Financial Assurances: Firms have publicly declared they could meet bond obligations and avoid default, even when internal reports indicated no cash reserves to support such claims. • Media Dissemination of False Information: Certain outlets have spread inaccurate information about stock performance or company prospects, further manipulating public perception and market behavior.



Analysis of Recurring Fraud Schemes in Thailand

Procurement fraud involves inflated costs through overpricing, kickbacks, and fictitious invoices, as well as vendor selection manipulation to favor insiders and enable embezzlement

Financial Statement Fraud Illustrative Case Study – E. Procurement Fraud

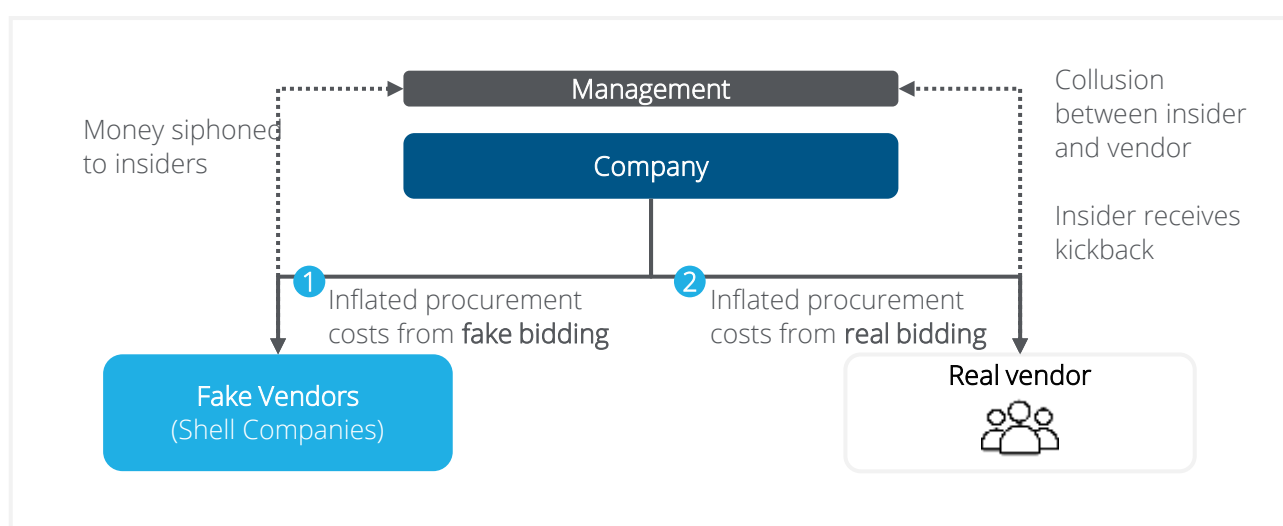


There are 2 common activities across procurement fraud cases:

Key Fraudulent Activities	1	Inflated procurement costs
	2	Vendor selection manipulation

What happened:

Key Action	Key Summary
1. Inflated procurement costs	<ul style="list-style-type: none"> Overpricing: Vendors charge significantly higher prices than market value for goods or services. Subsidiaries act as intermediaries to centralize decisions and obscure pricing irregularities. Kickback Schemes: Overpaying vendors allows executives to siphon funds through undisclosed commissions. Fictitious Invoices: Overstated costs may involve fake invoices for goods/services never delivered, with payments routed to shell companies controlled by insiders.
2. Vendor selection manipulation	<ul style="list-style-type: none"> Specific Vendor with Unfair Advantage: Designing requirements to favor specific vendors or sharing confidential bid evaluation criteria with preferred vendors. Non-Transparent Processes: Key stages like prequalification and bid evaluation are conducted without proper documentation or oversight to favor certain bidders. Kickbacks for Contract Awards: Employees receive kickback to select specific vendors, often funded by embezzling a portion of contract values.





Analysis of Recurring Fraud Schemes in Thailand

Key areas for potential improvement identified through analysis of 33 financial statement fraud cases, insights from 25 SMEs and review of past literatures

Financial Statement Fraud: Potential Areas of Improvement for Investor Protection in Thailand

Through the analysis of 33 financial statement fraud cases and 25 subject matter expert (SME) evaluations and review of past literatures, several critical areas have been identified to strengthen investor protection, particularly in addressing the common fraud schemes within financial statement fraud:



Sources:

- 1) TDRI, [Corporate Fraud in Thailand](#), 2011
- 2) Rajamangala University, [Fraud Prediction](#), 2024
- 3) Thansettakij, [Press Release](#), 2025

- 4) SEC Thailand, [SEC Roles](#), Accessed Mar 2025
- 5) Bangkok Post, [Get tough on stock market misconduct](#), 2025
- 6) SET, [Securities Investor Protection Fund](#), Accessed Mar 2025



Analysis of Recurring Fraud Schemes in Thailand

Ponzi schemes rely on promising unrealistic returns and recycling funds from new investors to pay earlier participants, creating an unsustainable cycle of deception

Financial Statement Fraud Illustrative Case Study – A. Ponzi Scheme

A. Ponzi Scheme

B. Affinity Fraud

C. Phantom Project

D. Financial Grooming

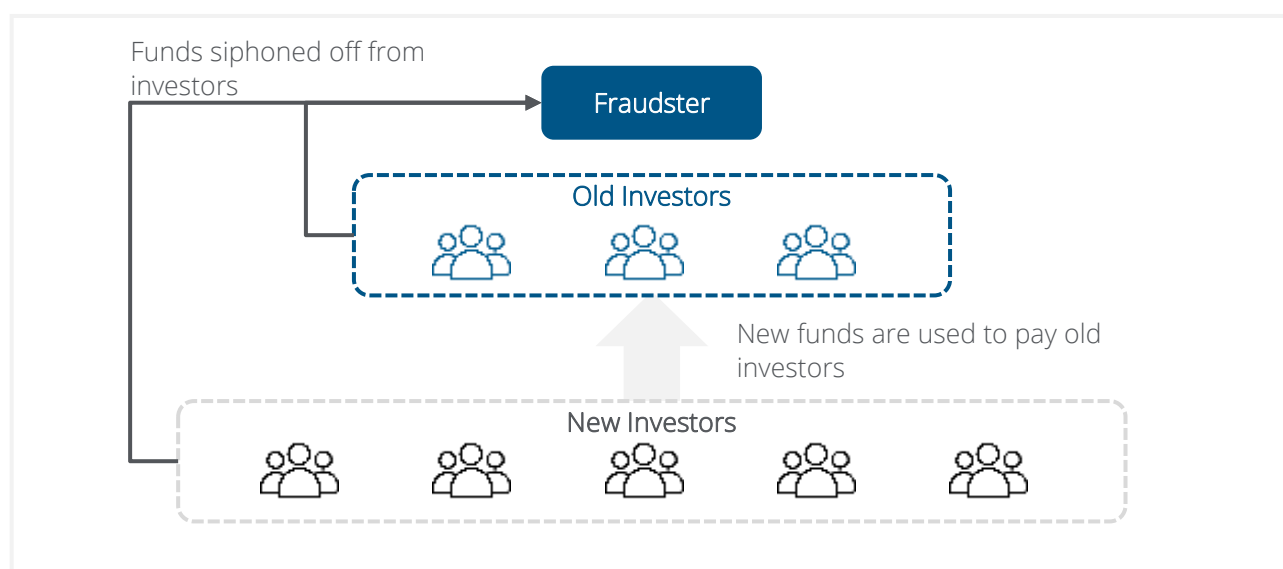
There are 2 common activities in Ponzi scheme cases:

Key
Fraudulent
Activities

- 1 Promising unrealistically high returns
- 2 Recycling funds from new participants to pay investors

What happened:

Key Action	Key Summary
1. Guaranteeing High Returns	<ul style="list-style-type: none">• Promising unrealistic returns: Fraudsters advertise returns significantly above market rates, such as 10%-20% monthly, to attract investors.• Creating trust through payouts: Initial investors are paid promptly to build credibility and encourage word-of-mouth recruitment.
2. Using New Funds to Pay Old Investors	<ul style="list-style-type: none">• Recycling funds: Deposits from new participants are used to pay earlier investors, maintaining the illusion of profitability.• Lack of legitimate business activity: The promised returns are not backed by any real investment or business venture, with funds siphoned off for personal gain.





Analysis of Recurring Fraud Schemes in Thailand

Affinity fraud leverages endorsements from respected figures and exploits trust within close-knit communities to deceive victims and amplify the scam's reach

Financial Statement Fraud Illustrative Case Study – B. Affinity Fraud

A. Ponzi Scheme

B. Affinity Fraud

C. Phantom Project

D. Financial Grooming

There are 2 common activities in affinity fraud cases:

Key
Fraudulent
Activities

1 Using respected figures for fraud endorsement

2 Exploiting community trust

What happened:

Key Action

Key Summary

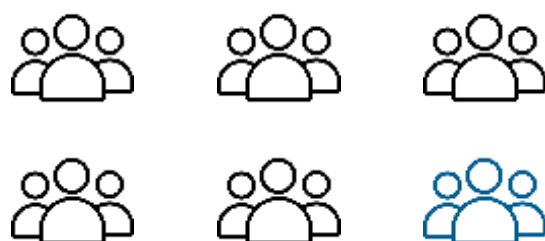
1.
Endorsement
of respected
figures

- **Recruiting trusted individuals:** Community leaders or celebrities are often approached to endorse fraudulent schemes, lending their credibility to attract victims. However, celebrities frequently fail to conduct adequate due diligence before associating with these ventures.
- **Amplifying credibility:** Testimonials from respected figures encourage others in the group to participate, creating momentum for the scam's growth.

2. Exploiting
community
trust

- **Targeting close-knit groups:** Fraudsters infiltrate communities with strong internal bonds, such as religious congregations or ethnic enclaves, by presenting themselves as trusted insiders or members of the group.
- **Exclusive opportunities:** Fraudsters present their schemes as rare opportunities available only to group members, creating a sense of exclusivity and urgency. Fraudsters often instruct victims to keep the investment confidential, warning them that outsiders might not understand its value or could jeopardize its success. This secrecy further isolates victims from seeking advice or conducting due diligence, enabling the scam to persist unchecked.

Community Members



Endorsement of fraud

Respected Figure of the
community

Fraudster

Offers based on
relationship



Analysis of Recurring Fraud Schemes in Thailand

Phantom project scams exploit trust through fabricated developments and deceptive ownership claims, leading to significant financial losses for investors

Financial Statement Fraud Illustrative Case Study – C. Phantom Project

A. Ponzi Scheme

B. Affinity Fraud

C. Phantom Project

D. Financial Grooming

There are 2 common activities in phantom project cases:

Key
Fraudulent
Activities

1 Promoting non-existent projects

2 Deceptive claims of ownership

What happened:

Key Action	Key Summary
1. Non-existent Projects	<ul style="list-style-type: none"> Fabricating Grandiose Developments: Scammers present detailed plans for large-scale projects, such as medical facilities, luxury condominiums, or resorts, using professional documentation like feasibility studies, architectural designs, and marketing materials to build credibility. These projects are often entirely fictional or lack the necessary legal approvals to proceed. Offering Pre-Sale "Opportunities": Fraudsters lure investors with attractive pre-sale deals, offering below-market prices for off-plan properties with promises of high future returns. Victims are encouraged to pay significant deposits upfront without verifying the project's legal status or construction progress. Many such projects collapse before completion, resulting in substantial losses for buyers.
2. Deceptive claims of ownership	<ul style="list-style-type: none"> Selling Land with Invalid Titles: Scammers use forged or illegally issued land title deeds to claim ownership of properties that cannot legally be sold. These documents may later be revoked by authorities due to regulatory violations, leaving investors without ownership rights or recourse. Promoting Illegal Ownership Structures: Fraudsters target foreign buyers who cannot legally own land in Thailand by offering nominee structures under Thai nationals as a workaround. Victims invest large sums believing they have secured ownership rights, only to discover later that these arrangements are invalid under Thai law





Analysis of Recurring Fraud Schemes in Thailand

Financial grooming scams exploit trust-building relationships and falsified investment platforms to manipulate victims into repeated financial transactions before disappearing with their funds

Financial Statement Fraud Illustrative Case Study – D. Financial Grooming

A. Ponzi Scheme

B. Affinity Fraud

C. Phantom Project

D. Financial Grooming

There are 2 common activities in financial grooming cases:

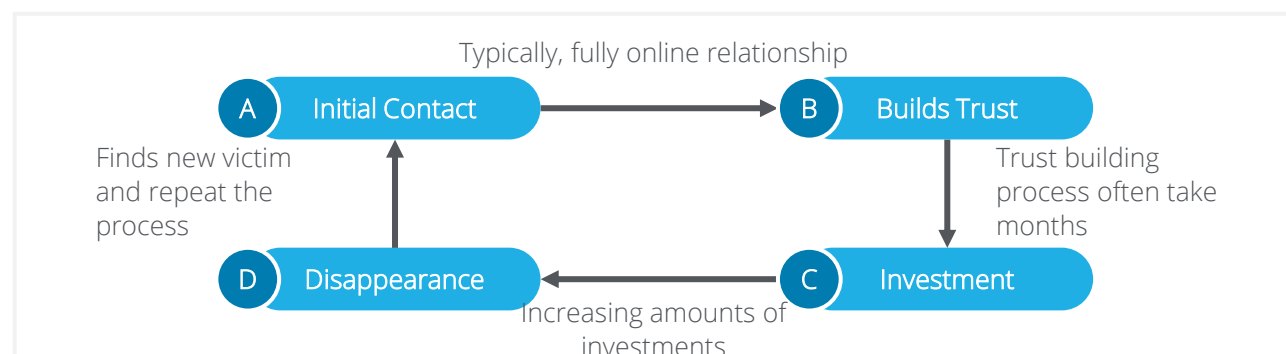
Key
Fraudulent
Activities

1 Establishing trust through relationships

2 Falsifying investment platforms and returns

What happened:

Key Action	Key Summary
1. Trust Establishment	<ul style="list-style-type: none">• Using social engineering tactics: Scammers pose as successful professionals or investors, often portraying themselves as wealthy and knowledgeable to appeal to their targets. They use social media platforms like Facebook and Line or dating applications such as Tinder to establish initial contact.• Creating emotional dependency: Fraudsters invest time in developing relationships with victims, offering advice or support while subtly introducing investment opportunities. The victim begins to trust the scammer as a reliable confidant.
2. Falsified Returns	<ul style="list-style-type: none">• Slow progression toward financial manipulation: Once trust is established, scammers introduce fake investment schemes, promising lucrative returns on cryptocurrency or digital assets through platforms that appear legitimate but are controlled by the fraudsters• Showing false returns: The platforms display manipulated data showing high profits from initial investments, convincing victims to invest larger sums over time. This tactic is often referred to as "pig-butchering," where scammers "fatten up" victims before stealing all their funds.• Sudden disappearance: Once significant funds are collected, scammers cease communication and shut down the fake platforms, leaving victims unable to recover their money.





Analysis of Recurring Fraud Schemes in Thailand

Key areas for potential improvement identified through analysis of 22 investor scam cases, insights from 25 SMEs and review of past literatures

Investor Scam: Potential Areas of Improvement for Investor Protection in Thailand

Through the analysis of 22 investor scam cases and 25 subject matter expert (SME) evaluations and review of past literature, several critical areas have been identified to strengthen investor protection, particularly in addressing the common fraud schemes within investor scam:

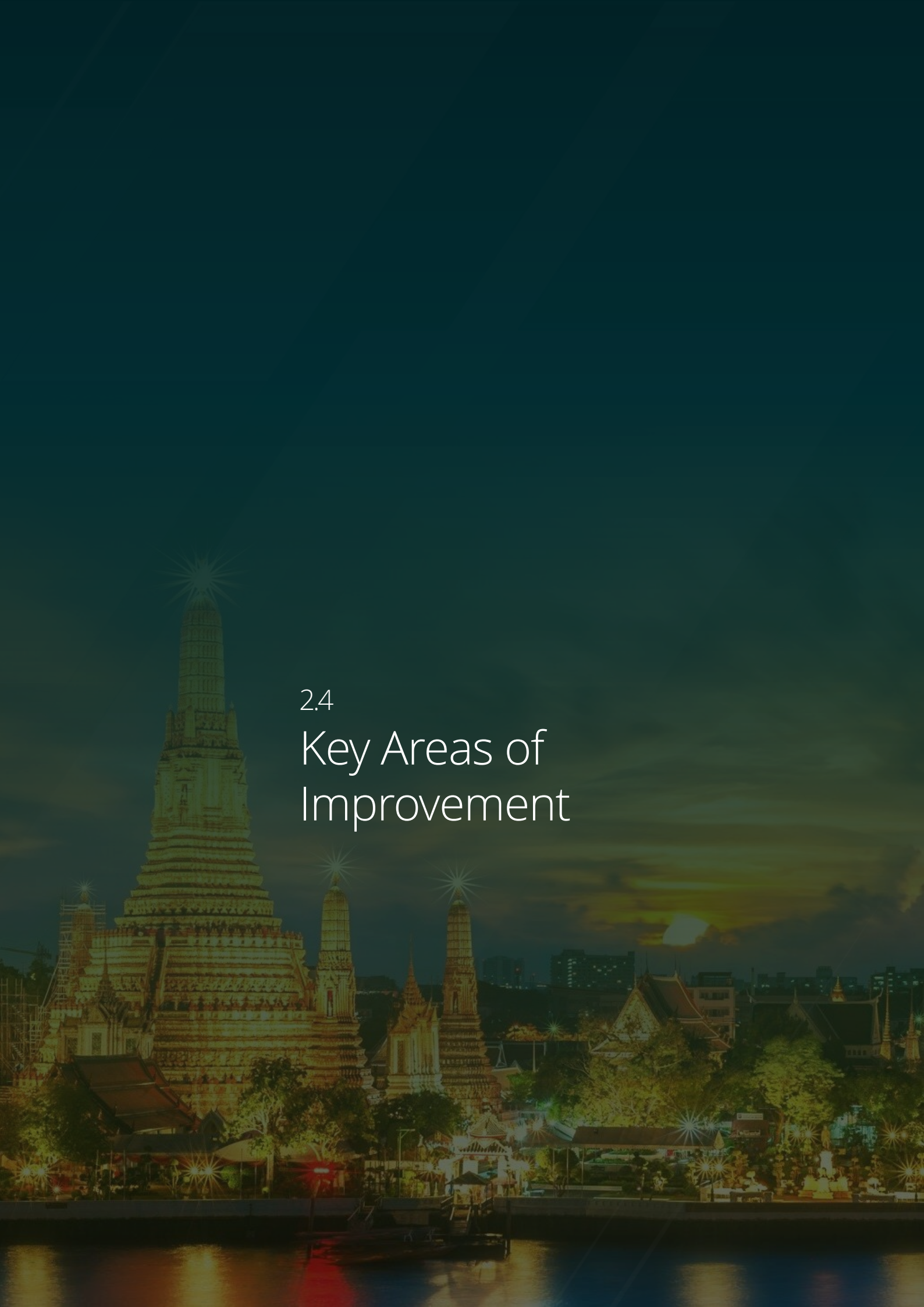


Sources:

1) TRM Labs, [Unmasking a Crypto Scam Network](#), Accessed Mar 2025

2) Bangkok Post, [CCIB gets 200k fraud complaints](#), 2023

3) Thammasat Review, [Enforcing Financial Crime](#), 2015



2.4 Key Areas of Improvement

Key Areas of Improvement

































Analysis of 95 investment fraud cases and SME focus group interviews reveal improvement areas across all stages of investor protection

Key findings

A collaborative review of over 95 investment fraud cases, supported by insights from 25 SME focus group interviews, identifies key areas for improvement across prevention, detection, and resolution stages. These findings reflect collective input from experts and case studies to inform potential enhancements.

The applicability and nature of these opportunity areas vary by fraud type, emphasizing the need for tailored strategies to address specific vulnerabilities effectively.

The table below outlines the key areas for improvement and their estimated impact on enhancing investor protection or mitigating investment fraud across the three types of fraud:

Key Themes		Key Areas of Improvement				
Prevention	1. Screening Process	Supervision of financial intermediaries	 	H	H	NA
	2. Investor Education	Investor understanding and due diligence	 	H	M	H
		Awareness of investor assistance tools		H	L	H
	3. Corporate Governance	Supervision of corporate internal controls by management	 	NA	H	NA
		Internal audit quality	 	NA	H	NA
Detection	4. Surveillance System	Trade surveillance capability	 	H	NA	L
		Financial statement data analytic capability	 	NA	H	NA
		Corporate disclosure surveillance capability	 	NA	H	NA
		Resources to investigate detection leads	 	M	M	M
Enforcement	5. Enforcement Speed	Streamlining coordination across agencies	 	H	H	M
		Obtaining adequate evidence to support cases	 	H	H	H
Recovery	6. Penalties Imposed	Deterrence effect on fraudster	 	M	H	L
	7. Asset recovery	Asset recovery speed	 	L	M	L
		Asset recovery rate	 	L	M	L
	8. Victim Compensation	Compensation mechanism for investors	 	H	H	H

Legend

 Case Studies  Expert Interviews

Estimated Impact from Improvement

Low Medium High

Key Areas of Improvement






The next chapter examines global case studies and regulatory responses to identify lessons and strategies Thailand can adopt to strengthen investor protection and combat fraud

Summary

The key areas of improvement in Thailand's investor protection highlight the urgent need for reform in both regulatory frameworks and enforcement mechanisms. In Chapter 3, we will explore insights and best practices from global leaders, offering valuable lessons that Thailand can adapt to strengthen its own framework

Global Regulatory Lenses on Investment Fraud and Protection

The next chapter explores regulatory measures and institutional initiatives from the U.S., Singapore, Malaysia, China, and Taiwan that have strengthened investor protection in response to evolving fraud risks. These examples showcase how leading markets have advanced legal frameworks, enhanced inter-agency coordination, and adopted technology-driven tools to detect, deter, and respond to misconduct. By spotlighting relevant approaches across prevention, detection, enforcement, and recovery, chapter 3 identifies practical insights that can inform enhancements to Thailand's investor protection framework:

	United States	A global leader in investment markets, continuously adapting enforcement strategies to combat emerging fraud risks
	Singapore	Southeast Asia's financial hub with a proactive investor protection framework enforced by MAS
	Malaysia	Shares a similar investment fraud landscape with Thailand, making its regulatory measures highly relevant
	China	Implements rigorous regulatory oversight and advanced technology-driven fraud detection strategies
	Taiwan	Excels in fraud prevention through strict regulations and innovative anti-fraud measures

Chapter 3

Inspirations from Leading Markets

3.1 Spotlight on Leading Global Markets

3.2 Key Learnings from Other Markets

3.2.1 United States

3.2.2 Singapore

3.2.3 Malaysia

3.2.4 China

3.2.5 Taiwan

3.3 Summary of What Thailand Can Learn from Other Markets









3.1

Spotlight on Leading Global Markets



Spotlight on Leading Global Markets

As highly developed financial markets, the U.S. and Singapore have built sophisticated systems to address investor fraud and misconduct, while China, Taiwan, and Malaysia provide strong regulatory models selected for their relevance to Thailand's investor protection gaps




	 United States	 Singapore	 Other Markets
Key Lens	The United States maintains a leading position in global investment markets, underpinned by a mature regulatory environment and adaptive enforcement strategies that have made it a reference point for investor protection frameworks worldwide	Singapore maintains its position as Southeast Asia's leading hub for investor protection, supported by proactive regulation and coordinated enforcement led by the Monetary Authority of Singapore (MAS)	Malaysia shares a similar investor fraud landscape with Thailand, grappling with sophisticated scams. In contrast, China and Taiwan have adopted rigorous regulations and advanced technology-driven strategies, positioning themselves as regional leaders in fraud prevention
Key Strengths	The U.S. SEC adopts a proactive enforcement approach, supported by specialized units, advanced detection tools, and inter-agency collaboration. Laws like Sarbanes-Oxley and Dodd-Frank enhance oversight, accountability, and whistleblower protection, while the PCAOB reinforces audit integrity and market discipline.	Singapore's regulatory framework combines proactive legislation, advanced surveillance technologies, public education, and strong regulator-industry collaboration. MAS uses AI, machine learning, and natural language processing to detect suspicious activity and safeguard market integrity.	AI-powered fraud detection, stringent regulations, and cross-sector collaboration are key strategies in combating financial fraud across these nations
Key learnings	<ul style="list-style-type: none"> • Robust Regulatory and Enforcement Framework: The U.S. combines strong regulatory oversight from the SEC and PCAOB with legislative mandates under SOX and Dodd-Frank to ensure financial accuracy, protect whistleblowers, and hold executives accountable through certifications, clawbacks, and timely disclosures • Advanced Detection, Protection, and Recovery Systems: The U.S. leverages technology-driven initiatives like the Consolidated Audit Trail, data analytics tools, and real-time fraud prevention (e.g., Operation Level Up), while programs like SIPC and the Fair Fund ensure investor asset protection and equitable recovery 	<ul style="list-style-type: none"> • Collaborative Enforcement Ecosystem: Singapore ensures effective fraud prevention and enforcement through seamless coordination among MAS, SGX, CAD, and ACRA, allowing for joint investigations, shared intelligence, and integrated civil-criminal strategies • Advanced Detection Tools: Cutting-edge technologies like AI, machine learning, and NLP are embedded in surveillance systems and scam centers, enabling early identification of suspicious activity and enhancing market integrity 	 Protects investors through SOX-style controls, active minority shareholders, inspections, financial courts, and state-backed class actions  Leverages SFIPC-led class actions, strong governance, and agency collaboration for fraud detection and recovery  Focuses on ethics, literacy, whistleblower protection, and centralized scam response and compensation
Emerging Trends	Fraudsters increasingly leverage crypto scams, AI impersonations, and synthetic identities to target investors	Emerging threats such as fake insurance, crypto scams, social media fraud, and deepfake schemes reflect rising digital sophistication, underscoring the need for vigilant and adaptive regulation	Fraudsters are exploiting AI, deepfakes, and social media, and target vulnerable groups, with a growing focus on cryptocurrency scams

Spotlight on Leading Global Markets

Thailand, the U.S., and Singapore share similar stakeholder groups, but structural differences shape how each plays its role in maintaining market integrity within their financial systems

Unique stakeholder roles in upholding market integrity across Thailand, the U.S., and Singapore

While Thailand, the United States, and Singapore share common stakeholder roles in upholding market integrity, their specific responsibilities differ based on each market structure and regulatory framework. The table below highlights key differences in roles across direct and indirect stakeholders in the financial ecosystems of the three markets.

Key Stakeholder	 Thailand	 United States	 Singapore	
Direct	Investor	Institutional investors, guided by largely voluntary stewardship codes ¹ , play a growing but limited role in governance; retail investor protection is still evolving	Institutional investors shape governance via mandate disclosures and fiduciary duties ² ; retail investors are protected by strict regulations	Institutional investors shape governance through active engagement and strong regulatory frameworks, often promoting global best practices
	Regulator	Regulatory responsibilities are shared across multiple agencies, which may result in overlapping oversight ³ Self-regulatory organizations have limited formal authority	Regulators have clear, specialized mandates (e.g., SEC for securities, CFTC for commodities) with strong enforcement and well-defined responsibilities	MAS regulates financial institutions and sets capital market policies, SGX RegCo oversees listed company disclosures, and ACRA governs corporate reporting and audit standards
Indirect	Law Enforcement	The Royal Thai Police leads investigations, while specialized agencies (e.g., DSI, NACC) handle complex cases. Many have arrest powers, but only some conduct full investigations	Law enforcement is decentralized ⁵ , with federal, state, and local agencies, each with specific jurisdiction and responsibilities	CAD is a centralized law enforcement agency ⁶ with clear mandates and strong coordination with regulators such as MAS and SGX to detect and investigate fraud
	Courts	The independent judiciary, administered by the Office of the Judiciary, has broad authority and resolves jurisdictional disputes internally ⁷	Courts have a common law system, with the power to set legal precedents and conduct jury trials ⁸	Courts operate under a common law system, with clear separation of powers and efficient case management ⁹
	Exchange	The SET, under SEC oversight, manages market operations and disclosure enforcement, with limited self-regulatory powers ¹⁰	Exchanges (e.g., NYSE, NASDAQ) have significant self-regulatory authority ¹¹ , responsible for listing standards, market surveillance, and enforcement	SGX acts as both an exchange and a self-regulatory organization ¹² , with broad authority and close collaboration with MAS

Sources:

- 1) SEC Thailand, [Report](#), Accessed Apr 2025
- 2) OECD, [Corporate Governance Report](#), 2011
- 3) ThaiJO, [Research Article](#), 2024
- 4) Lexology, [The regulatory framework](#), 2025
- 5) Britannica, [Decentralized police organizations](#), 2025
- 6) Global Investigations Review, [Article](#), 2023

- 7) COJ, [The Court of Justice System](#), 2018
- 8) The U.S. Courts, [The Federal Court System](#), 2010
- 9) JDRN, [Singapore Country Report](#), Accessed Apr 2025
- 10) ThaiJO, [Research Article](#), 2022
- 11) NYSE, [Regulation](#), Accessed Apr 2025
- 12) BIS, [Article](#), 2016



3.2

Key Learnings from Other Markets

- 3.2.1 United States > Deep Dive
- 3.2.2 Singapore > Deep Dive
- 3.2.3 Malaysia > Highlights
- 3.2.4 China > Highlights
- 3.2.5 Taiwan > Highlights

3.2.1

United States

Market Deep Dive

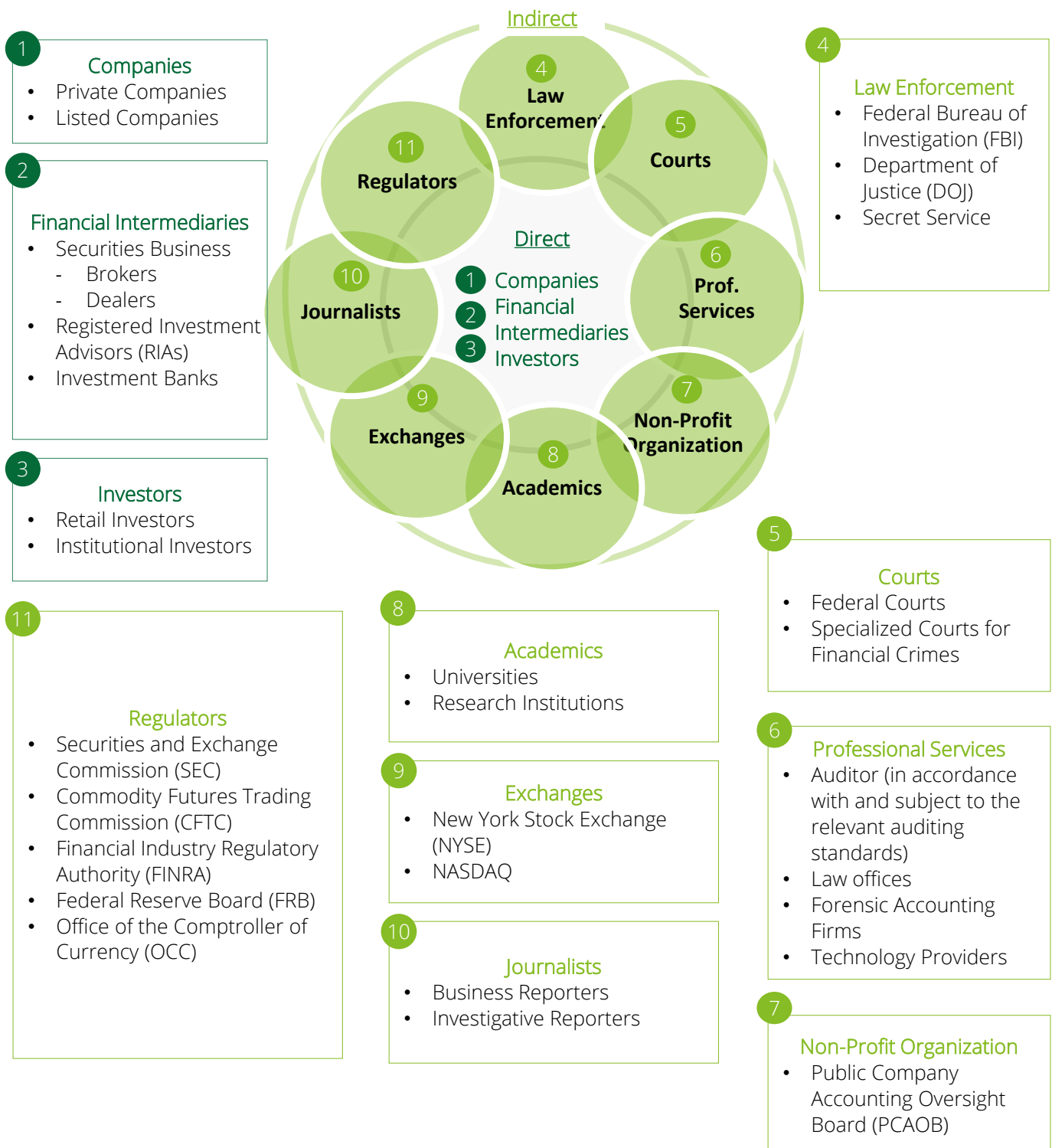




The U.S. capital market ecosystem is supported by a multi-layered network of stakeholders, including federal regulators, self-regulatory organizations (SROs), law enforcement agencies, financial intermediaries, and community support organizations

The stakeholder ecosystem in the U.S. capital market

For illustrative purposes only and not intended to express any opinion or statement on the extent and role of each of these stakeholders





The U.S. capital market is defined by a diverse stakeholder ecosystem, where companies, financial intermediaries, and investors collaborate under stringent regulatory standards

	Key Stakeholder	Role	Key Responsibility
Companies	Listed Companies	Securities Issuers	<ol style="list-style-type: none"> 1. File accurate and timely disclosures with the SEC¹ 2. Comply with SOX governance requirements² 3. Disclose material information via SEC's EDGAR¹
	Private Companies	Business Entity	<ol style="list-style-type: none"> 1. Comply with applicable federal and state laws³ 2. Provide limited or no public financial disclosure³ 3. Report to relevant authorities as required³
Financial Intermediaries	Broker-Dealers	Securities Transactions Facilitators	<ol style="list-style-type: none"> 1. Execute trades on behalf of clients² 2. Provide market information and investment advice 3. Register with FINRA and comply with its rules⁴
	Investment Banks	Capital Market Intermediaries	<ol style="list-style-type: none"> 1. Act as intermediaries between corporations and institutional investors³
	Registered Investment Advisors (RIAs)	Financial Guide	<ol style="list-style-type: none"> 1. Act as fiduciaries, always prioritizing client interests⁷ 2. Register with the SEC or state regulators⁷
Investors	Retail Investors	Individual investors	<ol style="list-style-type: none"> 1. Make informed investment decisions 2. Stay updated on market trends and company filings 3. Diversify investments to manage risk
	Institutional Investors	Organizations investing on behalf of others	<ol style="list-style-type: none"> 1. Conduct thorough research and due diligence 2. Exercise voting rights to promote good governance
Regulators	Commodity Futures Trading Commission (CFTC)	Derivatives Market Regulator	<ol style="list-style-type: none"> 1. Regulate futures, options, swaps markets to ensure transparency and prevent abuse¹¹
	Securities and Exchange Commission (SEC)	Capital Markets Regulator & Enforcer	<ol style="list-style-type: none"> 1. Regulate securities markets 2. Enforce compliance with federal securities laws⁸ 3. Investigate violations⁹
	Financial Industry Regulatory Authority (FINRA)	Self-Regulatory Organization	<ol style="list-style-type: none"> 1. Oversee securities trading conduct⁵ 2. Audit and investigate violations 3. Resolve investor disputes⁵

Sources:

- 1) SEC, [About the SEC](#), 2025
- 2) Investopedia, [Sarbanes-Oxley Act \(SOX\)](#), 2024
- 3) Investopedia, [Private Companies Explained](#), 2024
- 4) FINRA, [About FINRA](#), 2024
- 5) Jumio, [What is the Financial Industry Regulatory Authority \(FINRA\)?](#), 2024
- 6) Investopedia, [Broker-Dealer Definition](#), 2024
- 7) Investopedia, [Registered Investment Advisor \(RIA\)](#), 2024
- 8) U.S. Securities and Exchange Commission, [The Laws That](#)

- 9) Congressional Research Service, [Introduction to Financial Services: The Securities and Exchange Commission \(SEC\)](#), 2024
- 10) Corporate Finance Institute, [Key Players in Capital Markets](#), 2024
- 11) Investopedia, [Commodity Futures Trading Commission \(CFTC\)](#), 2023



The U.S. capital market relies on regulators, law enforcement, courts, and professional services working together to enforce rules, address misconduct, and maintain trust in the markets

	Key Stakeholder	Role	Key Responsibility
Exchanges	Exchanges (NYSE, NASDAQ)	Stock Exchange Operators	<ol style="list-style-type: none"> 1. Provide platform for capital market activities 2. Ensure fair trading practices 3. Monitor listed companies' compliance
Law Enforcement	Federal Bureau of Investigation (FBI)	Government Investigative Agency	<ol style="list-style-type: none"> 1. Investigate financial fraud¹ 2. Disrupts organized investment scams² 3. Coordinate with regulators and prosecute crimes²
	Department of Justice (DOJ)	Law Enforcement & Prosecutorial Agency	<ol style="list-style-type: none"> 1. Prosecute securities and investment fraud³ 2. Lead multi-agency task forces in major fraud cases⁴ 3. Recover and return assets to victims⁵
	Secret Service	Specialized Investigative Agency	<ol style="list-style-type: none"> 1. Investigate financial crimes⁶ 2. Combat cyber-enabled financial crimes⁷ 3. Lead cyber fraud task forces⁸
Courts	Federal Courts	Court System	<ol style="list-style-type: none"> 1. Interpret and enforce federal laws⁹ 2. Resolve securities and investment fraud cases⁹ 3. Order restitution and asset recovery⁹
	Specialized Courts	Prosecutorial Agency	<ol style="list-style-type: none"> 1. Resolve complex cases requiring specialized expertise¹⁰ 2. Oversee Financial and Investor Disputes 3. Facilitate international legal cooperation¹⁰
Professional Service	Technology Providers (e.g., Sonar, SWIFT KYC)	Intelligence Networks	<ol style="list-style-type: none"> 1. Enhance real-time fraud detection 2. Identify cross-institutional risk patterns 3. Improve customer due diligence
	Forensic Accounting Firms	Fraud Detection Specialists	<ol style="list-style-type: none"> 1. Conduct forensic investigations of financial crimes¹¹ 2. Provide expert litigation support in court¹¹ 3. Evaluate internal controls to prevent future fraud¹¹
	S&P, Moody's, Fitch	Credit Rating Agencies	<ol style="list-style-type: none"> 1. Evaluate the creditworthiness of debt issuers 2. Provide ratings that inform regulatory capital standards¹²

Sources:

- 1) FBI, [Securities Fraud Overview](#), 2023
- 2) FBI, [White-Collar Crime](#), 2023
- 3) U.S. Department of Justice, [Securities and Financial Fraud](#), 2023
- 4) U.S. Department of Justice, [About the Fraud Section](#), 2023
- 5) U.S. Department of Justice, [Asset Forfeiture Program](#), 2023
- 6) U.S. Secret Service, [Financial Investigations](#), 2023

- 7) U.S. Secret Service, [Cyber Investigations](#), 2023
- 8) U.S. Secret Service, [Field Offices](#), 2023
- 9) U.S. Courts, [Understanding the Federal Courts](#), 2023
- 10) U.S. Courts, [Court Role and Structure](#), 2023
- 11) Accounting.com, [Forensic Accountant Duties](#), 2024
- 12) U.S. Securities and Exchange Commission, [What Are Credit Rating Agencies and How Do They Work?](#), 2021



The United States maintains a highly adaptive investor protection framework shaped by complex market dynamics and continuously evolving fraud threats

The U.S. experience highlights how targeted reforms and coordinated infrastructure have raised the benchmark for investor protection

The United States has established a robust investor protection framework by continuously enhancing screening processes, corporate governance, surveillance systems, enforcement mechanisms, and recovery initiatives. These efforts address market abuse, financial fraud, and investor scams through the use of advanced technologies, regulatory reforms, and coordinated enforcement.

Non-exhaustive



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Prevention	P1. [SEC] Investor Education Initiative via Investor.gov, 2009 ¹		
	P5. [SEC] Securities Exchange Act of 1934, 1934 ⁵	P2. [PCAOB] Regulatory Oversight 2002 ²	PD2. [FBI] Operation Level Up, 2022 ⁶
	P6. [Public-led] Shared Intelligence Network	P3. [SEC] Sarbanes-Oxley Section 302 - Executive Accountability, 2002 ³	
Detection		P4. [SEC] Sarbanes-Oxley Section 404 - Internal Controls Assessment, 2002 ⁴	
		P7. [SEC] Crypto Task Force ¹⁷	
	PD1. [FINRA] Rules & Guidance ¹⁶		
	D1. [FINRA] Consolidated Audit Trail (CAT), 2018 ⁷	D2. [SEC] Sarbanes-Oxley Section 409 - Real-Time Issuer Disclosures, 2002 ⁴	
Enforce.		D3. [SEC] Sarbanes-Oxley Section 806 - Whistleblower Protection, 2002 ⁴	
		D5. [SEC] EPS Initiative, 2020 ¹⁵	
	D4. [SEC] Dodd-Frank Whistleblower Program, 2010 ⁸		
Recovery	E1. [DOJ] DOJ-Led Multi-Agency Task Force ⁹		
	E2. [SEC] Cyber and Emerging Technologies Unit (CETU) ¹⁸		
	E3. [SEC] Financial Reporting and Audit Task Force, 2013 ¹⁰		
Recovery	R1. [SIPC] Securities Investor Protection Corporation (SIPC), 1970 ¹¹	R2. [SEC] Fair Fund Program (SOX Section 308), 2002 ¹²	R4. [DOJ] Asset Forfeiture Program (Enhanced for Digital Assets), 2018 ¹⁴
		R3. [SEC] Clawback Provision, 2002 ¹³	

Sources:

- 1) SEC, [SEC Launches Investor.gov](#), 2009
- 2) PCAOB, [About PCAOB](#), 2023
- 3) Halloran Sage, [Overview of Sarbanes-Oxley Act](#), 2021
- 4) AuditBoard, [The Sarbanes-Oxley Act](#), 2023
- 5) SEC, [The Laws That Govern the Securities Industry](#), 2023
- 6) FBI, [Operation Level Up](#), 2024
- 7) FINRA, [Market Surveillance](#), 2023
- 8) SEC, [Dodd-Frank: Whistleblower Program](#), 2023
- 9) U.S. Code, [Functions of the Attorney General](#), 2025
- 10) SEC, [SEC Announces Enforcement Initiatives to Combat Financial Reporting and Microcap Fraud](#), 2013
- 11) SIPC, [What SIPC Protects](#), 2024
- 12) Investopedia, [Fair Funds for Investors](#), 2023
- 13) Bloomberg Law, [Corporate Governance Overview: Executive Compensation Clawback](#), 2023
- 14) DOJ, [Asset Forfeiture Program](#), 2023
- 15) Woodruff Sawyer, [SEC Ramping Up Technology to Uncover Accounting Fraud](#), 2021
- 16) Carton Fields, [FINRA Issues 2025 Annual Regulatory Oversight Report](#), 2025
- 17) SEC, [Crypto Task Force](#), Accessed 9th May 2025
- 18) SEC, [Cyber and Emerging Technologies Unit](#), 2025



The U.S. investor protection landscape leads globally by proactively enforcing corporate accountability and maintaining clear, adaptable regulations that extend to emerging financial instruments and technologies

Initiatives and Key Summary

Prevention

P1. [SEC] Investor Education Initiative via Investor.gov



The SEC launched Investor.gov to help retail investors make informed decisions. It addresses low financial literacy through fraud alerts, risk explanations, and tools to verify financial products and professionals.¹

P2. [PCAOB] Regulatory Oversight



Established under the Sarbanes-Oxley Act (2002), the PCAOB operates under SEC oversight to uphold high standards in financial reporting. Through standing-setting, inspections, and enforcement, it promotes the reliability and transparency of public company disclosures, reinforcing investor confidence in the integrity of capital markets²

P3. [SEC] Sarbanes-Oxley Section 302 - Executive Accountability



SOX Section 302 requires CEOs and CFOs to certify financial accuracy and internal controls. False certifications can result in up to 5 million USD in fines or 20 years in prison if done willfully.³

P4. [SEC] Sarbanes-Oxley Section 404 - Internal Controls Assessment



SOX Section 404 requires companies to document, test, and maintain internal controls over financial reporting to ensure accuracy and reliability⁴

P5. [SEC] Securities Exchange Act of 1934



The Securities Exchange Act of 1934 empowered the SEC to regulate secondary markets and enforce laws against insider trading, market manipulation, and false disclosures, granting it authority to investigate misconduct and hold market participants accountable.⁵

P6. [Public-led] Shared Intelligence Network



In addition to regulatory reforms, several private-sector-led initiatives have emerged to enhance real-time fraud detection, identity verification, and due diligence. Consortiums like **Sonar** and the **SWIFT KYC Registry** leverage shared intelligence to reduce systemic risk and enhance visibility into fraudulent activities.

P7. [SEC] Crypto Task Force



The Crypto Task Force collaborates with Commission staff and the public to help chart a new approach to the regulation of crypto assets. The scope of the Crypto Task Force's focus will include assets colloquially referred to as digital assets, crypto assets, cryptocurrencies, digital coins and tokens, as well as protocols.

PD1. [FINRA] Rules & Guidance



FINRA, the Financial Industry Regulatory Authority, is a not-for-profit self-regulatory organization overseen by the SEC that writes and enforces rules to protect investors and ensure market integrity by overseeing broker-dealers and their personnel. FINRA rules apply to all digital assets, including unregistered digital asset securities and digital assets that do not fall under the SEC's jurisdiction. FINRA has observed that malicious actors continue to employ manipulative schemes, such as pump-and-dumps, to profit off investor interest in blockchain and digital assets. FINRA has observed recurring violations of Rules 2210 (Communications With the Public), 3110 (Supervision), and 3310 (Anti-Money Laundering Compliance Program) in the digital asset space.⁶

PD2. [FBI] Operation Level Up



Operation Level Up actively identifies victims of investment fraud and contacts them before they suffer further losses. By January 2025, the operation had contacted over 4,300 individuals, 76% of whom were unaware they were being defrauded, and prevented an estimated \$285 million in losses.⁷

Fraud Type: Market Abuse Financial Statement Fraud Investor Scams

Sources:

- 1) SEC, [SEC Launches Investor.gov](#), 2009
- 2) PCAOB, [About PCAOB](#), 2023
- 3) Halloran Sage, [Overview of Sarbanes-Oxley Act](#), 2021

- 4) AuditBoard, [The Sarbanes-Oxley Act](#), 2023
- 5) SEC, [The Laws That Govern the Securities Industry](#), 2023
- 6) Carton Fields, [FINRA Issues 2025 Annual Regulatory](#)
- 7) FBI, [Operation Level Up](#), 2024



Detection in the U.S. investor protection framework is strengthened by advanced surveillance systems, unified insider trading monitoring, and robust whistleblower incentives that enable rapid identification and investigation of market abuses

Initiatives and Key Summary

Detection

D1. [FINRA] Consolidated Audit Trail (CAT) ●

The Consolidated Audit Trail (CAT) collects time-stamped trade data across all U.S. equity and options markets, linking each order to individual accounts. It gives regulators a full view of trading activity from order to execution. FINRA Surveillance analyzes this data to detect suspicious behavior—like spoofing or wash trades—and flags potential manipulation to firms and the SEC.¹

D2. [SEC] Sarbanes-Oxley Section 409 - Real-Time Issuer Disclosures ●

SOX Section 409 requires public companies to promptly disclose risks or changes in financial condition or operations, ensuring investors receive timely updates beyond quarterly reports. It covers issues like liquidity problems, shifts in revenue sources, or misleading marketing claims. While Section 409 doesn't impose standalone penalties, failure to disclose—especially if executives certify false reports—can trigger severe sanctions under other SOX provisions, including fines up to 5 million USD and 20 years imprisonment.²

D3. [SEC] Sarbanes-Oxley Section 806 - Whistleblower Protection ●

SOX Section 806 protects employees of public companies who report unethical practices from retaliation. If retaliation is proven, remedies may include reinstatement, back pay, and damages. This provision strengthens internal accountability by safeguarding those who raise concerns about misconduct.²

D4. [SEC] Dodd-Frank Whistleblower Program ●●●

Dodd-Frank expanded whistleblower protections by offering monetary rewards and extending protection beyond employees to include certain non-employees who provide tips to the SEC. Whistleblower awards can range from 10 to 30 percent of the money collected when the monetary sanctions exceed 1 million USD.³

D5. [SEC] Earnings Per Share (EPS) Initiative ●

The EPS Initiative aims to catch companies that manipulate their earnings per share (EPS) to meet market expectations. The SEC uses data analytics to spot suspicious patterns, like when companies repeatedly report EPS just high enough to please investors—potentially signaling accounting fraud.⁴

Fraud Type: ● Market Abuse ● Financial Statement Fraud ● Investor Scams

Sources:

- 1) FINRA, [Market Surveillance](#), 2023
- 2) AuditBoard, [The Sarbanes-Oxley Act](#), 2023
- 3) SEC, [Dodd-Frank: Whistleblower Program](#), 2023
- 4) Woodruff Sawyer, [SEC Ramping Up Technology to Uncover Accounting Fraud](#), 2021



The U.S. safeguards investors by leveraging interagency task forces and deploying recovery mechanisms to hold violators accountable, compensate defrauded investors, and restore trust

Initiatives and Key Summary

Enforcement

E1. [DOJ] DOJ-Led Multi-Agency Task Force



The U.S. Department of Justice (DOJ) frequently leads multi-agency task forces to tackle complex criminal activities, including financial fraud. The Attorney General holds the authority to oversee all functions of the DOJ, including the formation of task forces that coordinate across federal agencies.¹

E2. [SEC] Cyber and Emerging Technologies Unit (CETU)



The CETU was established by the SEC to specialize in enforcing against cyber-related misconduct and protecting retail investors in the emerging technologies space. The team comprises approximately 30 fraud specialists and attorneys across multiple SEC offices and works closely with the Crypto Task Force, which develops rules and regulations for crypto assets²

E3. [SEC] Financial Reporting and Audit Task Force



The SEC's Financial Reporting and Audit Task Force targets improper financial reporting by using data analytics—like the Accounting Quality Model—to flag anomalies in areas such as revenue recognition and asset valuation. It leverage cross-functional expertise to investigate financial misconduct and strengthen market oversight.³

Recovery

R1. [SIPC] Securities Investor Protection Corporation (SIPC)



The Securities Investor Protection Corporation (SIPC) protects customers of SIPC-member broker-dealers when a firm fails financially. It covers up to \$500,000 per customer, including a \$250,000 cash limit, by replacing missing securities or returning cash held in the customer's account. However, SIPC does not cover investment losses due to market fluctuations, fraud by the issuer, or bad advice. Its role is to restore customer assets, not guarantee investment performance—making it a safeguard of custody, not returns.⁴

R2. [SEC] Fair Fund Program (SOX Section 308)



The Fair Fund Program allows the SEC to distribute civil penalties and disgorged profits directly to harmed investors. This bypasses lengthy class-action processes and enhances victim compensation. It is a key mechanism for investor recovery in enforcement actions, making investor restitution more timely and more equitable.⁵

R3. [SEC] Clawback Provision



Clawback rules allow the SEC and companies to **reclaim executive compensation** (e.g., bonuses, equity) if financial statements are restated due to misconduct or material errors. Under Dodd-Frank and SOX Section 304, this applies even if the executive wasn't personally involved in the misconduct. It reinforces executive accountability and enables **faster asset seizure** during investigations.⁶

R4. [DOJ] Asset Forfeiture Program (Enhanced for Digital Assets)



The Department of Justice (DOJ) Asset Forfeiture Program is designed to disrupt and dismantle criminal enterprises by seizing assets linked to illegal activities, thereby depriving criminals of their ill-gotten gains. This initiative not only deters illicit conduct but also facilitates the compensation of victims and promotes collaboration among various law enforcement agencies

Fraud Type: Market Abuse Financial Statement Fraud Investor Scams

Sources:

- 1) U.S. Code, [Functions of the Attorney General](#), 2025
- 2) SEC, [Cyber and Emerging Technologies Unit to Protect Retail Investors](#), 2025
- 3) SEC, [SEC Announces Enforcement Initiatives to Combat Financial Reporting and Microcap Fraud](#), 2013
- 4) SIPC, [What SIPC Protects](#), 2024
- 5) Investopedia, [Fair Funds for Investors](#), 2023
- 6) Bloomberg Law, [Corporate Governance Overview: Executive Compensation Clawback](#), 2023
- 7) DOJ, [Asset Forfeiture Program](#), 2023

3.2.2

Singapore

Market Deep Dive

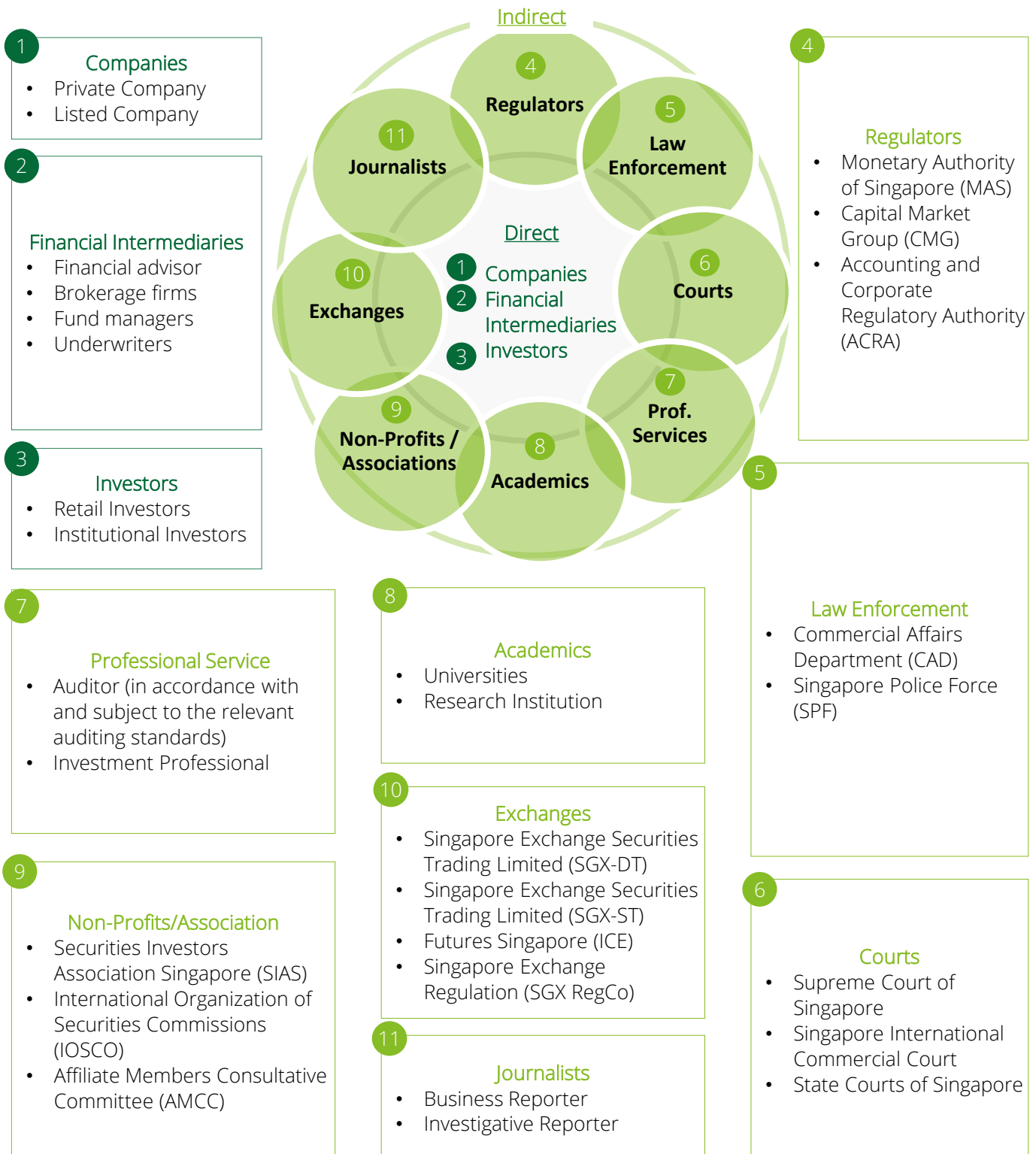




The integrity of capital markets relies on a wide ecosystem of stakeholders whose common interest lies in sustaining investor trust and market credibility

The stakeholder ecosystem in Singapore capital market

For illustrative purposes only and not intended to express any opinion or statement on the extent and role of each of these stakeholders





The Monetary Authority of Singapore (MAS) and the Capital Market Group (CMG) are responsible for preventing, detecting, and enforcing fraud in Singapore's financial sector by regulating institutions, ensuring compliance, and taking actions against misconduct

	Key Stakeholder	Role	Key Responsibility
Companies	Listed Companies	Issuers of Securities	<ol style="list-style-type: none"> 1. Uphold corporate governance and timely disclosure in line with SGX¹ 2. Implement internal controls to prevent fraud and misrepresentation
	Private Companies	Business Entity	<ol style="list-style-type: none"> 1. Comply with applicable laws and regulations 2. Provide limited or no public financial disclosure 3. Report to relevant authorities as required
Financial Intermediaries	Broker	Facilitating securities transactions	<ol style="list-style-type: none"> 1. Execute trades on behalf of clients 2. Provide market information and financial advice 3. Ensure compliance with regulatory requirements
	Fund managers	Manage portfolios, allocate, navigate markets	<ol style="list-style-type: none"> 1. Design investment strategies 2. Comply with the Securities and Futures Act (SFA) and hold a CMS license from MAS² 3. Manage risk through diversification, monitoring, and transparent reporting.
Investors	Retail Investor	Individual investor	<ol style="list-style-type: none"> 1. Make informed investment decisions 2. Stay updated on market trends and company information 3. Diversify investments to manage risk
	Institutional Investors	Organizations investing on behalf of others	<ol style="list-style-type: none"> 1. Conduct thorough research and due diligence 2. Exercise voting rights to promote good governance 3. Manage large-scale investments professionally
Regulators	Monetary Authority of Singapore (MAS)	Regulate and oversee financial sector	<ol style="list-style-type: none"> 1. Regulates financial institutions under SFA³ 2. Enforces disclosure to prevent fraud 3. Detects and curbs misconduct through enforcement
	Capital Market Group (CMG)	Regulate and develop capital markets	<ol style="list-style-type: none"> 1. Ensures compliance and supervises intermediaries⁴ 2. Promotes capital market growth 3. Prevents misconduct and educates investors

Sources:

- 1) SGX, [Oversight of Issuers](#), 2004
- 2) MAS, [Fund Management Licensing](#)
- 3) MAS, [Securities Fraud Overview](#), 2001
- 4) CMG, [Capital Market Group](#)



In Singapore, agencies such as SGX, the High Court, ACRA, and CAD coordinate closely to prevent and detect fraud, enforce financial regulations, uphold market integrity, and prosecute financial crimes both locally and with foreign regulatory bodies where applicable

	Key Stakeholder	Role	Key Responsibility
Regulators	Accounting and Corporate Regulatory Authority (ACRA)	Regulator of corporate governance and financial reporting	<ul style="list-style-type: none"> Ensure corporate governance compliance⁴ Monitor financial statement accuracy Promote transparency and accountability in corporate practices
Exchange	Singapore Exchange Regulation (SGX RegCo)	Ensures fair and transparent markets	<ul style="list-style-type: none"> SGX RegCo supervises issuers, intermediaries, and trading activities. It oversees market participants, including directors and authorized professionals. It holds administrative, investigative, and enforcement powers.
	Singapore Exchange Derivatives Trading Limited (SGX-DT)	Facilitates derivatives trading	<ul style="list-style-type: none"> Regulated derivatives trading across multiple asset classes¹ Robust oversight and risk management under MAS and SGX RegCo Secure clearing and global partnerships for expanded access
	Singapore Exchange Securities Trading Limited (SGX-ST)	Facilitates securities trading	<ul style="list-style-type: none"> Regulates securities trading and supervises brokers to ensure fair conduct and compliance² Creates listing standards and continuous disclosure Enforces trading rules, maintains market infrastructure, and works closely with MAS to align with statutory regulations
	Futures Singapore (ICE)	Approved exchange for futures trading	<ul style="list-style-type: none"> Manage and regulate futures trading under MAS² Ensure compliance with regulatory requirements Provide market-making services to support liquidity
Courts	Supreme Court of Singapore	Highest judicial authority	<ul style="list-style-type: none"> Hears appeals from the State Courts. Handles major civil and criminal cases. Interprets constitutional and legal issues at the highest level.
	Singapore International Commercial Court	Cross-border commercial disputes	<ul style="list-style-type: none"> Resolves complex international commercial disputes. Accepts cases with foreign law and international parties.
	State Courts of Singapore	Civil and criminal cases	<ul style="list-style-type: none"> Handles the majority of Singapore's criminal and civil cases. Oversees family, small claims, and community disputes. Ensures accessible and efficient justice for everyday matters.
Law Enforcement	Commercial Affairs Department (CAD)	Principal white-collar crime investigation agency	<ul style="list-style-type: none"> Investigate financial and commercial crimes, including securities fraud and investment scams⁵ Collaborate with MAS to enforce laws under the Securities and Futures Act (SFA) Freeze assets and conduct financial investigations to disrupt scam operations

Sources:

1) FMA, [SGX-DT](#), 2024

2) SGX, [Trade Surveillance Practice Guide](#), 2019

3) [SG Courts](#)

4) ACRA, [Overview of ACRA](#), 2004

5) CAD, [Overview of CAD](#), 1984



Singapore has a robust and adaptive investor protection framework, designed to address the unique challenges of its financial markets, focusing on preventing and detecting investment fraud through continuous regulatory updates and advanced detection tools

Non-exhaustive



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Prevention	P1. [SGX] Automated Risk Checks ¹		
	P2. [MAS] Securities and Futures Act (SFA), 2001 ²		
	P3. [MAS] Payment Services Act (PSA), 2019 ³		
	P4. [GOV] MoneySense (2003) ⁴ , Investor Alert List (2004) ⁵ , Financial Institutions Directory (FID) ⁶		
		P5. [ACRA] Strengthened Governance and Transparency Framework, 2024 ⁷	
		P6. [ACRA] Strengthened Practice Monitoring Programme, 2023 ⁸	
		P7. [MAS] Code of Corporate Governance, 2003 ⁹	
		P8. [SGX] Effective Internal Audit Structure, 2019 ¹⁰	
Detection	D1. [MAS] AI/ML-Driven Trade Surveillance, 2018 ¹¹		D2. [Singapore Parliament] Protection from Scams Bill, 2025 ¹²
	D3. [SGX] Strengthened Monitoring & Broker Accountability, 2019 ¹³		D4. [SPF] Anti-Scam Center (ASC), 2019 ¹⁴
	D5. [Minister for Home Affairs] Prevention of Corruption Act (PCA) for Legal Protections for Whistleblowers, 1960 ¹⁵		
	D6. [SGX] Whistleblowing Policies for Non-FI ¹⁶ and [MAS] Whistleblowing Policies for FI ¹⁷		
		D7. [SGX] Listing Rule 703 Corporate Disclosures, 2003 ¹⁸	
		D8. [SGX] Independent Verification of Disclosures, 2019 ¹⁹	
		D9. [MAS] Regulatory Oversight for FI by MAS, 2007 ²⁰	
		D10. [ACRA] Oversight for Non-FI by ACRA, 2023 ²¹	

Sources:

- 1) SGX, [SGX Group](#)
- 2) MAS, [Payment Services Act](#), 2019
- 3) MAS, [Digital Payment Token Services](#), 2023
- 4) Gov, [Money Sense](#), 2002
- 5) MAS, [Investor List](#), 2004
- 6) MAS, [Financial Directory](#)
- 7) CACS, [Corporate Regulator Update](#), 2024
- 8) ACRA, [Practice Monitoring Programme \(PMP\)](#), 2023
- 9) MAS, ["Code of Corporate Governance"](#), 2018
- 10) SGX, [Practice Guidance 10: Audit Committees](#), 2019
- 11) MAS, [AI/ML-Driven Trade Surveillance](#), 2018

- 12) MHA, [Introduction of the protection from scam bill](#), 2025
- 13) SGX, [Strengthened Monitoring & Broker Accountability](#), 2019
- 14) SPF, Anti Scam Center, 2019
- 15) Minister for Home Affairs, [Legal Protections for Whistleblowers](#), 1960
- 16) SGX, [Whistleblowing Policy](#)
- 17) MAS, [Whistleblowing Policy](#), 2022
- 18) SGX, [Listing Rule](#), 2003
- 19) SGX, [Independent Verification](#), 2019
- 20) MAS, [Regulatory Oversight](#), 2007
- 21) ACRA, [Oversight for Non-FI](#), 2004



Singapore’s integrated enforcement and recovery strategy demonstrates how multi-agency collaboration, legal innovation, and data-driven tools can drive accountability, deter fraud, and restore investor trust

Singapore strengthens enforcement and recovery through collaboration, data, and legal reforms

Singapore’s enforcement and recovery strategy focuses on multi-agency collaboration, data-driven investigations, and strong legal tools. Key initiatives include the Integrated Enforcement Approach (2016), analytics-based fraud detection (2019), the Restructuring and Dissolution Act (2020), and the National Asset Recovery Strategy (2024). These efforts improve coordination, streamline recovery, and ensure accountability. Strict civil penalties have helped deter violations and maintain investor trust.

Non-exhaustive



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Enforcement	E1. [MAS,SGX,CAD] Integrated Enforcement Approach, 2016 ¹		
	E2. [MAS] Coordinated Multi-Agency Response, 2016 ¹		
	E3. [MAS] Strict Civil Penalties, 2004 ²		
Recovery	R1. [Ministry of Law] Restructuring and Dissolution Act (IRDA), 2020 ³		
			R2.[MAS,MOF,AML/CFT Steerco members] National Asset Recovery Strategy (NARS), 2024 ⁴
			R3. [Ministry of Home Affairs] Protection from Scams Bill, 2025 ⁵
	R4. [AGC] International Collaboration,2024 ⁶		

Sources:
1) MAS, [Integrated Enforcement Approach](#), 2016
2) MAS, [Strict Civil Penalties](#),2004
3) MOL, [Restructuring and Dissolution Act](#),2020
4) MAS, [National Asset Recovery Strategy \(NARS\)](#),2024
5) MHA, [Protection from Scam Bill](#), 2025
6) AGC, [International Collaboration](#), 2024



Singapore's comprehensive regulatory approach integrates advanced technology, stringent governance, and robust legal frameworks that adapt to and include emerging financial instruments, ensuring effective oversight and resilience across its financial sector

Initiatives and Key Summary

Prevention

P1. [MAS] Automated Risk Checks¹

(SGX) mandates pre-execution risk checks, including automated controls, real-time alerts, and trade interception, to prevent overtrading and market abuse

P2. [MAS] Payment Services Act (PSA), 2019²

The Payment Services Act (PSA), which provides a licensing framework for payment service providers, is the cornerstone of Singapore's digital asset regulation. Since 2021, the PSA framework has included those dealing with digital assets classified as Digital Payment Tokens (cryptocurrencies) to:

- **Segregation of customer assets:** DPT providers must hold 90% of customer assets in cold wallets and maintain daily reconciliation of holdings.
- **Statutory trust safeguards:** Since July 2023, customer assets must be held in trust to prevent commingling with corporate funds, ensuring recovery during insolvency

P3. [MAS] Securities and Futures Act (SFA), 2001³

Tokens classified as securities fall under the SFA, mandating issuers to comply with prospectus requirements and ongoing disclosures akin to traditional financial instruments. This dual regulatory approach (PSA + SFA) ensures assets are overseen based on their economic function rather than technological form.

P4. [MAS] MoneySense⁴, Investor Alert List⁵, Financial Institutions Directory (FID)⁶

MoneySENSE, with SIAS, IFL, and MAS, offers workshops on avoiding fraud, while the Investor Alert List helps investors identify unregulated entities and verify legitimacy through MAS tools

P5. [ACRA] Strengthened Governance and Transparency Framework⁷

Led by ACRA, aims to strengthen corporate governance and financial transparency by enforcing higher accountability standards for listed companies, with stricter penalties for non-compliance

P6. [ACRA] Strengthened Practice Monitoring Programme⁸

ACRA has expanded its powers to inspect accounting entities' quality control systems, focusing on high-risk areas and enforcing international standards to ensure consistent audit quality, and holding firms accountable through mandatory⁴ disclosures and remediation plans

P7. [MAS] Code of Corporate Governance⁹

Strengthens corporate governance by requiring board independence, robust internal controls, transparent disclosures, and fair remuneration, while allowing flexibility through a "comply or explain" framework that mandates adherence to broad⁵ principles

P8. [SGX] Effective Internal Audit Structure¹⁰

SGX provides a structured framework that guides listed companies in establishing and maintaining an effective internal audit function, emphasizing adequate resourcing, oversight by the Audit Committee, to strengthen governance, manage risk, and prevent fraud

Fraud Type: ● Market Abuse ● Financial Statement Fraud ● Investor Scams

Sources:

- 1) SGX, [SGX Group](#)
- 2) MAS, [Payment Services Act](#), 2019
- 3) MAS, [Securities and Futures Act 2001](#)
- 4) Gov, [Money Sense](#), 2002
- 5) MAS, [Investor List](#), 2004
- 6) MAS, [Financial Directory](#)
- 7) CACS, [Corporate Regulator Update](#), 2024
- 8) ACRA, [Practice Monitoring Programme \(PMP\)](#), 2023
- 9) MAS, ["Code of Corporate Governance"](#), 2018
- 10) SGX, [Practice Guidance 10: Audit Committees](#), 2019



Singapore's detection framework leverages advanced technology, strong governance, and coordinated oversight to swiftly identify, investigate, and address investment fraud

Initiatives and Key Summary

Detection

D1. [MAS] AI/ML-Driven Trade Surveillance¹

MAS uses AI tools like Apollo for real-time detection of trading misconduct, effectively identifying insider trading and market manipulation

D2. [Singapore Parliament] Protection from Scams Bill²

Enables real-time detection of investment scams through enhanced bank monitoring, police assessments, and Restriction Orders that temporarily freeze suspicious transactions before losses occur

D3. [SGX] Strengthened Monitoring & Broker Accountability³

SGX provides trade surveillance practice guide and best practices for brokers to detect irregular trading patterns and prevent fraudulent practices

D4. [SPF] Anti-Scam Center (ASC)⁴

The ASC uses technology and partnerships to detect and recover funds from scams, minimizing losses through quick action and enhanced detection

D5. [Minister for Home Affairs] Prevention of Corruption Act (PCA) for Legal Protections for Whistleblowers¹

The Prevention of Corruption Act protects whistleblowers' anonymity, encouraging reporting but relying on individuals to come forward with credible information⁵

D6. [SGX] Whistleblowing Policies for Non-FI⁶ and [MAS] Whistleblowing Policies for FI⁷

SGX and MAS requires listed companies to maintain confidential reporting channels, ensuring anonymity and protection for whistleblowers

D7. [SGX] Listing Rule 703 Corporate Disclosures⁸

Listed companies are mandated under SGX rules to immediately disclose any significant financial deviations or adjustments, with non-compliance potentially resulting in trading halts, fines, imprisonment, and reputational damage

D8. [SGX] Independent Verification of Disclosures⁹

SGX mandates verification of disclosures through internal controls or auditors to ensure accurate and reliable information

D9. [MAS] Regulatory Oversight for FI by MAS¹⁰

MAS uses the Comprehensive Risk Assessment Framework and Techniques (CRAFT) to identify, assess, and manage risks across all financial institutions through an activity-based approach, supporting risk-based supervision and tailored supervisory plans

D10. [ACRA] Oversight for Non-FI and external audit by ACRA¹¹

ACRA oversees the financial reporting obligations of companies and their directors to ensure timely and reliable disclosures. It also ensures audit quality by inspecting public accountants under its Practice Monitoring Programme (PMP), assessing accounting entities' quality controls, introducing an Audit Quality Indicator (AQI) Disclosure Framework, and collaborating with industry partners to enhance audit quality

Fraud Type: ● Market Abuse ● Financial Statement Fraud ● Investor Scams

Sources:

- 1) MAS, [AI/ML-Driven Trade Surveillance](#), 2018
- 2) MHA, [Introduction of the protection from scam bill](#), 2025
- 3) SGX, [Strengthened Monitoring & Broker Accountability](#), 2019
- 4) SPF, [Anti Scam Center](#), 2021
- 5) Minister for Home Affairs, [Legal Protections for Whistleblowers](#), 1960

- 6) SGX, [Whistleblowing Policy](#), 2025
- 7) MAS, [Whistleblowing Policy](#), 2022
- 8) SGX, [Listing Rule](#), 2003
- 9) SGX, [Independent Verification](#), 2019
- 10) MAS, [Regulatory Oversight](#), 2007
- 11) ACRA, [Oversight for Non-FI](#), 2004



A closer look at Singapore's enforcement and recovery efforts shows how coordinated action, tough penalties, and strong legal tools work together to tackle financial misconduct

Initiatives and Key Summary

Enforcement	E1. [MAS,SGX,CAD] Integrated Enforcement Approach ¹
	<p>MAS enforces capital markets regulations through a three-pronged approach by partnering with the Commercial Affairs Department (CAD) for criminal investigations, imposing administrative sanctions for regulatory breaches, and collaborating with approved exchanges to oversee market activities and detect misconduct.</p>
	E2. [MAS] Coordinated Multi-Agency Response ¹
	<p>MAS collaborates with CAD, ACRA, and other agencies from the outset to investigate misconduct, enforce penalties, and recover assets, enabling efficient fraud resolution. Joint investigations with CAD, initially focused on market abuse, have expanded to cover financial statement fraud, investor scams, and crypto-related misconduct in response to evolving risks. When a case is deemed warranted, a joint MAS-CAD team is formed to proceed with the investigation. MAS' Digital Assets and Payments Department also works closely with CAD to tackle misconduct in</p>
Recovery	E3. [MAS] Strict Civil Penalties ²
	<p>Singapore's civil penalties under the SFA provide a calibrated enforcement approach by allowing MAS to impose tiered financial sanctions—ranging from Tier 1 (up to \$50,000 for entities) to Tier 3 (up to \$500,000 for entities)—based on the severity of market misconduct, ensuring proportionality and efficient resolution without criminal prosecution, ensuring faster case resolution</p>
	R1. [Ministry of Law] Restructuring and Dissolution Act (IRDA) ³
	<p>Under the IRDA, Singapore enables court-appointed liquidators to recover and redistribute assets through claw back actions in cases of fraud or insolvency, ensuring fair and transparent compensation for affected investors</p>
	R2.[MAS,MOF,AML/CFT Steerco members] National Asset Recovery Strategy (NARS) ⁴
	<p>Singapore's shared responsibility framework (NARS) focuses on the recovery of funds by swiftly seizing illicit assets and ensuring restitution through structured processes, including appointing liquidators under the IRDA to return funds to victims</p>
	R3. [Ministry of Home Affairs] Protection from Scams Bill ⁵
	<p>The Protection from Scams Bill in Singapore enhances fund recovery by allowing authorities to issue Restriction Orders (ROs) to freeze accounts linked to scams, preventing further losses, preserving funds for restitution, and enabling victims to access essential funds under strict conditions</p>
	R4. [MAS and CAD] International Collaboration ⁶
	<p>Singapore's multi-layered approach to asset recovery internationally includes the Mutual Legal Assistance (MLA) framework for international cooperation, INTERPOL's I-GRIP for swift action against financial crimes, Egmont Group membership for global intelligence sharing, and bilateral agreements for streamlined cross-border asset recovery</p>

Fraud Type: Market Abuse Financial Statement Fraud Investor Scams

Sources:

- 1) MAS, [Integrated Enforcement Approach](#), 2016
- 2) MAS, [Strict Civil Penalties](#), 2004
- 3) MOL, [Restructuring and Dissolution Act](#), 2020

- 4) MAS, [National Asset Recovery Strategy \(NARS\)](#), 2024
- 5) MHA, [Protection from Scam Bill](#), 2025
- 6) AGC, [International Collaboration](#), 2024



Singapore employs a three-pronged approach to capital markets enforcement, where MAS, CAD, and Approved Exchanges collaborate to detect, investigate, and address market misconduct effectively

MAS strengthens market integrity, recovers 310 million USD to bolster financial trust

The Monetary Authority of Singapore (MAS) upholds market integrity through prevention, surveillance, and enforcement. It oversees exchanges like SGX and ICE, which use automated systems to detect unusual trading activities, referring suspicious cases to enforcement teams. MAS relies on Suspicious Transaction Reports (STRs), public feedback, and early detection to address potential breaches. Its risk-based supervision ensures strong corporate governance, robust disclosures, and internal controls within financial institutions. This integrated approach targets cases such as insider trading, market manipulation, and false or misleading disclosures, as defined under Part XII of the Securities and Futures Act.

Collaborative efforts like ScamShield enhance fraud prevention. MAS works with the Commercial Affairs Department (CAD) and international regulators to investigate misconduct, impose penalties, and recover illicit assets. From 2019 to mid-2024, this approach returned 310 million USD to victims and bolstered trust in Singapore's financial system.

Three-pronged approach to capital markets enforcement in Singapore

Detection	1. Surveillance	Market Surveillance		Market Intelligence			
		Front-line surveillance by Approved Exchanges	Oversight by MAS	Suspicious Transaction Reports	Public / market feedback and intelligence	MAS inspection	Cross-border Collaborations with MAS
		Real-time and post-trade monitoring of trading activity	Surveillance function	Filled with CAD	Reviewed by MAS	Detection of regulated entities	Receive referrals on suspicious market activities
Enforcement	2. Investigation	When market misconduct is suspected					
		Review by MAS / CAD					Possible concurrent actions
		Allegations, and suspicious conduct are assessed by MAS using intelligence, data analytics to identify potential misconduct					MAS may obtain ancillary or interlocutory orders from court: Order freezing suspects' assets • Other injunctions
		Investigations by MAS-CAD Joint Investigations team					
		Conduct searches, seize documents, and interact with suspects through raids, arrests, and statements.					
	3. Enforcement Actions	Recommendation to Attorney General Council					
		MAS / CAD presents findings and recommendations to the AGC					
		Civil Penalty		Criminal Prosecution		Regulatory or Administrative Actions	
		MAS may pursue civil court action or settle with the suspect if they admit liability		Prosecution against the suspect by Public Prosecutor		• Letter of warning • Prohibition orders • Suspension or revocation of license • Reprimands	
	Publication						
Press release on civil penalty, prosecution or other actions							

Note: The time required for case review and investigation varies based on the nature and complexity of each case. However, according to MAS's enforcement report (July 2023–December 2024), the average time taken is approximately 35 months for criminal prosecution, 34 months for civil penalties, and 2 months for referrals to external agencies.

Sources:

- 1) MAS, [Capital Market Enforcement](#), 2016
- 2) MAS, [Enforcement Report](#), 2024

3.2.3

Malaysia

Market Highlights








Malaysia investor protection efforts reflect a variety of initiatives aimed at addressing market vulnerabilities, with measures that align closely with regional practices, focusing on corporate governance, whistleblower protections, and compensation mechanisms

Malaysia boosts investor protection through governance, education, and fraud response initiatives

Malaysia strengthens investor protection through corporate governance, whistleblower safeguards, education, and compensation. Key initiatives like the MCCG, InvestSmart®, Whistleblower Protection Act, and National Scam Response Centre enhance transparency, enforcement, and financial redress against fraud and scams.

Non-exhaustive

	 1. Market Abuse	 2. Financial Statement Fraud	
Prevention	P1. [Securities Commission Malaysia (SC)] Investor Education Programs via InvestSmart®, 2016 ¹		
		P2. [SC] Malaysian Code on Corporate Governance (MCCG), 2021 ²	
		P3. [SC] Guidelines on Conduct for Capital Market, 2024 ³	
Detection	D1. [Enforcement Agencies] Whistleblower Protection Act, 2010 ⁴		
Enforce.			E1. [Multi-Agency Task Force] National Scam Response Centre, 2022 ^{5 6 7}
Recovery	R1. [SC] Capital Market Compensation Fund (CMCF), 2007 ⁸		

Sources:

1) Securities Commission Malaysia, [InvestSmart® Initiative](#), 2023

2) Securities Commission Malaysia, [Malaysian Code on Corporate Governance \(MCCG\)](#), 2021

3) Securities Commission Malaysia, [Guidelines on Conduct for Capital Market Intermediaries](#), 2024

4) SPRM, [Whistleblower Protection Act Overview](#), 2025

5) National Financial Crime Centre Malaysia, [About NSRC](#), 2023

6) Bank Negara Malaysia, [FINTECH Malaysia](#), 2024

7) Royal Malaysia Police, [FINTECH Malaysia](#), 2024

8) Securities Commission Malaysia, [Frequently Asked Questions Cover Key Areas Relating to the Amendments to the Securities Laws](#), 2021

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While Malaysia's investor protection initiatives mirror those of its regional peers, the integration of multi-agency task forces and targeted governance programs highlights its efforts to safeguard investors

Initiatives and Key Summary

Prevention	<p>P1. [Securities Commission Malaysia (SC)] Investor Education Programs via Invest Smart</p> <p>The Securities Commission Malaysia (SC) launched InvestSmart to equip Malaysians with the knowledge to make informed investment decisions and avoid scams. By integrating financial literacy into public outreach, the SC builds a more informed and resilient investor base.¹</p>	●●●
	<p>P2. [SC] Malaysian Code on Corporate Governance (MCCG)</p> <p>The Securities Commission Malaysia introduced the Malaysian Code on Corporate Governance (MCCG) in 2000 to strengthen board oversight and raise governance standards among listed companies. The SC regularly updates the code to reflect emerging risks and stakeholder expectations, including board diversity, director independence, and sustainability practices. Companies must disclose how they apply the code's best practices, using a "comply or explain" approach that encourages accountability while allowing flexibility.²</p>	●
	<p>P3. [SC] Guidelines for Capital Market Conduct</p> <p>The Securities Commission Malaysia issued the Guidelines on Conduct for Capital Market Intermediaries to promote ethical behavior, professionalism, and accountability among licensed and registered market participants. These guidelines set clear expectations for fair dealing, conflict-of-interest management, and responsible communication with clients. By reinforcing conduct standards, the SC strengthens trust and integrity in Malaysia's capital markets.³</p>	●
Detection	<p>D1. [Enforcement Agencies] Whistleblower Protection Act</p> <p>The Whistleblower Protection Act of Malaysia encourages the reporting of misconduct by providing safeguards including confidentiality, protection against detrimental action, and immunity from civil and criminal liability if disclosures are made in good faith to enforcement agencies. The Act is administered through designated enforcement agencies, including but not limited to the Malaysian Anti-Corruption Commission (MACC), Royal Malaysia Police, and Securities Commission Malaysia (SC), depending on the nature of the misconduct reported.⁴</p>	●●●
Enforcement	<p>E1. [Multi-Agency Task Force] National Scam Response Centre</p> <p>The National Scam Response Centre (NSRC) is a multi-agency task force led by the Royal Malaysia Police (PDRM), Bank Negara Malaysia (BNM), the Malaysian Communications and Multimedia Commission (MCMC), and financial institutions, dedicated to combating online financial fraud through a centralized hotline and rapid response to freeze and recover stolen funds. It leverages the National Fraud Portal (NFP), an integrated platform that automates fund tracing, facilitates industry-wide, and information sharing to streamline scam reporting and recovery⁵. Additionally, NSRC collaborates with TRM Labs to utilize blockchain intelligence, enabling authorities to trace illicit cryptocurrency transactions, dismantle laundering attempts, and recover stolen digital assets.⁷</p>	●
Recovery	<p>R1. [SC] Capital Market Compensation Fund (CMCF)</p> <p>The Capital Market Compensation Fund (CMCF) serves as the centralized compensation mechanism, offering a unified and comprehensive approach to investor protection across Malaysia's capital markets. It compensates investors who suffer monetary losses due to the insolvency, fraud, defalcation, or mis-selling by holders of a Capital Markets Services License (CMSL).⁸</p>	●●

Fraud Type: ● Market Abuse ● Financial Statement Fraud ● Investor Scams

Sources:

- 1) Securities Commission Malaysia, [InvestSmart@ Initiative](#), 2023
- 2) Securities Commission Malaysia, [Malaysian Code on Corporate Governance \(MCCG\)](#), 2021
- 3) Securities Commission Malaysia, [Guidelines on Conduct for Capital Market Intermediaries](#), 2024
- 4) SPRM, [Whistleblower Protection Act Overview](#), 2025
- 5) National Financial Crime Centre Malaysia, [About NSRC](#), 2023
- 6) Bank Negara Malaysia, [FINTECH Malaysia](#), 2024
- 7) Royal Malaysia Police, [FINTECH Malaysia](#), 2024
- 8) Securities Commission Malaysia, [Frequently Asked Questions Cover Key Areas Relating to the Amendments to the Securities Laws](#), 2021

3.2.4

China

Market Highlights





China's investor protection efforts feature innovative mechanisms like minority shareholder representation, internal control mandates, and random corporate inspections to strengthen governance and enhance market transparency

China enhances investor protection through stricter oversight, legal reforms, and fraud compensation

China's investor protection initiatives tackle market abuse, financial fraud, and scams through measures like China SOX for corporate accountability and random corporate inspections for regulatory oversight. Specialized financial courts and the SSRA mechanism streamline enforcement, while the SIPF ensures compensation for affected investors. These efforts collectively enhance governance and market transparency.

Non-exhaustive



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Prevention		<p>P1. [ISC] Basic Standard for Enterprise Internal Control (China SOX), 2010¹</p> <p>P2. [ISC] Corporate Governance Oversight Initiative, 2010²</p>	
Detection		<p>PD1. [CSRC] Random Corporate Inspection Program, 2015³</p>	
Enforcement	<p>E1. [Financial Courts] Dedicated Court System⁴</p> <p>ER1. [CSRC] Special Securities Representative Action (SSRA) Mechanism, 2020⁵</p>		
Recovery		<p>R1. [SIPF] China Securities Investor Protection Fund Corporation Limited, 2005⁶</p>	

Sources:

- 1) WSEAS, [Comparison and Evaluation of the Internal Control System between China and the United States](#), 2017
- 2) China Journal of Finance and Economics, [Right Exercise of the China Securities Investor Services Center and Expropriation of Controlling Shareholders: Based on the Related-party Transactions](#), 2023
- 3) Taylor & Francis Online, [Can Random Inspections Improve Investment Efficiency?](#), 2023
- 4) Shanghai Financial Court, [About the Court](#), 2023
- 5) SSRN, [Public-Interest Standing and Securities Class Action in China: Evidence from Kangmei Pharmaceutical](#), 2022
- 6) Caixin Global, [Four Things to Know About the Fund That Protects Securities Investors](#), 2019



China distinguishes itself with a focus on institutional accountability and investor empowerment, supported by mechanisms such as dedicated financial courts, representative actions, and a strong investor protection fund.

Initiatives and Key Summary

Prevention	P1. [ISC] Basic Standard for Enterprise Internal Control (China SOX)	●
	China introduced the Basic Standard for Enterprise Internal Control in 2008, modeled after the U.S. Sarbanes-Oxley Act (SOX), to enhance corporate governance and transparency. The regulation requires companies to conduct annual self-assessments disclosing internal control weaknesses and remediation plans—covering both financial and non-financial areas, a distinct feature from U.S. SOX. While CEOs and CFOs certify financial reports and boards of directors maintain oversight, external assurance requirements vary, and enforcement remains less stringent than in the U.S.	
Detection	P2. [ISC] Corporate Governance Oversight Initiative	●
	The China Securities Investor Services Center (ISC) holds a nominal stake, typically 100 shares, in each listed company. This small yet strategic shareholding allows ISC to legally participate in corporate governance as a minority shareholder. By exercising rights such as voting, raising inquiries, and making suggestions, ISC actively represents the interests of public shareholders without needing significant equity. ² This approach supports corporate governance by <ul style="list-style-type: none"> • Encouraging minority shareholder activism • Reducing corporate violations • Improving information disclosure 	
Enforcement	PD1. [CSRC] Random Corporate Inspection Program, 20153	●
	The China Securities Regulatory Commission (CSRC) annually selects approximately 5% of listed companies at random for inspection. These inspections cover information disclosure, corporate governance, and operational practices to ensure regulatory compliance. Research shows that this randomized approach improves accounting quality, governance standards, and ultimately enhances corporate investment efficiency, signaling its deterrent and corrective value. ³	
	E1. [Financial Courts] Dedicated Court System	●●
Recovery	China established financial courts as specialized institutions to streamline the handling of finance-related disputes. These courts focus exclusively on cases involving securities fraud, including false disclosures, insider trading, market manipulation, and fraudulent issuance of financial instruments. By centralizing jurisdiction, financial courts improve case quality, consistency in rulings, and investor confidence in legal recourse. ⁴	
	ER1. [CSRC] Special Securities Representative Action (SSRA) Mechanism	●●
Recovery	The SSRA mechanism enable state-backed institutions, such as the Investor Services Center (ISC), to represent investors in securities fraud cases. The mechanism follows an opt-out model, automatically including investors unless they withdraw. With oversight and support from the China Securities Regulatory Commission (CSRC), ISC accesses regulatory data, coordinates with courts, and accelerates evidence collection. ⁵	
	R1. [SIPF] China Securities Investor Protection Fund Corporation Limited	●●
Recovery	The SIPF protects investors when brokerages fail, or firms misappropriate investor funds. The fund collects contributions from securities firms, requiring them to pay 0.5% to 5% of annual revenue based on risk ratings. These assessments currently make up about 30% of SIPF's funding. However, as brokerage failures have become rare under stricter regulation, some legal experts have called for the fund to also compensate investors defrauded through other forms of misconduct. ⁶	

Fraud Type: ● Market Abuse ● Financial Statement Fraud ● Investor Scams

Sources:

- 1) WSEAS, [Comparison and Evaluation of the Internal Control System between China and the United States](#), 2017
- 2) China Journal of Finance and Economics, [Right Exercise of the China Securities Investor Services Center and Expropriation of Controlling Shareholders: Based on the Related-party Transactions](#), 2023
- 3) Taylor & Francis Online, [Can Random Inspections Improve Investment Efficiency?](#), 2023
- 4) Shanghai Financial Court, [About the Court](#), 2023
- 5) SSRN, [Public-Interest Standing and Securities Class Action in China: Evidence from Kangmei Pharmaceutical](#), 2022
- 6) Caixin Global, [Four Things to Know About the Fund That Protects Securities Investors](#), 2019

3.2.5

Taiwan

Market Highlights





Taiwan excels in protecting investor rights and strengthening corporate governance through proactive monitoring, legal enforcement, and seamless inter-agency coordination

Taiwan enhances investor protection through proactive monitoring, legal reforms, and seamless agency coordination

Taiwan's investor protection framework centers on the SFIPC, which upholds shareholder rights and leads class actions. Key measures include public education, MOPS monitoring, and profit disgorgement to support enforcement and compensation. Together, these efforts enhance governance and transparency.

Non-exhaustive



	1. Market Abuse	2. Financial Statement Fraud	3. Investor Scams
Prevention		P1. [FSC] The Securities and Futures Investors Protection Center (SFIPC), 2003 ¹	
		P2. [SFIPC] Public Education, 2003 ²	
Detection	D1. [FSC] Nominee disclosures policies, 1968 ³	D2. [FSC] Regulatory Oversight, 2009 ⁵	
		D3. [TWSE] Market Observation Post System (MOPS), 2002 ⁴	
	D4. [FSC] Streamlined case handling process, 2004 ³		
Enforcement	E1. [FSC] Specialized Prosecutor Task Force, 2004 ⁸		
	E2. [FSC] Securities and Futures Investors Protection Center (SFIPC) Plaintiff for Class Actions, 2003 ²		
Recovery	R1. [FSC] Securities and Futures Investors Protection Center (SFIPC) Recovery Fund and Litigation Support, 2003 ¹		R2. [CIB] Crypto Recovery Network, 2024 ⁷
	R3. [SFIPC] Disgorgement of Profits, 2003 ¹		

Sources:

- 1) SFIPC, [News and Publications](#), 2023
- 2) SFIPC, [Overview of SFIPC Services and Achievements](#), 2023
- 3) SFB, [Investor Protection Overview](#), 2023
- 4) TEJ, [Taiwan's \(MOPS\)](#), 2023.
- 5) SFB, [CPA Firm Inspection](#), 2024
- 6) XREX, [XREX Plays Key Role in Taiwan's Fraud Combat](#), 2024
- 7) 99 Bitcoins, [AI and Police Join Forces](#), 2025
- 8) SFB, [Law Enforcement Report](#), 2024



Taiwan strengthens investor protection through the SFIPC, which monitors shareholder concerns, enforces governance, flags corporate risks, and supports fund recovery through class actions, supported by seamless inter-agency coordination

Initiatives and Key Summary

Prevention	P1. [FSC] Regulator Participation in Annual Shareholder Meetings	●
	The Securities and Futures Investors Protection Center (SFIPC) is Taiwan's dedicated investor protection body. It safeguards shareholder rights by holding shares in all listed companies, attending shareholder meetings, and monitoring corporate governance. SFIPC can also act against misconduct by company management, including breaches of trust, asset misappropriation, and violations of fiduciary duties. ¹	
	P2. [SFIPC] Public Education	●●●
	SFIPC works with newspapers and other media to host seminars and publishes articles or columns in newspapers and magazines. ²	
Detection	D1. [FSC] Nominee Disclosures Policies	●
	Mandates public companies to disclose major shareholders (5%+), top 10 shareholders, and shadow owners in annual reports, with quarterly updates for TWSE/TOPIX listed companies and announcements for significant	
	D2. [FSC] Regulatory Oversight	●
	Regulatory inspections aim to enhance financial reporting quality, strengthen internal controls, and reduce the risk of misstatements ⁵	
	D3. [TWSE] Market Observation Post System (MOPS)	●
	MOPS is an online platform established by the Taiwan Stock Exchange for public companies to disclose material information. It serves to enhance transparency and ensure all investors have equal access to important corporate announcements. ⁴	
	D4. [FSC] Streamlined case handling process	●●
	All discovery from exchange supervision, media coverage, reporting / whistleblowing gets reported to FSB ³	
Enforcement	E1. [FSC] Specialized Prosecutor Task Force	●●
	Taiwan's integrated enforcement model assigns clear roles to SFIPC, SFB, MJIB, and embedded prosecutors, ensuring efficient handling of investor fraud cases by sharing evidence and coordinating case paths to eliminate duplication between civil, regulatory, and criminal processes ⁸ . Further strengthening this framework, the Financial Supervisory Commission (FSC) has partnered with the Central Police University to access an advanced AI crime-tracking tool for monitoring cryptocurrency-related fraud, enhancing the ability to trace funds, assess exchange activities, and detect irregular transactions	
	E2. [FSC] SFIPC as Plaintiff for Class Actions	●●
	Cases are handled through civil class actions by SFIPC, administrative sanctions by SFB, and criminal prosecution by MJIB, with seamless coordination and evidence sharing between agencies to avoid duplication and enhance enforcement ²	
Recovery	R1. [FSC] SFIPC Recovery Fund and Litigation Support	●●
	SFIPC provides compensation to retail investors when licensed securities or futures firms, such as brokers or futures dealers, fail to return assets due to insolvency or regulatory shutdown. It also offers legal support—though not direct payout—for investors pursuing class actions against listed companies, such as in cases involving fraudulent financial statements ¹	
	R2. [CIB] Crypto Recovery Network, 2024	●
	Taiwan's Criminal Investigation Bureau (CIB), the Judicial Reform Foundation (JRF), and XREX collaborated using blockchain intelligence tools and on-chain tracking technologies to trace stolen cryptocurrency, identify wallet movements, and coordinate with exchanges for asset seizure, successfully recovering the funds even without identifying a suspect. ⁶	
	R3. [SFIPC] Disgorgement of Profits	●
	Article 157 of the Securities and Exchange Act regulates disgorgement of profits from short-swing trading by insiders, including directors, supervisors, managerial officers, or shareholders holding over 10% of a company's shares, requiring the company to reclaim profits from transactions made within six months; in 2023, the SFIPC handled 254 related cases ¹	

Sources: Same number and link as the previous page

Fraud Type: ● Market Abuse ● Financial Statement Fraud ● Investor Scams

3.3

Summary of What Thailand Can Learn from Global Markets










































Summary of What Thailand Can Learn from Global Markets

Global best practices, including those from the U.S., Singapore, China, and Taiwan, provide valuable insights for strengthening Thailand's defense against fraud to ensure timely intervention and greater market integrity

Non-exhaustive

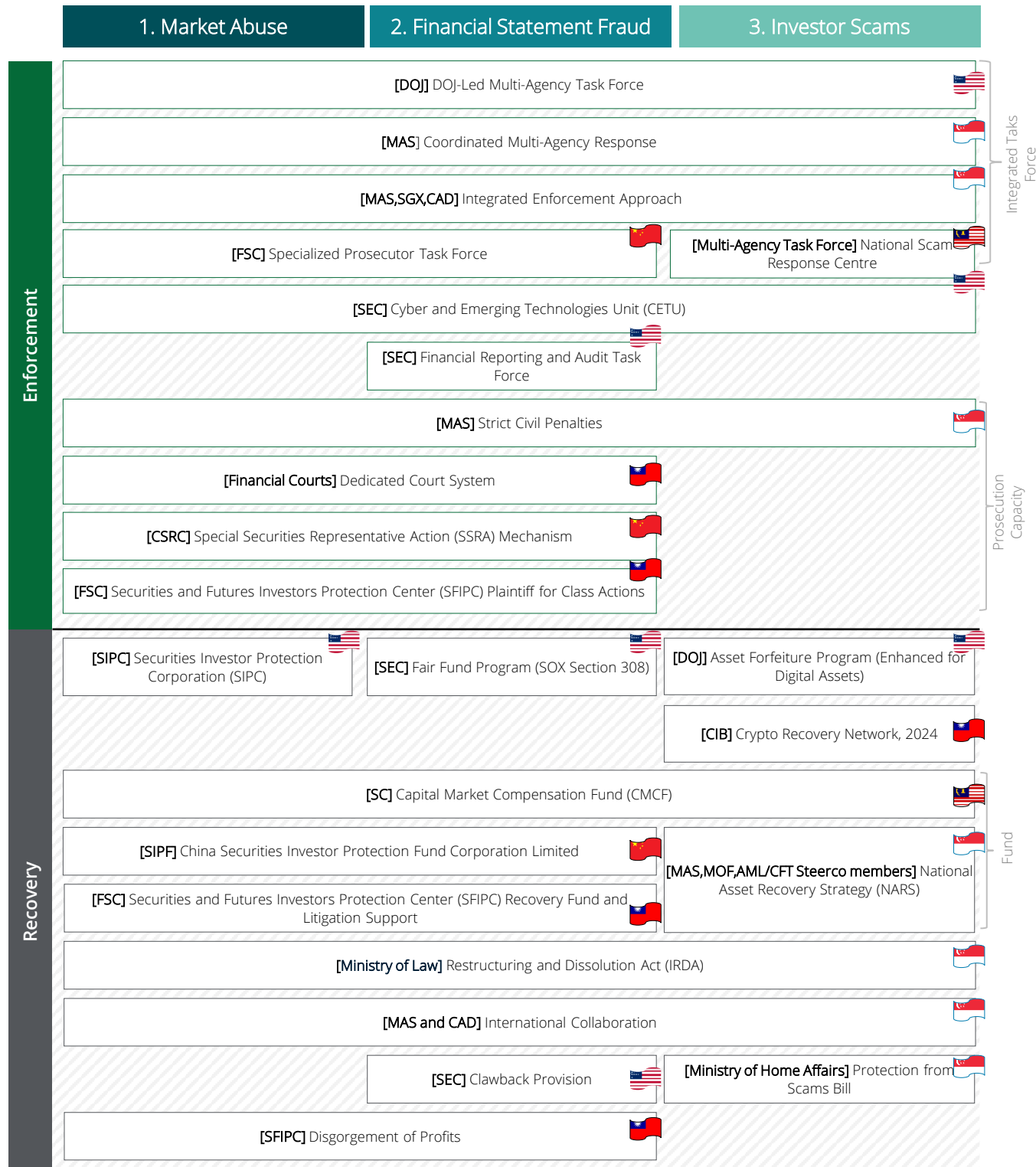


1. Market Abuse		2. Financial Statement Fraud		3. Investor Scams			
Prevention	[SEC] Investor Education Initiative via Investor.gov					Awareness & literacy	
	[MAS] MoneySense, Investor Alert List, Financial Institutions Directory (FID)						
	[SC] Investor Education Programs via InvestSmart®						
	[SFIPC] Public Education						
	[SEC] Crypto Task Force					Digital Assets	
	[FINRA] Rules & Guidance						
	[MAS] Securities and Futures Act (SFA), 2001						
	[MAS] Payment Services Act (PSA), 2019 ³						
	[Public-led] Shared Intelligence Network		[PCAOB] Regulatory Oversight			Internal Oversight	
	[SEC] Securities Exchange Act of 1934		[SGX & ACRA] Strengthened Governance and Transparency Framework				
	[MAS] Automated Risk Checks		[ACRA] Strengthened Practice Monitoring Programme				
			[SEC] Sarbanes-Oxley Section 302 - Executive Accountability				
			[SEC] Sarbanes-Oxley Section 404 - Internal Controls Assessment			Corporate Governance	
			[ISC] Basic Standard for Enterprise Internal Control (China SOX)				
			[ISC] Corporate Governance Oversight Initiative				
			[MAS] Code of Corporate Governance				
			[SGX] Effective Internal Audit Structure				
			[SC] Malaysian Code on Corporate Governance (MCCG)				
			[SC] Guidelines on Conduct for Capital Market				
			[FSC] Regulator Participation in Annual Shareholder Meetings				
Detection			[CSRC] Random Corporate Inspection Program		[FBI] Operation Level Up		Whistleblower
			[ACRA] Regulatory Oversight for Non-FI by ACRA		[Singapore Parliament] Protection from Scams Bill		
			[MAS] Regulatory Oversight for FI		[SPF] Anti-Scam Center (ASC)		
			[FSC] Regulatory Oversight				
			[SEC] EPS Initiative				
	[Minister for Home Affairs] Prevention of Corruption Act (PCA) for Legal Protections for Whistleblowers						
	[SEC] Dodd-Frank Whistleblower Program						
	[SGX] Whistleblowing Policies for Non-FI						
	[MAS] Whistleblowing Policies for FI						
	[Prime Minister's Department] Whistleblower Protection Act						
			[SEC] Sarbanes-Oxley Section 806 - Whistleblower Protection			Disclosure & Monitor	
	[FINRA] Consolidated Audit Trail (CAT)		[SGX] Listing Rule 703 Corporate Disclosure				
	[FSC] Nominee disclosures policies		[SEC] Sarbanes-Oxley Section 409 - Real-Time Issuer Disclosures				
	[SGX] Strengthened Monitoring & Broker Accountability		[SGX] Independent Verification of Disclosures				
	[SGX] AI/ML-Driven Trade Surveillance		[FSC] Market Observation Post System (MOPS)				
	[FSC] Streamlined Case Handling Process						

Summary of What Thailand Can Learn from Global Markets

Complementing early-stage measures, global practices highlight how Thailand can enhance enforcement and recovery to enable faster fraud responses and better outcomes for investors

Non-exhaustive



Summary of What Thailand Can Learn from Global Markets

By drawing on international investor protection initiatives, Thailand can adapt these practices to enhance fraud prevention, strengthen market oversight, reinforce enforcement, and improve investor recovery

Key Summary

Thailand can strengthen its approach to combating market abuse, financial statement fraud, and investor scams by adopting best practices across the 4 stages of investor protection: prevention, detection, enforcement, and recovery. Key recommendations include:

- **Prevention:** Implement automated risk checks and enhanced corporate governance codes, drawing on global frameworks such as the Sarbanes-Oxley Act and Malaysia's Code of Corporate Governance. Introduce strong whistleblower protection policies and financial incentives to encourage fraud reporting, as practiced in the U.S. Scale up investor education programs to raise awareness of scams and emerging threats like cryptocurrency and AI-based fraud. Collaborative efforts with the private sector can further strengthen prevention mechanisms.
- **Detection:** Utilize AI-driven trade surveillance systems, advanced monitoring tools, and effective whistleblower mechanisms to improve market transparency. Integrate data analytics to enable early identification of emerging fraud risks. Streamline case-handling processes to ensure faster resolution of suspected fraudulent activities and maintain market integrity.
- **Enforcement:** Establish multi-agency task forces to coordinate fraud responses, conduct data-driven investigations, and impose strict civil penalties. Develop dedicated financial crime courts to deter misconduct. Prioritize international cooperation with foreign regulators and law enforcement to strengthen cross-border enforcement and asset recovery.
- **Recovery:** Create compensation mechanisms such as a Capital Market Compensation Fund and empower entities like the Securities Investor Protection Corporation (SIPC) to act on behalf of investors in class actions against bad actors and perpetrators of fraud. Promote international collaboration to recover illicit assets, and leverage cross-institutional coordination to streamline recovery processes and ensure timely investor compensation.

By integrating these measures into Thailand's investment market oversight framework, Thailand can strengthen investor protection, deter fraudulent behavior, boost investor confidence, and strengthen overall market resilience.

9 initiatives to strengthen investor protection and restore investor confidence in Thailand

The next chapter translates these global references into a set of prioritized initiatives tailored to address Thailand's key areas of improvement in investor protection. These initiatives are prioritized based on (1) potential impact and (2) ease of implementation. Each initiative is then explored in depth, including its expected impact on key stakeholders, global references, and key considerations for implementation.

Chapter 4

Thailand's Path Forward

4.1 Initiatives to Strengthen Investor Protection

4.2 Concluding Remarks



An aerial photograph of a city, likely Bangkok, featuring a wide river, a multi-lane bridge with traffic, and a dense urban landscape with numerous high-rise buildings. The image is overlaid with a dark green semi-transparent filter.

4.1

Initiatives to Strengthen Investor Protection

4.1.1 9 Initiatives

4.1.2 Initiatives Deep Dive

4.1.3 Summary

9 Initiatives

Using the compendium of global best practices, a list of potential local improvement areas were derived; These were prioritized by ease of implementation and expected impact to showcase the top 9 initiatives to strengthen investor protection in Thailand

Initiatives Identification and Prioritization

In Chapter 2, we identified 15 key areas for improvement in Thailand's investor protection framework through analysis of three representative case clusters, input from 25 subject matter experts, and a review of existing literature. Building on these findings, Chapter 3 explores relevant global practices across five markets and distills 9 actionable initiatives tailored to Thailand's context. Each initiative is evaluated and prioritized based on two criteria: estimated impact—based on the number and significance of improvement areas addressed—and ease of implementation—considering the number of stakeholders involved, type of policy instrument, degree of change, and capabilities required.

CHAPTER 3

65

Relevant best practices identified across 5 key markets:



Across 4 stages of investor protection

Prevention

Detection

Enforcement

Recovery

Derived based on:

- ✓ Grouping of common best practices
- ✓ SME insights

CHAPTER 4

9 Initiatives

A Ease of Implementation

A scoring derived based on 4 key pillars:

- Number of Stakeholders Involved** - Initiatives involving fewer stakeholders, such as those led by a single entity, are generally easier to implement, while those requiring multi-agency coordination tend to face greater complexity and delays.
- Policy Instrument** - Initiatives requiring legal changes are harder and slower to implement, while those using regulatory guidance or industry best practices are quicker and more flexible
- Degree of Change** - Incremental changes are easier and quicker to implement, while transformational changes require significant shifts in systems, culture, and resources, often facing more resistance and delays
- Capabilities Required** - Implementation is easier when expertise and resources are available internally or can be sourced externally, but harder and riskier if capabilities must be developed organically over time

B Estimated Impact

A score calculated based on the number of areas of improvement addressed by the initiative and the significance of the impact in each area.

(Refer to Chapter 2.4 Key Areas of Improvement)

Key Themes	Key Areas of Improvements			
Prevention	1. Screening Process	Supervision of financial intermediaries	●●	H M N/A
	2. Investor Education	Investor understanding and due diligence	●●	H M N/A
		Awareness of investor assistance tools	●	H L N/A
Detection	3. Corporate Governance	Supervision of corporate internal controls by management	●●	N/A N/A N/A
		Internal audit quality	●●	N/A H N/A
Enforcement	4. Surveillance System	Trade surveillance capability	●●	H N/A L
		Financial statement data analytic capability	●●	N/A N/A N/A
		Corporate disclosure surveillance capability	●●	N/A N/A N/A
Recovery	5. Penalties Imposed	Resources to investigate detection leads	●●	M M M
		Streamlining coordination across agencies	●●	H H M
	6. Asset recovery	Obtaining adequate evidence to support cases	●●	H H H
		Deterrence effect on fraudster	●●	M H L
	7. Victim Compensation	Asset recovery speed	●●	L M L
		Asset recovery rate	●●	L M L
		Compensation mechanism for investors	●●	H H H

9 Initiatives

We categorized the 9 initiatives into 2 quick wins, 3 strategic focus, 2 future considerations, 2 tactical improvements and balancing ambition with feasibility to support clearer decision-making and align with Thailand's evolving policy and institutional capacity

Prioritization Results

		Initiative #
Quick Wins (High Impact, High Ease)	Initiatives that can be implemented easily with significant benefits	1 2
Strategic Focus (High Impact, Low Ease)	High value projects that require significant investment of time & resources	3 4 5
Tactical Improvement (Low Impact, High Ease)	Initiatives that are quick to implement, but brings minimal impact	6 7
Future Consideration (Low Impact, Low Ease)	Deprioritized, with potential for future consideration based on evolving context and capacity	8 9

Estimated Impact

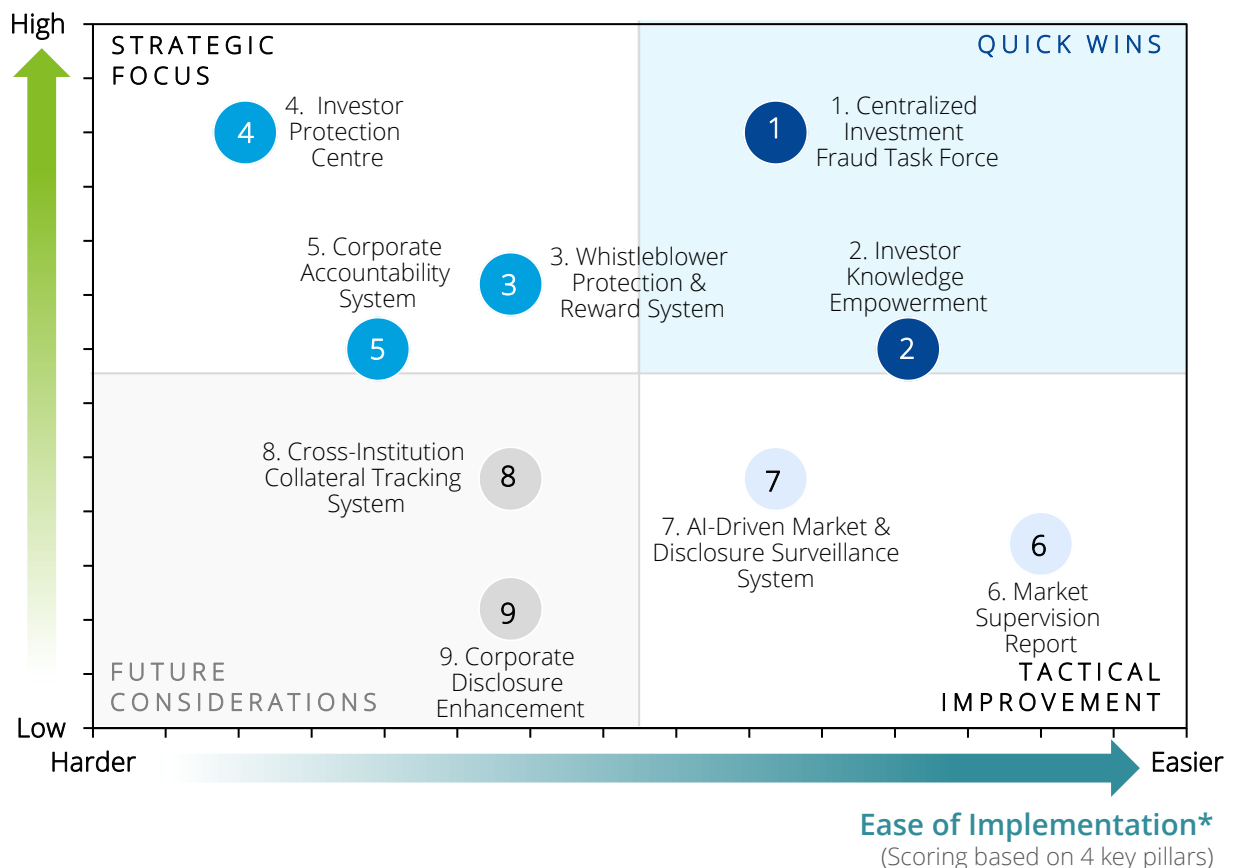
Indicative assessment to provide relative impact based on the **initiative coverage of Thailand's key areas of improvements and its estimated impact** in enhancing investor protection.

Ease of Implementation

Indicative assessment of the **relative difficulty in implementing each initiative-based SME inputs** on the four measured pillars. Actual implementation challenges may vary depending on specific circumstances and contexts.










Estimated Impact*

(Scoring based on Chapter 2.4)



9 Initiatives

9 initiatives have been curated for your consideration, prioritized by estimated impact and ease of implementation, to address key gaps and strengthen investor protection across prevention, detection, enforcement, and recovery in Thailand's capital market

Stage	Priority	Type	Initiative	Strategic Rationale	Reference
	1	Quick Win	Centralized Investment Fraud Task Force	Thailand's current regulatory landscape leads to delayed enforcement and uneven outcomes. A centralized taskforce can improve coordination across regulators, law enforcement, and policy bodies by reducing overlaps, speeding up case resolution, and enhancing fund recovery. This mirrors models in the U.S. and Taiwan, where inter-agency taskforces have been critical to successful prosecutions.	
	2	Quick Win	Investor Knowledge Empowerment	Retail investors remain highly vulnerable due to limited access to reliable, timely information. A centralized digital platform offering investor education, scam alerts, and verification tools can empower individuals to make informed decisions, reduce fraud exposure, and reinforce market integrity.	
	3	Strategic Focus	Whistleblower Protection and Incentive Program	Thailand's Securities Act protects employee whistleblowers from unfair treatment but does not extend protections to external sources. Expanding safeguards, ensuring anonymity, and offering outcome-based incentives—as seen in the U.S. SEC model—can encourage more individuals to report misconduct confidently.	
	4	Strategic Focus	Investor Protection Center	Investors in Thailand have limited recourse against corporate misconduct. Adopting Taiwan's SFIPC model, which leads class actions against bad actors and perpetrators of fraud, enables representative filings, and manages a compensation fund, along with elements from the U.S. Fair Fund and China's SIPF center-led model, would strengthen investor protection and restore trust.	
	5	Strategic Focus	Corporate Accountability System	Management accountability for financial statements remains weak in Thailand. Instituting internal control mandates and requiring certification by directors, similar to provisions in the U.S. Sarbanes-Oxley Act, can significantly raise the quality and credibility of financial reporting.	
	6	Tactical Improvements	Market Supervision Report	While Thailand provides some enforcement information through the SEC's website and annual reports, it does not yet publish a dedicated and consolidated enforcement report. Adopting structured reporting practices similar to those used in jurisdictions like Singapore and Taiwan, could improve regulatory transparency and enhance trust among investors and market participants.	
	7	Tactical Improvements	Ai-Driven Market and Disclosure Surveillance System	As data analytics tools like Singapore's Apollo and the U.S. CAT have proven effective in detecting complex market misconduct such as spoofing and insider trading, Thailand can strengthen its detection capabilities by adopting similar technologies. These tools offer timely, cross-market surveillance that supports proactive enforcement and reinforces investor confidence.	
	8	Future Considerations	Cross-Institution Collateral Tracking System	Today, clients may open multiple accounts across brokers using the same statement, creating hidden exposures. Models like Europe's ECMS and Brazil's B3 Collateral Platform demonstrate how centralized, real-time collateral tracking can improve oversight, prevent duplication, and reinforce financial stability.	
	9	Future Considerations	Corporate Disclosure Enhancement	To strengthen transparency and enable early regulatory response, companies should disclose material events and key financial discrepancies as they occur. Clear timelines and defined quantitative thresholds support timely investor updates and reduce the risk of delayed detection.	

9 Initiatives

These 9 initiatives are anchored in 5 strategic guiding principles to ensure the reforms are coherent, impactful and relevant to Thailand's context

5 Strategic Guiding Principles for Initiatives Design

The 9 initiatives are grounded in 5 strategic guiding principles. These principles reflect lessons from fraud cases, global practice, and Thailand's regulatory context. They serve as the foundation for selecting and shaping the initiatives presented in this chapter

Principle	Description	Example
1 Evidence-Based and Locally Relevant	Address root causes of past fraud to prevent future cases, while adapting global best practices to fit Thailand's market context	U.S. SEC expanded Form 8-K in 2004, following Sarbanes-Oxley, to require timely, event-driven disclosures—addressing enforcement gaps exposed by major U.S. fraud cases ¹
2 Continuous Improvement	Ensure the framework evolves alongside fraud — through technology, data, and global insights — to stay ahead of emerging risks	U.S. regulators such as the SEC and FINRA continuously update policies and warnings based on scam typologies, investor behavior studies, and complaints data ²
3 Cross-Sector Collaboration	Align efforts across regulators, law enforcement, exchanges, professional firms, and investors for unified action	Singapore's Integrated Enforcement Approach (2016) brings together MAS, SGX, and the Commercial Affairs Department for coordinated investigations and enforcement ³
4 Transparent Engagement	Build public trust through clear, timely communication on enforcement and investor redress	Taiwan's FSC operates an investor alert portal and publishes enforcement updates and lists of unlicensed entities ⁴ . This improves transparency and investor surveillance
5 Holistic and Balanced Reform	Implement end-to-end reforms across prevention, detection, enforcement and recovery – without overburdening the market or limiting growth	Singapore combines regulatory sandboxes, real-time monitoring, and cross-agency enforcement to support innovation while maintaining market integrity ⁵

Sources:

- 1) SEC, [Press Releases](#), 2014
- 2) SEC, [Press Releases](#), 2024
- 3) MAS, [Capital Markets Enforcement](#), 2016
- 4) SFB, [Investor Alerts Portal](#), 2019
- 5) MAS, [Regulatory Sandbox](#), 2025

An aerial photograph of a city skyline, featuring a prominent skyscraper and a bridge over a river. The image is darkened to serve as a background for the text.

4.1 Initiatives to Strengthen Investor Protection

4.1.1 9 Initiatives

4.1.2 Initiatives Deep Dive

4.1.3 Summary

Initiatives Deep Dive

Thailand's enforcement system currently involves multiple agencies working independently without accelerated pathways for high-impact cases, which limits the speed and effectiveness of responses

Strategic Rationale

A centralized taskforce could enhance coordination among regulators, law enforcement, and policy bodies, reducing overlaps, accelerating case resolution, and improving fund recovery. This approach mirrors successful models in the U.S. and Taiwan, where inter-agency taskforces have been instrumental in achieving effective prosecutions.

Current State

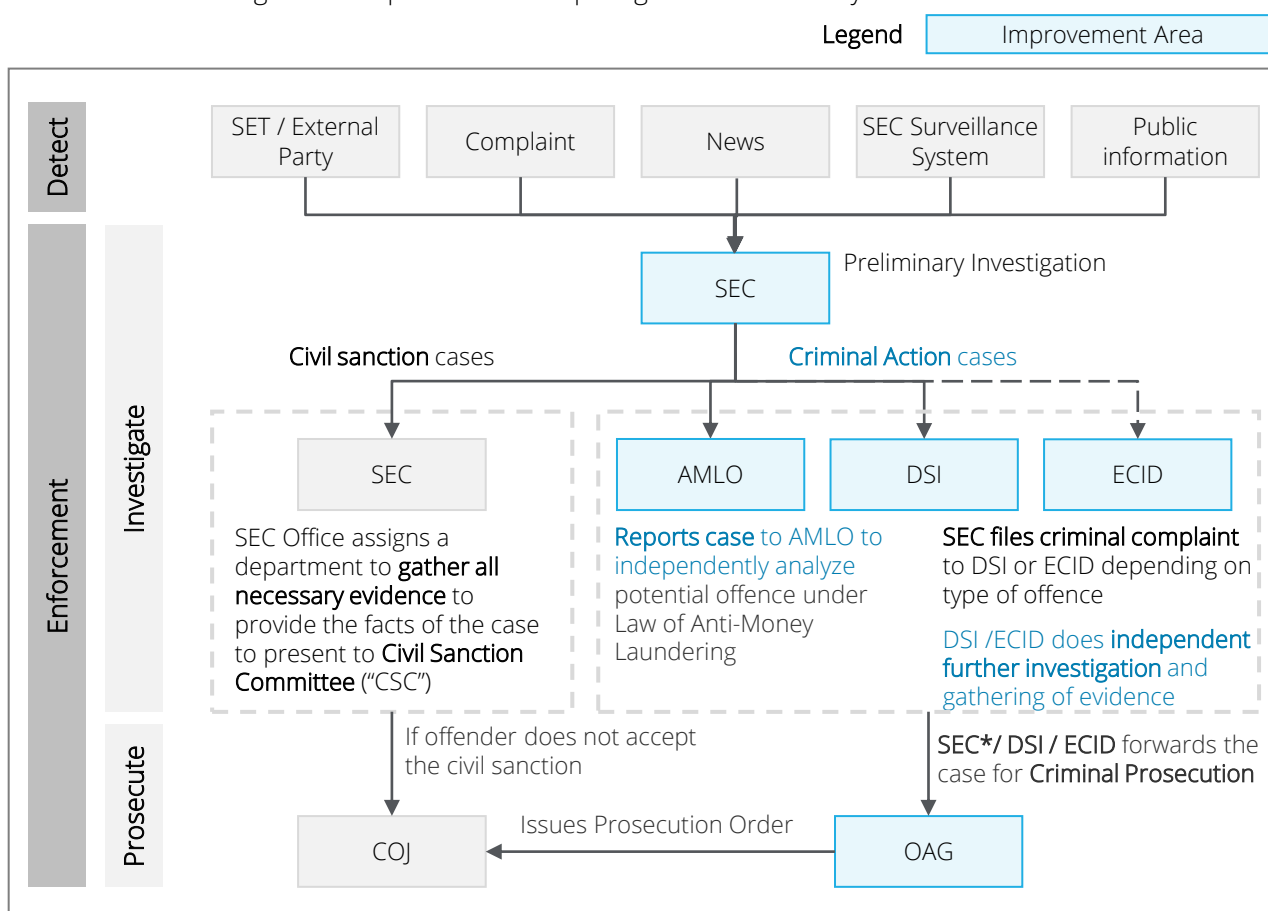
Enforcement involves coordination among multiple agencies, with each investment fraud case typically requiring several handovers. This multi-agency approach can result in a relatively extended process.

Target State

Establishing a centralized joint task force for high-impact cases to streamline enforcement processes and enabling faster and more coordinated responses

Current State^{1,2} (Thailand)

Thailand's current enforcement process for investment fraud involves multiple agencies independently handling both frequent, small-scale and high-impact cases, with each case following the same decentralized investigation and prosecution steps regardless of severity



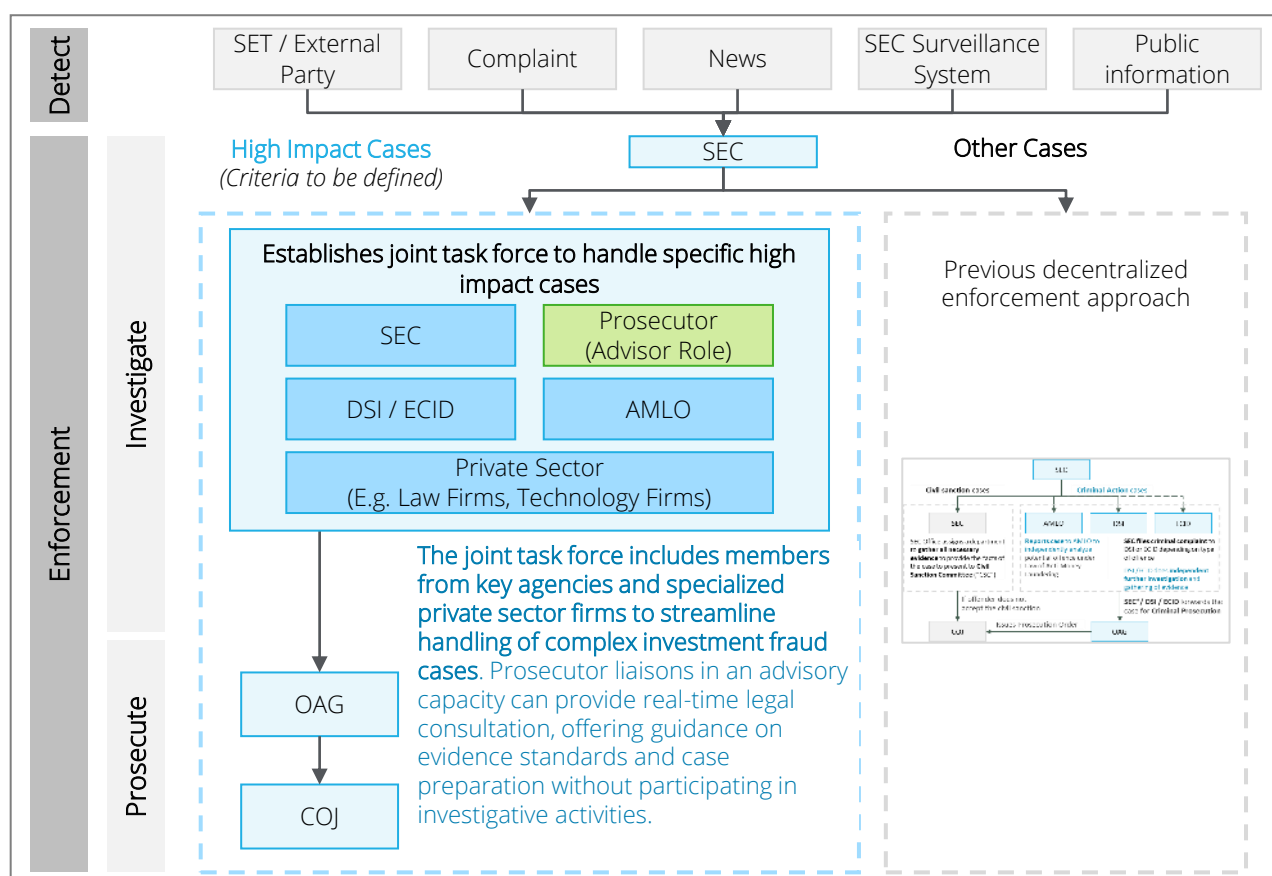
Sources:

- 1) SEC, [Enforcement](#), Accessed Apr 2025
- 2) SEC, [SEC Roles](#), Accessed Apr 2025

Establishing a centralized investment fraud task force could streamline enforcement and accelerate case resolution for high-impact cases

Target State (Vision)

The new approach creates a joint task force for high-impact investment fraud cases—identified by criteria such as financial damage and victim scale—bringing together the SEC, DSI/ECIB, AMLO, prosecutors in an advisory role, and private firms that can help enhance investigative capacities with a view to identifying and prosecuting bad actors and perpetrators of fraud. This structure ensures joint responsibility, reduces delays, and allows prosecutors to provide immediate legal guidance and evidence review, while private firms contribute specialized expertise in investigation such as blockchain analytics and on-chain evidence gathering to streamline case resolution.



Examples from International Markets



Taiwan stations specialized prosecutors at its Financial Supervisory Commission (FSC) to handle major financial crimes under guidelines established by the Ministry of Justice. Additionally, FSC signed a formal agreement with Central Police University, to work closely on tackling cryptocurrency-related crimes through AI crime tracking tool developed by the university



The MAS–CAD joint investigation arrangement integrates regulatory and criminal enforcement, enabling swift, unified action across agencies



Launched in 2022, the **National Scam Response Centre (NSRC)** unites regulators, police, telecoms, and third-party providers like TRM Labs to combat financial fraud, trace illicit cryptocurrency transactions, and recover stolen digital assets.



DOJ-led task forces and FBI's Operation Level Up exemplify proactive, multi-agency collaboration to detect and disrupt complex investment frauds, often before victim's report losses

Initiatives Deep Dive

Singapore's MAS–CAD joint investigation arrangement, launched in 2015, unified regulatory and criminal enforcement for market misconduct and expanded in 2018 to cover all capital markets offences

How Leading Markets Executed Key Initiatives



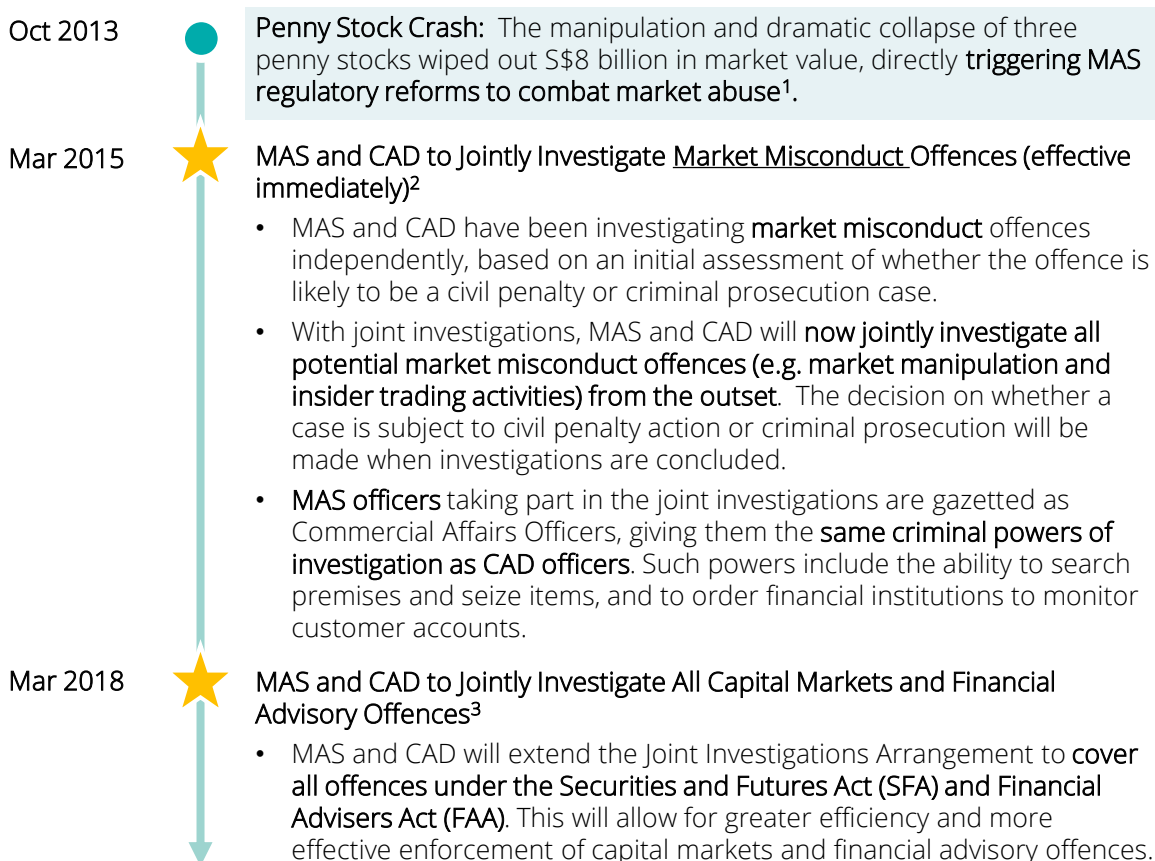
The MAS–CAD Joint Investigation

MAS–CAD joint investigation arrangement in Singapore integrates regulatory and criminal enforcement, enabling both agencies to act swiftly and collaboratively from the outset on market misconduct cases for stronger, more efficient enforcement

Key Stakeholders

Regulator	• Monetary Authority of Singapore (MAS)
Law Enforcement	• Commercial Affairs Department (CAD)

Key implementation steps



Summary of Timeline & Duration

- **18 months** taken to implement joint investigation for **all potential market abuse cases**
- Additional **36 months** taken to expand the scope to **all cases under FSA and FAA**

Sources:

- 1) AAM, [Singapore overhauls trading rules after penny stock crash](#), 2014
- 2) MAS, [MAS and CAD to Jointly Investigate Market Misconduct Offences](#), 2015
- 3) MAS, [MAS and CAD to Jointly Investigate All Capital Markets and Financial Advisory Offences](#), 2018





Initiatives Deep Dive

This initiative offers a high-impact, near-term solution, accelerating enforcement, reinforcing deterrence, and restoring investor confidence

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
1. Establishment of centralized investment fraud taskforce	A. March 2025 SEC amendment (emergency decree) implementation	SEC	DSI, ECID, OAG, AMLO, Private Firms
	B. Formalize interagency MOU between SEC, DSI, AMLO, ECID and key private firms to establish task force		
	C. Set up task force governance structure (committee with all key public agencies)		
	D. Develop criteria for high-impact case and standard operational procedures (SOPs)		
	E. Appoint prosecutor liaisons from OAG as advisory member (no investigative role)		
	F. Pilot and scale up		

Expected Impact

 <p>Retail Investors</p> <p>Increased protection, and greater confidence in the market, potentially greater capital flow into Thailand capital markets</p>	 <p>Regulators (SEC, AMLO)</p> <p>Improves enforcement efficiency by reducing case handovers, streamlining coordination, and enabling faster, more resource-efficient investigations</p>	 <p>Law Enforcement (DSI, ECID)</p> <p>Accelerated legal review of evidence and provide guidance during investigations, resulting in quicker prosecution decisions, stronger case preparation, and more timely resolution of high-impact cases.</p>	 <p>Prosecutors (OAG)</p>
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Key Risks and Enablers

- Interagency silos vs Strong steering committee:** Fragmented agency mandates and handovers can be overcome by a unified, empowered cross-agency taskforce with clear joint protocols.
- Data sharing barriers vs Integrated digital platforms:** Legal, technical, or privacy constraints can be addressed by establishing secure, shared systems for real-time information exchange.
- Resource competition between agencies vs Specialized expertise deployment:** Agencies may compete for limited resources, but a centralized task force allows strategic allocation of specialized skills where most needed for high-impact cases

Initiatives Deep Dive

Investor knowledge empowerment fosters confident, informed participation in the market by improving financial literacy, risk awareness and access to reliable information

Strategic Rationale

Investor knowledge empowerment involves equipping individuals with essential education, verification tools, and real-time alerts to help them recognize risks and protect themselves from misconduct. By enabling investors to identify and avoid fraudulent schemes before harm occurs, this approach serves as a cost-effective safeguard, reducing reliance on costly enforcement actions.

Current State

Key investor education and protection tools are in place across agencies, though they remain distributed across platforms, which may limit coordinated promotion and user adoption

Target State

Thailand should establish a unified platform through regulatory collaboration, supported by data-sharing agreements, that provides investor alerts, license checks, bond information, and financial education, while also coordinating national financial literacy programs in schools and communities.



Current State (Thailand)

Key Feature	Thailand (SEC)	Example of Global Practice (SG's MAS)	Focus Area
1. Investment Reporting Channel	Investors must navigate multiple websites and hotlines (e.g., SEC, AOC, CCIB, SET) to report scams, creating confusion and inefficiency due to the lack of a single entry point.	The Monetary Authority of Singapore (MAS) and the Singapore Police Force provide a centralized online portal with streamlined guidance, making it easy for investors to report scams	
2. Investor Alert	Scam warnings and alert lists are issued separately by SEC, SET, CCIB, and other entities, leading to inconsistent updates and a fragmented view of risks facing investors.	MAS offers a single, regularly updated Investor Alert List covering unlicensed entities and impersonation cases, accessible with other investor tools	
3. License Check	Investors are required to verify the licenses of brokers, lenders, advisors, and digital asset business operators across multiple disconnected platforms-including the BOT, SEC, FTPA/ASCO, and Thai Police-with no unified interface to streamline the process.	MAS provides a single, integrated Financial Institutions Directory and Register of Representatives, enabling investors to easily verify the regulatory status of financial institutions-including licensed crypto service providers-through one unified platform	
4. Bond Check	Bond-related data is dispersed between ThaiBMA's iBond portal and the SEC's Bond Check app, making it harder for investors to get a full picture of bond products and issuers.	MAS hosts all relevant bond information, including issuer status and regulatory disclosures, in one centralized, user-friendly environment linked with other investor tools.	
5. Centralized Platform and User Guidance	In Thailand, investor education and verification tools from the SEC, SET, ThaiBMA, and BOT are spread across separate platforms, making cohesive access and navigation more challenging.	MAS and MoneySense provide a centralized, user-friendly portal that brings together tools such as scam reporting, alerts, license checks, bond information, and financial education with clear guidance and step-by-step support	✓
6. National Education Program	Thailand does not currently have a unified national financial education initiative, with efforts by the SEC, SET, Ministry of Education, and private programs like UOB Money 101 and Prudential's Cha-Ching running separately without a coordinated curriculum.	MoneySense, a national financial education program co-chaired by MAS and the Ministry of Manpower, works with schools, higher learning institutions, and community partners to provide workshops, activities, and curriculum support, promoting financial literacy across Singapore	✓

Initiatives Deep Dive

The 2 enhancement areas includes establishing a centralized platform, and a national education program

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
5  Centralized Platform and User Guidance	<ol style="list-style-type: none"> 1. Create an MoU and API between regulators to share data and integrate tools into a unified platform 2. Develop a platform that combines resources from regulators, offering features like alerts, license checks, bond info, and educational tools. 3. establish a clear framework for guiding investors on how to effectively use the available tools, with dedicated resources and support to ensure users can easily navigate and benefit from the platform. 	<p>A centralized platform ensures transparency, streamlines investor verification, reduces fraud risks, and empowers the public with accurate and up-to-date information for informed decisions</p>
6  National Education Program	<ol style="list-style-type: none"> 1. Form a government-led council with stakeholders to coordinate national financial education initiatives. 2. Create a core curriculum and toolkit for integrating financial literacy into schools and universities. 3. Collaborate with schools, universities, and community groups to roll out workshops, campaigns, and digital resources for widespread financial education. 	<p>It ensures the younger generation is equipped with the financial knowledge and skills to make informed decisions, helping them avoid fraud and recognize potential risks.</p>

Examples from International Markets



US SEC launched Investor.gov to improve retail investors' financial literacy by providing fraud alerts, risk explanations, and tools to verify financial products and professionals



Singapore MoneySENSE, in collaboration with SIAS, IFL, and MAS, offers workshops on avoiding fraud, while the Investor Alert List and MAS tools help investors identify unregulated entities and verify legitimacy



Taiwan SFIPC works with newspapers and other media to host seminars and publishes articles or columns in newspapers and magazines



Malaysia SEC launched InvestSmart to enhance financial literacy and help Malaysians make informed investment decisions while avoiding scam

Initiatives Deep Dive

Thailand can adopt a national financial education program with a core framework, community outreach, and interactive learning to improve financial literacy nationwide

How Leading Markets Executed Key Initiatives



MAS MoneySense Initiative

Launched in 2003 by MAS, MoneySENSE is Singapore's national financial education program designed to equip consumers with the knowledge and skills to manage daily finances, make informed investments, plan for long-term needs, and understand their rights, promoting financial well-being and consumer protection.

Key Stakeholders

Regulator	1. Monetary Authority of Singapore (MAS) 2. Central Provident Fund Board (CPF Board) 3. Ministry of Education (MOE) 4. Ministry of Health (MOH) 5. Ministry of Manpower (MOM) 6. Ministry of Social and Family Development (MSF) 7. The Financial Education Steering Committee (FESC)
Non-Profit Organization	1. National Library Board (NLB) 2. People's Association (PA)

Key implementation steps

2003	Created the MoneySENSE Core Financial Capabilities Framework as a guiding principle to drive the MoneySENSE initiative, structuring it around three tiers of financial literacy—basic money management, financial planning, and investment know-how ¹
Oct 16, 2003	MAS took the initiative to chair the FESC and invited representatives from several key public sector agencies and government ministries to join the FESC, bringing together current industry and public sector initiatives to announced the launch of a national financial education programme called "MoneySENSE" ¹
Oct 25- Dec 6, 2003	MoneySENSE's first programme uses interactive skits by key agencies to promote good money management habits, budgeting, and debt management in an engaging and educational format. ²
Mar, 2005	Conducted its first National Financial Literacy Survey , covering 2,023 Singaporeans aged 18 to 60, revealing that while most Singaporeans practice basic money management, many lack structured financial planning, adequate retirement savings, and understanding of common financial products. ³
Ongoing Efforts	Launched in 2003, MoneySense evolved from basic financial education to a comprehensive digital platform ⁴ , expanding its outreach through partnerships and workshops, while embracing tools like MyMoneySense for personalized planning; its adaptability during COVID-19 highlighted its role in building financial resilience ⁵

Summary of Timeline & Duration

- MAS launched MoneySENSE with a framework focused on money management, financial planning, and investment know-how, using interactive skits and community programs.
- It expanded outreach through surveys, workshops, media campaigns, and an online portal to enhance financial literacy in Singapore.

Sources:

1) MAS, [MoneySENSE Factsheet](#), 2003

2) MAS, [MAS First Interactive Skit Planned](#), 2003

3) MAS, [Quantitative Research On Financial Literacy Levels in Singapore](#), 2005

4) Ministry of Manpower, [MoneySense Campaign](#), 2022

5) Ministry of Manpower, [Financial Resilience](#), 2021





Initiatives Deep Dive

This initiative is a high-impact, quick win that offers the strongest preventive protection for investors

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
5. Centralized Platform	A. Form MoU for data sharing B. Develop unified, user-friendly platform C. Create investor guidance and support	SEC	SET, BOT, CCIB, MOF
6. National Education Program	A. Form government-led financial education council B. Partner with schools and institutions for workshops, campaigns, and resources C. Develop financial literacy curriculum and toolkit	SEC	Public / Private Partners

Expected Impact

 <p>Retail Investors</p> <p>Increased financial literacy and awareness of investor protection tools</p>	 <p>Associations (ASCO, TLCA, ThaiBMA)</p> <p>Support investor education through workshops and training materials</p>	 <p>Regulators (SEC, SET, BOT)</p> <p>Reduced enforcement costs through preventive education; enhanced public trust</p>	 <p>Listed Companies</p> <p>More efficient capital allocation towards companies with solid fundamentals</p>
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Key Risks and Enablers

- Limited Access vs. Enhanced Inclusion:** Low-income Thais face barriers to financial services due to collateral shortages, poor credit, and low literacy, requiring inclusive solutions.
- Fragmented Efforts vs. National Strategy:** Thailand's scattered financial literacy programs need a unified, multi-sector approach like MoneySENSE.
- Agency Silos vs. Unified Taskforce:** Agencies working in silos call for a strong, cross-agency taskforce for better coordination.
- Funding Enhancements vs. Multi-Source Financing:** Limited budgets can be offset with sustainable public-private partnerships.
- Low Digital Uptake vs. Blended Outreach:** Digital gaps can be bridged by combining online tools with traditional media and school programs.

Initiatives Deep Dive

Whistleblower protection and incentive programs encourage early fraud detection, strengthen enforcement, and build investor trust

Strategic Rationale

Insiders are often the first to detect wrongdoing, but whistleblower protections in Thailand remain limited. Strengthening these protections through legal safeguards, guaranteed anonymity, and outcome-based incentives—modeled after the U.S. SEC program—could encourage early reporting, yield critical intelligence, and improve enforcement. This approach has proven effective in the U.S., enhancing fraud detection and market transparency

Current State

Thailand's whistleblower protections are currently governed by sectoral regulations and do not yet include a standalone law or formal mechanisms for anonymity, reward provision, or case tracking—factors that may affect reporting effectiveness

Target State





Thailand could enhance its whistleblower protection by implementing a standalone whistleblower act, extending protection to non-employees, introducing anonymous reporting, offering monetary rewards, establishing whistleblower funds, and report status tracker

Current State (Thailand)

Key Feature	Thailand's Current System	Example of Global System (U.S.)	Focus area
1. Legal Basis	No comprehensive, standalone whistleblower act; protection is provided under the Securities and Exchange Act B.E. 2535 (1992)	Comprehensive laws: Dodd-Frank Act, Sarbanes-Oxley Act	
2. Protection Coverage	<ul style="list-style-type: none"> Employees of securities firms and issuers 	<ul style="list-style-type: none"> Any individual 	✓
3. Anonymous Reporting	No formal mechanism	Yes – must be submitted via attorney	✓
4. Confidentiality	Yes (policy-based, not statutory)	Yes (statutory)	
5. Anti-retaliation	Limited, company-level only	Yes, strong statutory	
6. Anti-Retaliation Remedies	Not clearly defined; no mention of right to sue or specific compensation	<ul style="list-style-type: none"> Reinstatement Double back pay Attorney fees Right to sue employer 	
7. Monetary Rewards	No reward system	10–30% of sanctions if tip leads to action and penalties exceeding 1 MUSD (35 MTHB)	✓
8. Whistleblower Fund Financing	No such fund exists	Yes –Whistleblower Award Fund are financed by sanctions	✓
9. Public Awareness & Promotion	Low – Little awareness, no dedicated portal or promotion	High – FAQs, reports, law firms advocate whistleblower support	
10. Tracking After Reporting	No tracking mechanism	Yes – whistleblowers can check basic status updates online (e.g., submitted / under review / closed / award eligible, if applicable)	✓

The 4 enhancement areas include establishing a centralized platform, a national education program, and a regular enforcement report

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
2  Protection Coverage	<ol style="list-style-type: none"> Expand existing regulations to explicitly include protections for external whistleblowers, such as vendors, customers, and investors Ensure all protected individuals are safeguarded from retaliation and eligible for rewards, regardless of employment status 	Many significant fraud tips come from outsiders, and failing to protect them discourages reporting.
3  Anonymous Reporting	<ol style="list-style-type: none"> Develop a secure digital reporting platform allowing anonymous submissions through legal representatives or encrypted systems Specify clear legal recognition of anonymous tips in regulations and ensure fair investigation Offer guidance to legal professionals on facilitating anonymous reports, modeled after U.S. procedures 	Fear of retaliation deters whistleblowers. A secure anonymous system lowers the psychological and professional risk of speaking up.
7 8  Whistleblower Reward System	<ol style="list-style-type: none"> Establish a self-sustaining Whistleblower Reward Fund, sourced from a fixed portion of fines or disgorgements Define eligibility criteria and reward thresholds (e.g., 10–30%) based on quality and impact of the information provided Assign a dedicated unit (e.g., under the SEC Thailand) to administer the fund, review claims, and disburse rewards 	A well-funded reward system provides a powerful incentive to report serious misconduct and ensures long-term program sustainability without burdening the national budget.
10  Tracking After Reporting	<ol style="list-style-type: none"> Introduce a secure online tracking system that issues a case ID or PIN to each whistleblower Allow users to view the status of their case (e.g., under review, accepted, closed) Allow users to receive secure updates or additional requests from the regulator Ensure the system maintains strict anonymity and data protection 	Status tracking builds trust and transparency in the process, especially when the investigation period is long.

Examples from International Markets



The U.S. combats investor fraud through strong whistleblower protections, financial incentives, and SEC-led surveillance, supported by laws like SOX and Dodd-Frank and robust internal controls



Singapore curbs investor fraud with strong whistleblower protections, regulatory oversight, and advanced tools for early detection and audit support



Malaysia prevents investor fraud through strong legal whistleblower protections, regulator oversight, and whistleblower-driven improvements in internal audits and controls

Initiatives Deep Dive

Prompted by the 2007–2008 financial crisis, the U.S. passed the Dodd-Frank Act in July 2010, and within 10 months, the SEC launched the Whistleblower Program, giving the public a clear and protected way to report misconduct and participate confidently in enforcement

How Leading Markets Executed Key Initiatives



The U.S. SEC Whistleblower Program

Established under the Dodd-Frank Act, the SEC's whistleblower program integrates legal protections and financial incentives to encourage tips on securities violations—strengthening market enforcement through public participation.

Key Stakeholders

Regulator	• Securities and Exchange Commission (SEC)
Law Enforcement	• Department of Justice (DOJ)
Professional Services	• Private Attorneys (Legal Community) • SEC's Online TCR Vendors ⁶ (Technology Providers)

Key implementation steps

2007 - 2008	● The global financial crisis exposed major regulatory and corporate governance failures, prompting demand for stronger whistleblower protections. ^{1,5}
July 21, 2010	● The Dodd-Frank Act enacted as a direct response to the financial crisis of 2007–2008, creating the SEC Whistleblower Program. ^{1,5}
May 25, 2011	● SEC adopts final rules to implement the whistleblower program , establishing procedures for submitting tips and claiming awards. ²
Aug 12, 2011	● Launch of the SEC's Office of the Whistleblower , providing a centralized office to handle whistleblower submissions and award determinations. ³
Ongoing Efforts	★ Continuous enhancements to the program , including updates to rules, increased outreach, and technological improvements to the submission process. ⁴

Summary of Timeline & Duration

- **Total Time from Legislation to Operational Launch:** Approximately 1 year (July 2010 – August 2011)
- **Ongoing Developments:** The program has evolved over time with rule amendments and increased award payouts, reflecting its maturation and responsiveness to stakeholder feedback⁴

Sources:

- 1) U.S. Congress, [Dodd-Frank Wall Street Reform and Consumer Protection Act](#), 2010
- 2) U.S. SEC, [Final Rule: Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934](#), 2011
- 3) U.S. SEC, [SEC's New Whistleblower Program Takes Effect Today](#), 2011
- 4) U.S. SEC, [Annual Report to Congress on the Dodd-Frank Whistleblower Program](#), 2012–Present
- 5) Investopedia, [Dodd-Frank Wall Street Reform and Consumer Protection Act](#), 2023
- 6) U.S. SEC, [Report Suspected Securities Fraud or Wrongdoing](#), 2024





Initiatives Deep Dive

This initiative is a high-impact quick win, empowering early detection of corporate fraud and providing strong protections and rewards for whistleblowers

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
2. Protection Coverage	A. Review and amend relevant securities regulations	SEC	MOF
	B. Engage stakeholders through public consultations		
	C. Finalize and implement enhanced whistleblower protection framework		
3. Anonymous Reporting & 10. Tracking After Reporting	A. Amend regulations to cover external whistleblowers	SEC	MOF
	B. Conduct stakeholder consultations and finalize framework		
7,8. Whistleblower Reward System	A. Create legal basis and sustainable funding model	SEC	MOF
	B. Set up dedicated unit for claims administration		

Expected Impact

 <p>Investors</p> <p>Increased investor confidence as corporate fraud will be more promptly detected</p>	 <p>Whistleblowers</p> <p>Stronger protections, enhanced rewards, and greater assurance that reporting wrongdoing is both safe and worthwhile</p>	 <p>Regulators (SEC)</p> <p>Faster detection of corporate fraud, and strong evidence for enforcement actions</p>	 <p>Listed Companies</p> <p>Improved market integrity and investor trust, leading to potentially increased access to capital flow</p>
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Key Risks and Enablers

- Market Maturity:** The Thai capital market may require further enhancements to increase the program's efficiency.
- Enforcement Mechanisms:** Establishing independent enforcement bodies akin the U.S. SEC of the Whistleblower could be necessary to ensure program integrity.
- Fear of retaliation vs Strong protection:** People may be afraid to report wrongdoing if they worry about losing their job or being punished, but clear rules against retaliation and secure ways to report can make them feel safer.

Initiatives Deep Dive

A dedicated independent center for class actions and investor recovery, modeled on Taiwan's SFIPC and the U.S. SEC Fair Fund, would strengthen investor protection and streamline asset recovery in Thailand

Strategic Rationale

Establishing a dedicated, independent center operating in close coordination with the SEC and SET to lead class actions against bad actors and perpetrators of fraud and manage a centralized recovery fund strengthens investor protection by reducing legal burdens, enabling efficient restitution, and boosting enforcement credibility. Building on TIA's governance role and promoting minority rights, the center can drive collective actions, enhance market accountability, and rebuild trust.

Current State

Investor recovery remains constrained and is largely dependent on private routes of recovery. TIA can raise governance concerns at AGMs but lacks legal authority to initiate legal action against bad actors and perpetrators of fraud, relying on high shareholder thresholds and encountering delays in asset recovery. Additionally, currently TIA only support equities class action cases.

Target State

A dedicated center leads class actions against bad actors and perpetrators of fraud, acts as plaintiff, and manages a recovery fund. Supported by the SEC and SET, the center collaborates with TIA to strengthen collective action, including digital asset cases and expedite investor recovery process.





Current State (Thailand)

Key Feature	Thailand (SEC & TIA)	Examples of Global Practice (Taiwan's FSC, U.S. SEC Fair Fund)	Focus Area
1. Independent Investor Protection Center	Thailand does not have an independent, regulator-supported entity with legal authority to initiate or represent investors in class actions against bad actors and perpetrators of fraud	SFIPC is an independent, statutory non-profit supported by the FSC, with authority to initiate lawsuits and represent investors in class actions	✓
2. Class Action Facilitation Against Bad Actors and Perpetrators	Class actions must be initiated by affected investors. TIA may act as a coordinator but only historically provided support on equities cases. SEC may be compelled by court to provide evidence where relevant	SFIPC leads class actions and collaborates with regulators such as the Financial Supervisory Commission (FSC) to provide evidence and regulatory expertise during litigation. This extends to cases in the digital assets sector as regulations develop to cover digital asset custody and related financial products	✓
3. Investor Protection Fund	Thailand does not presently have dedicated fund to support class actions against bad actors and perpetrators of fraud or compensate harmed investors, placing the burden solely on individuals	Taiwan's SFIPC funds class actions through models* like 5% of monthly commission income from TWSE, TFE, and Taipei Exchange. The U.S. SEC Fair Fund compensates investors using fines and disgorged assets from enforcement actions	✓
4. Shareholder Meeting Participation	TIA holds minority shares of all listed companies. Relies on 600 volunteers to attend AGMs and raise questions	SFIPC attends AGMs to challenge governance and often requests clarification from management	
5. Representative Filing - Derivative & Discharge Suits	TIA can file derivative or discharge suits if TIA (alone or with others) holds ≥25% of shares (individually or jointly), and for discharge suits, the issue must remain unresolved at AGM/EGM. Historically, these rights have never been exercised	SFIPC uses its statutory authority to file derivative and discharge suits on behalf of companies. Since inception, it has resolved 42 derivative cases (winning 57%, or 24 cases) and 83 discharge cases (winning 47%, or 39 cases)	✓

Initiatives Deep Dive

Key strategies to strengthen investor protection in Thailand include establishing an independent center, enabling class actions against bad actors and perpetrators of fraud, setting up a compensation fund, and empowering minority shareholders

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
1  Independent Investor Protection Center	<ol style="list-style-type: none"> 1. Establish an independent investor protection center operating in close coordination with the SEC and SET with authority to lead class actions and mediation 2. Coordinate with the SEC, SET, and TIA, and keep investors informed on compensation progress 	Create an independent center to lead class actions and build investor trust through transparent updates
2  Class Action Facilitation Against Bad Actors and Perpetrators of fraud	<ol style="list-style-type: none"> 1. Update regulations so the protection center can initiate and lead class actions for market misconduct against bad actors and perpetrators of fraud 2. Provide direct legal and evidentiary support to affected investors 	Expand access to justice, strengthen class actions, and boost accountability for violations
3  Investor Protection Fund	<ol style="list-style-type: none"> 1. Create a dedicated compensation fund, initially financed by the SEC and sustained by trading fees, penalties, and industry contributions, to cover legal costs and support investors 2. Ensure independent oversight and transparent fund use 	Lower financial barriers for investors, ensure sustained support for class actions, and enhance fairness in the financial system
5  Representative Filing for Derivative & Discharge Suits	<ol style="list-style-type: none"> 1. Support minority shareholders in meeting the 5% threshold by providing legal assistance, coordinating evidence gathering, and facilitating discharge suit filings 2. Partner with law firms and legal associations to flag misconduct at AGMs, mobilize shareholder action, and engage the SEC when appropriate 	Empower minority investors with legal support and coordinated action to strengthen accountability and rebuild trust

Examples from International Markets



The U.S. has the Fair Fund Program, allowing the SEC to distribute penalties and disgorged profits directly to harmed investors, expediting restitution and bypassing class-action delays



Singapore's shared responsibility framework (NARS) enables swift asset seizure and victim restitution through structured processes, including court-appointed liquidators under the IRDA



China provides victim compensation through the Securities Investor Protection Fund (SIPF), extended from brokerages to investment fraud, with regulatory and educational support



Taiwan has SFIPC, a legal entity that compensates investors, files derivative and discharge suits, and acts as a central representative to enforce rights and support recovery

Initiatives Deep Dive

Thailand can study Taiwan's model, with a view to establish the center within 5 years, including enacting a law to define the authority's mandate

How Leading Markets Executed Key Initiatives



Taiwan's Securities and Futures Investors Protection Center

Taiwan's SFIPC combines legal support and compensation functions, proactively acts as a plaintiff in investment fraud cases, and enables centralized investor redress through mediation, class actions, and fund recovery, sustained by industry contributions without relying heavily on regulatory funding.

Key Stakeholders

Regulators	1. Financial Supervisory Commission (FSC) 2. Securities and Futures Bureau (SFB)
Exchanges	1. Taiwan Stock Exchange (TWSE) 2. Taipei Exchange (TPEX) 3. Taiwan Futures Exchange (TAIFEX)
Association	Taiwan Securities Association (TSA)

Key implementation steps

May 31, 1999	●	Draft Securities Investors and Futures Traders Protection Act submitted to Executive Yuan, (the government of the Republic of China (Taiwan), for review
Dec 23, 1999	●	Executive Yuan approved the draft Act and sent it to the Legislative Yuan
Jun 20, 2002	●	Legislative Yuan passed the Act in third reading (completion of legislative approval)
Jul 17, 2002	●	Promulgation – President of Taiwan signed and promulgated the Act
Jan 1, 2003	●	The Act came into force, and the Securities and Futures Investors Protection Center was officially established and began operations
May, 2003	★	SFIPC's operations ramped up – the mediation committee was in place
Jul 10, 2003	●	The Center started accepting investor dispute cases for mediation
2023	●	As of year-end 2023, the center has assisted investors in 293 class action suits (including cases transferred from the Securities and Futures Institute), with over 185,200 claims filed totaling more than NT\$79.8 billion

Summary of Timeline & Duration

- The Securities Investors and Futures Traders Protection Act took 3 years to be promulgated, with the protection center established within 1 year following its enactment

Sources:

- 1) FSC, [Overview of the development and evolution](#), 2012
- 2) SFIPC, [Annual Report](#), 2018

- 3) SFIPC, [Annual Report](#), 2023
- 4) SELAW, [Article](#), 2020





Initiatives Deep Dive

The roadmap promotes an independent center to streamline recovery, speed up compensation, cut legal costs, and restore investor confidence

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
1. Independent Investor Protection Center	A. Establish legal mandate through an Investor Protection Act defining the center's role and SEC & SET coordination B. Set up structure of monitor and funding to operationalize the center and support class actions	SEC	TIA, SET
2. Class Action Facilitation against Bad Actors and Perpetrators of Fraud	A. Amend regulations to provide authority to the center for investor redress B. Set up legal resources and stakeholder coordination	Investor Protection Center	TIA, Law Firms
3. Investor Protection Fund	A. Establish a dedicated class action and compensation fund B. Appoint an independent committee	SEC	MOF
5. Representative Filing Derivative & Discharge Suits	A. Proactively promote minority shareholder activism to meet legal thresholds for filing derivative suits B. Share red flags and misconduct findings with regulators and catalyze shareholder response C. Mobilize legal resources and provide procedural guidance for discharge suits	Investor Protection Center	TIA, Law Firms

Expected Impact

 <p>Retail Investors</p> <p>Investors receive faster compensation, stronger protection, and reduced legal costs, boosting confidence in fair market outcomes</p>	 <p>Thai Investors Association (TIA)</p> <p>Enhanced ability to support and represent investors' interests through improved legal frameworks and proactive actions</p>	 <p>Regulators (SEC)</p> <p>The SEC's expanded role ensures stronger enforcement, faster recovery, and greater investor trust</p>	 <p>Listed Companies</p> <p>Firms face higher accountability, compliance costs, and governance expectations transparency as a result of stronger legal scrutiny</p>
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Key Risks and Enablers

- Fragmented recovery vs Independent center:** Disjointed processes delay compensation; an independent center centralizes recovery, ensures fairness, and builds investor trust
- Weak legal support vs Structured class action ecosystem:** Limited support and high legal barriers hinder action; Independent center facilitation, law firm partnerships, and volunteer legal networks enable efficient, collective enforcement
- Unstable funding vs Sustainable compensation model:** Inconsistent funding undermines claims; a dedicated, transparent class action fund ensures long-term sustainability and accountability

Initiatives Deep Dive

A corporate accountability system where executives are personally responsible for financial statement accuracy creates a powerful deterrent against fraudulent reporting and strengthens market integrity

Strategic Rationale

Thailand's current regulatory framework does not hold corporate executives personally accountable for the accuracy of financial statements, allowing misconduct to go unchecked. In contrast, systems like the U.S. Sarbanes-Oxley Act (SOX) directly link top management to financial disclosures through mandatory certification and legal penalties. Introducing similar accountability mechanisms in Thailand can enhance financial reporting integrity, deter fraud, and reinforce investor confidence.

Current State

Thailand does not presently have executive-level accountability in financial reporting and enforcement remains limited.

Target State

Thailand can strengthen corporate governance by mandating management certification of financial disclosures and enforcing legal consequences for misconduct.




Current State (Thailand)

Key Feature	Thailand (SEC)	Example of Global Practice (U.S. SOX)	Focus Area
1. Legal Framework	Governed by the Securities and Exchange Act B.E. 2535 (1992) , which establishes the SEC Thailand and outlines requirements for financial reporting, disclosures, and penalties for non-compliance	Governed by the Sarbanes-Oxley Act of 2002 (SOX) , enacted to enhance corporate accountability and protect investors by improving the accuracy and reliability of corporate disclosures	
2. Executive Certification	CEOs and CFOs are required to sign off on financial statements. However, there is no explicit requirement for them to certify the effectiveness of internal controls over financial reporting	SOX Section 302: CEOs and CFOs must personally certify the accuracy and completeness of financial reports, as well as the effectiveness of internal controls over financial reporting	✓
3. Personal Liability & Penalties for Executives	Failure to comply: Liability applies to the company , not named executives (Section 274) <ul style="list-style-type: none"> Up to 100,000 THB fine and 3,000 THB per day for ongoing violations Willful false reporting: Liability applies to "any director, manager, person responsible" (Section 312) <ul style="list-style-type: none"> Up to 1 million THB fine and/or 5-10 years in prison 	SOX Section 906: Clear penalties for false certification by CEOs and CFOs <ul style="list-style-type: none"> Up to 1 million USD fine and/or 10 years in prison (<i>non-willful</i>) Up to 5 million USD and/or 20 years in prison (<i>willful</i>) 	✓
4. Internal Control Assessment	Audit committees oversee controls, but no requirement for formal internal control assessments by management	SOX Section 404(a): Management must assess internal control effectiveness over financial reporting	
5. Internal Control Certification	No legal obligation for annual internal control assessments and executives to certify internal control effectiveness	SOX Section 404(b): External auditors must attest to and report on internal control effectiveness	✓

Initiatives Deep Dive

Holding top executives personally accountable for financial reporting sets the tone for a culture of integrity and provides vital protection for investors and the market as a whole

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
2  Executive Certification	<ol style="list-style-type: none"> 1. Enact statutory requirements for CEOs and CFOs to personally certify the effectiveness of internal controls 	Holding top executives legally accountable improves credibility and accountability of disclosures.
3  Personal Liability & Penalties	<ol style="list-style-type: none"> 1. Clarify executive liability for internal control failures 2. Introduce statutory penalties such as fines, imprisonment, and disqualification for non-compliance, directly applicable to CEOs/CFOs rather than placing liability solely on the company 	Enforcing personal consequences deters misconduct and reinforces ethical responsibility at the top.
5  Internal Control Certification	<ol style="list-style-type: none"> 1. Mandate annual internal control assessments aligned with global frameworks (e.g. COSO) 2. Require executive sign-off on the effectiveness of internal controls 3. Require independent audit committee review and public disclosure of control effectiveness 	Internal control certification promotes sound governance, helps detect risks, and improves investor confidence in operational integrity.

Examples from International Markets



United States: Under the Sarbanes-Oxley Act (Sections 302 and 404), CEOs/CFOs must certify financial reports and internal control systems. Non-compliance results in fines or imprisonment.



Singapore: Directors are held personally accountable for false statements under the Securities and Futures Act; MAS guidelines reinforce internal control responsibilities.



China: "China SOX" (Basic Standard for Enterprise Internal Control) mirrors U.S. SOX, mandating executive certification and internal control evaluation.



Malaysia: The Corporate Governance Code requires directors to ensure accuracy of financial reports; SC Malaysia can impose penalties for misreporting.



Taiwan: FSC enforces board and management accountability; SFIPC can lead shareholder class actions to recover losses from misleading disclosures.

Initiatives Deep Dive

The U.S. successfully implemented SOX's core corporate accountability measures within two years of legislation by phasing in compliance rules and leveraging existing regulatory infrastructure, showing that a staged rollout can ease adoption of complex reforms

How Leading Markets Executed Key Initiatives



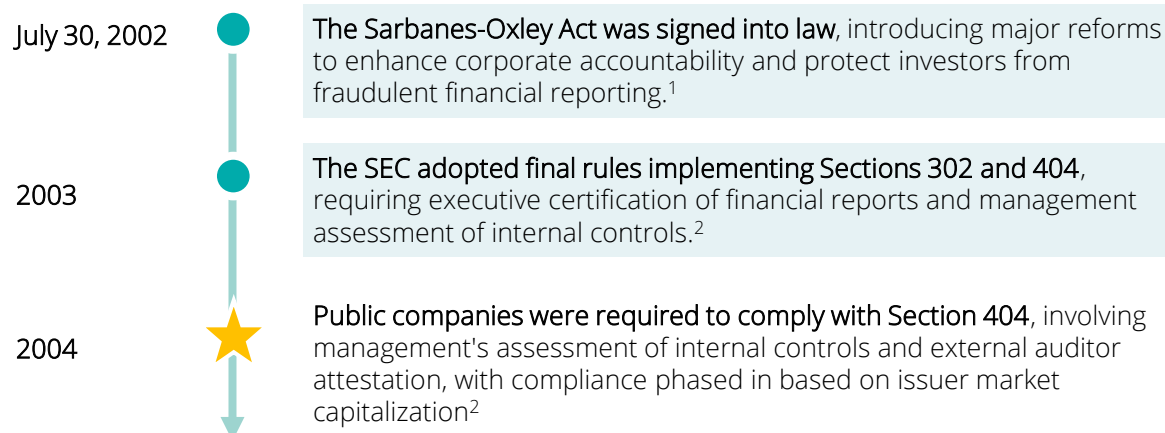
The U.S. SOX Corporate Accountability Framework

Enacted in 2002, the **Sarbanes-Oxley Act (SOX)** introduced landmark reforms that require **CEOs and CFOs** to personally certify **financial reports** and **internal controls**—ensuring **executive accountability** and enhancing **investor confidence** through stricter **oversight**.

Key Stakeholders

Regulators	1. Securities and Exchange Commission (SEC) 2. U.S. Congress
Companies	1. CEOs 2. CFOs
Professional Services	External Audit Firms

Key implementation steps



Summary of Timeline & Duration

- **Total Time from Legislation to Operational Launch:** Approximately 2 years (2002–2004)
- **Phased Compliance:** Large public companies were required to comply with Section 404 by 2004, while smaller companies received extensions²

Sources:

- 1) U.S. SEC, [SEC Implements Sarbanes-Oxley Certification Provisions](#), 2002
- 2) U.S. SEC, [Final Rule: Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure](#), 2003
- 3) World Bank, [Thailand Report on the Observance of Standards and Codes – Accounting and Auditing](#), 2021





Initiatives Deep Dive

This initiative offers a low-effort improvement that reinforces accountability and complements broader governance reforms

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
2. Executive Certification	A. Draft legal amendments for internal control certification	SEC	SET, BOT
	B. Finalize and issue regulations		
	C. Issue guidelines and train stakeholders		
3. Personal Liability & Penalties	A. Define liability scope and penalties	SEC	MOF
	B. Enact legal changes		
	C. Develop enforcement protocols		
5. Internal Control Certification	A. Draft certification framework (e.g., COSO)	SEC	IOD, TCLA, TFAC
	B. Require audit committee review & disclosure		
	C. Build issuer readiness		

Expected Impact

 <p>Retail Investors</p>	 <p>Listed Companies</p>	 <p>Regulators (SEC, SET)</p>	 <p>Audit Committees & External Auditors</p>
Boosts Investor Trust	Increased compliance pressure, but improved governance credibility and investor confidence	Enhanced enforcement capacity through clear authority to pursue executive liability	Greater responsibility in assessing and certifying internal controls under global standards

Key Risks and Enablers

1. **Cost of Implementation:** SOX compliance requires extensive internal control documentation, audit testing, and skilled personnel, leading to high upfront and recurring costs.
2. **Capability gaps vs. Tiered support for adoption:** Smaller firms may struggle to comply; phased rollout and tailored guidance can improve adoption across different company sizes
3. **Fragmented oversight vs. Coordinated regulatory guidance:** Without agency alignment, implementation may vary; joint oversight and unified messaging support clarity and execution

Initiatives Deep Dive

An enforcement report would provide clear, consistent disclosure of regulatory actions taken against misconduct, helping market participants understand enforcement priorities and promote accountability

Strategic Rationale

While Thailand provides some enforcement information through the SEC's website, it does not yet publish a dedicated, consolidated enforcement report or regularly disclose detailed outcomes of inspections, such as violations found or actions taken. By adopting structured reporting practices similar to those used in jurisdictions like Singapore and Taiwan, Thailand can improve regulatory transparency, support data-driven supervision, and enhance trust among investors and market participants.

Current State

Thailand SEC does share some enforcement details but does not have a detailed enforcement report that transparently discloses how many financial disclosures were evaluated and a consolidated enforcement results which undermines market confidence and enables misconduct to persist due to weak deterrence and limited public accountability

Target State

Thailand can implement regular enforcement reports that disclose the number of random inspections, key findings, and actions taken against misconduct. This would increase transparency, demonstrate active regulatory enforcement, and allow investors to assess market integrity



Current State (Thailand)

Key Feature	Thailand (SEC)	Example of Global System (US, SG MAS, Taiwan SFIPC)	Focus Area
1. Dedicated and Detailed Enforcement Report	SEC enforcement actions are disclosed via annual reports and summarized on SEC website, but SEC does not currently publish a dedicated, periodic enforcement report that consolidates detailed case highlights, annual statistical breakdowns by case type, updates on ongoing cases, key areas of focus and future priorities	MAS publishes a dedicated, enforcement report every 18 months that outlines key enforcement actions, penalties, criminal convictions, future priorities, key areas of focus, major ongoing cases, international cooperation strategy, structured case highlights and future enforcement priorities	✓
2. Enforcement Statistics	The SEC provides some enforcement statistics, primarily on criminal and civil penalty amounts on its website	MAS publishes consolidated data in its report, including criminal convictions, civil penalties, other financial penalties, prohibition orders, enforcement actions, cases opened, and the average time taken to resolve them	
3. Case Study Highlights	Case details are often limited to brief summaries, including how the case began, and the enforcement actions taken	Each enforcement report includes a structured case study highlights, outlining major cases by different fraud type, case background, enforcement rationale, and actions taken on the convicted	
4. Focused Initiatives	Communication of enforcement priorities and regulatory plans can be enhanced	Clearly communicates future enforcement priorities by detailing out the focused initiatives, high level strategy and framework	
5. Corporate Disclosure Evaluation	SEC Thailand assesses the quality of corporate disclosures by monitoring listed companies' compliance with disclosure requirements	US SEC also monitor and assesses the quality of corporate disclosures. Additionally, they disclose the number of financial disclosures reviewed	
6. Investment Fraud Case Tracker	Tracking of cases can be bolstered to include status of the case, detailed background of the case, the enforcement actions that are taken in specific stages and investment amount recovered to investors	MAS provides detailed information on enforcement actions on its website, including the authorities handling the cases and their current status, ensuring public transparency and the ability to track progress	✓

Initiatives Deep Dive

Implementing a detailed enforcement reports, and a public fraud case tracker to enhance transparency and accountability in financial oversight.

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
1  Dedicated and Detailed Enforcement Report	<ol style="list-style-type: none"> 1. Release a comprehensive enforcement report yearly, outlining key actions, penalties, convictions, and future priorities with clear, case-specific details and offence-based statistics 2. Include case studies and detailed offence-type statistics (e.g., insider trading, fraud), priorities, and to improve transparency and public understanding 	<p>It enhances transparency, accountability, and public trust by providing clear, detailed insights into enforcement actions and priorities</p>
6  Investment Fraud Case Tracker	<ol style="list-style-type: none"> 1. SEC could develop a public platform to track investment fraud cases, detailing the agencies involved and case progress 2. Thai law enforcement agencies, such as the Police and the SEC, can work together to provide real-time updates on ongoing investigations 	<p>Allows the public to see how financial crimes are being addressed, who is responsible for the investigations, and the progress of each case</p>

Examples from International Markets



Singapore MAS provides detailed, publicly accessible information on the outcomes of enforcement actions, including the authorities involved, penalties imposed, and the status of ongoing investigations. This level of transparency ensures the public can track the progress of cases, understand the consequences of financial misconduct, and build trust in the regulatory system



Taiwan's Financial Supervisory Commission (FSC) publishes an annual Law Enforcement Report that details its regulatory and enforcement activities in the securities and futures markets. This report typically includes statistics and descriptions of administrative sanctions, fines, and disciplinary actions taken against market participants for violations of securities laws and regulations.



The U.S. Securities and Exchange Commission (SEC) publishes annual enforcement reports that not only detail the number and types of enforcement actions taken-such as those related to financial reporting, disclosure violations, and whistleblower protections-but also specifically disclose the extent of their oversight by reporting how many financial disclosures and company filings they have reviewed.

Initiatives Deep Dive

A dedicated enforcement unit with regular public reporting would strengthen Thailand's financial integrity, boost investor confidence, and enhance regulatory transparency.

How Leading Markets Executed Key Initiatives



MAS Enforcement Report

The **Enforcement Report**, published every 18 months, provides updates on financial market enforcement, key outcomes, and future priorities, featuring data on case resolution timelines, types of enforcement actions (criminal, civil, and regulatory), fines imposed, and key statistics on investigations and prosecutions, all aimed at early detection, effective deterrence, and shaping market conduct.

Key Stakeholders

Regulator	<ol style="list-style-type: none"> 1. Monetary Authority of Singapore (MAS) 2. Singapore Exchange (SGX) 3. The Accounting and Corporate Regulatory Authority (ACRA) 4. The Self-Regulatory Organisations (SROs)
Law Enforcement	<ol style="list-style-type: none"> 1. Commercial Affairs Department (CAD) 2. The Corrupt Practices Investigation Bureau (CPIB)
Court	The Attorney-General's Chambers (AGC)

Key implementation steps



Summary of Timeline & Duration

- MAS announced the establishment of dedicated enforcement departments to strengthen investigations and enforcement against regulatory breaches, taking less than two months to set up a centralized Enforcement Department covering banking, insurance, capital markets, and more.
- MAS collaborates with CAD, AGC, and SROs for financial crime investigations, legal proceedings, and market surveillance, supported by intelligence from multiple sources, with outcomes published every 18 months in the Enforcement Report.

Sources:

1. MAS, [Enforcement Report](#), 2017
2. MAS, [Dedicated Departments](#), 2016

3. MAS, [Enforcement Monograph](#), 2022
4. MAS, [Enforcement Update](#), 2025

Initiatives Deep Dive

This initiative is quick to deploy, enhancing transparency through real-time case tracking, and collaboration between SEC and other agencies to ensure accountable oversight.

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
1. Dedicated and Detailed Enforcement Report	A. Detail Case Outcomes and Penalties B. Provide Offence-Specific Statistics C. Include Case Studies and Priorities	SEC	None
6. Investment Fraud Case Tracker	A. Create Public Case Tracker Platform B. Collaborate with Law Enforcement Agencies C. Provide Real-Time Case Updates	SEC	None

Expected Impact

 <p>Regulators (SEC, SET)</p> <p>This would strengthen their credibility and effectiveness in enforcing financial regulations.</p>	 <p>Investors</p> <p>Builds confidence that all market participants are subject to fair and active oversight</p>	 <p>Listed Companies</p> <p>Encourages baseline compliance and better documentation practices due to unpredictable inspection possibility</p>	 <p>Law Enforcement</p> <p>Collaboration and data sharing would enhance the efficiency of investigations and legal actions</p>
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Key Risks and Enablers

- Regulatory Enhancements vs. Strong Legal Mandate:** Thailand may require amendments to securities laws and regulatory frameworks to empower a dedicated enforcement department, similar to MAS, ensuring legal authority for investigations, penalties, and timely disclosures.
- Interagency Silos vs. Unified Collaboration:** Effective enforcement necessitates synchronized efforts between the SEC, Bank of Thailand, Anti-Money Laundering Office (AMLO), and local law enforcement to share intelligence and streamline case handling.
- Resource Constraints vs. Enhanced Capacity:** Establishing a dedicated department demands financial and human resources, but strategic investments can build expertise in forensic accounting, digital assets, and cross-border regulatory breaches.
- Data Fragmentation vs. Integrated Surveillance:** Thailand's fragmented market data across various agencies could hinder detection; creating centralized surveillance similar to MAS's partnership with CAD and SROs would strengthen oversight.

Upgrading to predictive, adaptive, and integrated surveillance will align Thailand with global best practices and address key areas of improvement in current detection capabilities

Strategic Rationale

As misconduct becomes increasingly complex, market regulators must detect not only abusive trading behaviors but also fraudulent disclosures that mislead investors. By adopting an AI-enhanced system, similar to Singapore’s Apollo and the U.S. SEC’s Accounting Quality Model, Thailand can analyze trading activity, monitor filings, and flag risks for early intervention. This shift from reactive to proactive regulatory action would enhance transparency and bolster investor confidence.

Current State Thailand currently relies on rule-based trade surveillance and manual disclosure reviews, which may contribute to delays in detection.	Target State Enhances the SMART system by advancing AI from descriptive to predictive—expanding beyond trading to detect disclosure anomalies, enabling earlier intervention, sharper case prioritization, and faster regulatory action
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Current State (Thailand)

Key Feature	Thailand (SET)	Examples of Global Practice (SG’s MAS, U.S. SEC AQM)	Focus Area
1. Automated Trade Analysis	Automated Surveillance: Adopts the SMART system and integrates SET local data to align with market behavior and detect suspicious trading	Automated Surveillance: Apollo analyzes large trading datasets and computes key metrics to detect patterns linked to manipulation or rogue trading	
2. Predictive Modeling	Reactive Detection: SET currently relies on reactive detection to investigate potential market manipulation as a preventive measure	Case Prioritization: Apollo uses machine learning to assess the likelihood of market manipulation, helping regulators focus on high-risk cases for investigation	✓
3. Augmented Intelligence	Lack of Continuous Model Updating: Ongoing regulator-led model updates are limited in practice	Adaptive Learning Capability: Continuously adapts using new cases and expert input, refining models with human-identified manipulation traits	✓
4. Interactive Dashboard	System Limitation: Existing tools offer reporting and analysis but lack integrated dashboards that unify visualization, predictive insights, and case tracking in a single platform	Investigator Dashboard: Apollo provides an interactive interface to visualize trading data and predictions, helping investigators spot potential misconduct more easily	✓
5. Financial Disclosure Analytics	Manual Review Process: Financial statements and disclosures are manually reviewed by the SEC, with limited automation or risk scoring	AI-Powered Disclosure Monitoring: The SEC’s model flags manipulation risks using financial data and Aladdin, which is widely used by financial institutions for risk insights	✓

Initiatives Deep Dive

Target state includes machine learning, GenAI, and integrated systems to enable proactive detection and faster case resolution aligned with global best practices

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
2  Predictive Modeling	<ol style="list-style-type: none"> 1. Deploy ML models analyzing 5+ years of SET trading data with behavioral pattern recognition 2. Develop more sophisticated pattern recognition capabilities to identify complex manipulation schemes 3. Integrate cross-market data sources (futures, options, OTC markets) to detect coordinated manipulation across multiple instruments 	Shifts surveillance from reactive parameter-based systems to proactive pattern recognition, staying ahead of sophisticated manipulation tactics
3  Augmented Intelligence	<ol style="list-style-type: none"> 1. Develop GenAI co-pilot for surveillance report generation 2. Establish a feedback loop between investigators and the surveillance system 3. Implement a continuous integration pipeline for model updates 	Reduces false positives while improving detection accuracy over time, as seen in financial institutions using real-time transactional analysis
4  Interactive Dashboard	<ol style="list-style-type: none"> 1. Design a unified interface that combines surveillance alerts, case management, and analytics 2. Implement interactive visualization tools for exploring trading patterns and relationships 	Accelerates case resolution by replacing fragmented data streams with actionable visual narratives
5  Interactive Dashboard	<ol style="list-style-type: none"> 1. Develop an AI-powered module inspired by the U.S. SEC's AQM and BlackRock's Aladdin to assess financial disclosures using structured data (e.g. financial ratios, filing timelines, text analytics) 2. Integrate red-flag scoring into the SEC's existing disclosure review process for prioritizing risky filings 	Enables early detection of reporting anomalies and earnings manipulation, helping the SEC prioritize reviews and maximize limited resources

Examples from International Markets



United States EPS Initiative targets companies that manipulate earnings per share to meet market expectations. The SEC uses data analytics to identify patterns, such as consistently reporting just-meeting EPS forecasts, which may indicate potential accounting fraud

Initiatives Deep Dive

Project Apollo was developed and implemented within approximately 2 years, with a dedicated team of 6 members

How Leading Markets Executed Key Initiatives



MAS – Project Apollo

Project Apollo is an Augmented Intelligence system designed to automatically calculate essential metrics for evaluating potentially suspicious trading behavior. It helps determine the probability that specific forms of market manipulation may have taken place.

Key Stakeholders

Regulator

- Monetary Authority of Singapore (MAS)

Key implementation steps

Early 2018



MAS officially kicks off development of Project Apollo. A team of six officers from MAS's Enforcement Department and its Data Analytics Group is formed to build the in-house system

Mid – Late 2018



MAS develops a proof-of-concept (PoC) for Project Apollo and conducts internal testing. The tool was built in-house in 2018 and designed to model “rogue” trading or market manipulation behavior using traits identified by human expert

Mar 20, 2019



MAS publishes its inaugural Enforcement Report, which publicly reveals Project Apollo for the first time

Apr, 2020



Project Apollo was launched as a fully operational system

2021



MAS found that quality, expert-labeled data is crucial for AI enforcement. Limited training data challenged Apollo's accuracy and legal use. Its lessons now guide global regulators on data needs and legal updates for AI-driven surveillance

Summary of Timeline & Duration

- MAS began developing Project Apollo in early 2018
- The system launched in April 2020, taking approximately 2 years to implement

Sources:

- 1) CentralBanking, [Article](#), 2019
- 2) MAS, [Annual Report 2017 – 20218](#), 2019
- 3) MAS, [Annual Report 2019 – 2020](#), 2021
- 4) OCED, [Business and Finance Outlook](#), 2021





Initiatives Deep Dive

This initiative is a tactical upgrade that enhances surveillance precision and enables more efficient use of regulatory resources

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
2. Predictive Modeling	A. Develop predictive models using historical manipulation data	SET	None
	B. Set up risk-based triage with clear escalation protocols		
3. Augmented Intelligence	A. Enable expert feedback loops	SET	None
	B. Build cross-functional teams for ongoing algorithm enhancement		
	C. Establish adaptive AI workflows with GenAI-assisted reporting and continuous model integration		
4. Interactive Dashboard	A. Co-design with investigators to define core dashboard needs	SET	None
	B. Build modular, user-tested platform with evolving features		
	C. Deliver targeted training for smooth system adoption		
5. Financial Disclosure Analytics	A. Develop an AI-powered surveillance module inspired by the U.S. SEC's AQM by pursuing collaboration and using public data, research, and expert input to replicate key features	SEC	SET
	B. Integrate Aladdin into the SEC's risk detection framework		
	C. Integrated red-flag scoring		

Expected Impact

 <p>Retail Investors</p>	 <p>Financial Intermediaries</p>	 <p>Regulators (SEC and SET)</p>	 <p>Listed Companies</p>
Earlier detection boosts market integrity, enhances investor confidence, and may briefly affect short-term liquidity	Greater compliance duties and integration needs, balanced by stronger client protection and early risk detection	Boosted self-regulatory role and global reputation, with trade-offs in revenue from stricter market oversight	Upfront compliance costs and volatility, offset by long-term trust, credibility, and consistent regulatory oversight

Key Risks and Enablers

- Siloed development vs Collaborative, user-driven design:** Siloed approaches limit adaptability and relevance. Cross-functional teams, co-design, and expert feedback loops create more effective, user-aligned tools.
- Manual workflows vs Automated systems with structured adoption:** Manual processes slow response and reduce efficiency. Automation, modular dashboards, and targeted training enable faster, scalable surveillance and smoother transitions.

Initiatives Deep Dive

Thailand collateral data is currently maintained by individual institution, without centralized mechanism, limiting real-time oversight

Strategic Rationale

Thailand can strengthen market resilience by enhancing cross-institution collateral transparency. Today, brokers and financial institutions do not systematically share customer collateral information, which can allow individuals to open multiple accounts using the same financial statement. Models like Europe's ECMS and Brazil's B3 Collateral Platform show that centralized, real-time collateral tracking enhances oversight, prevents duplication, and reinforces financial stability. These practices offer a pathway Thailand can adapt to strengthen its market infrastructure.

Current State

Collateral data in Thailand is managed at the individual institution level, with no centralized platform for real-time cross-institution visibility

Target State

Thailand establishes a centralized collateral monitoring platform that enables real-time visibility across financial institutions, strengthens risk controls, and enhances market stability




Current State (Thailand)

Key Feature	Thailand (SEC)	Example of Global Practice (US, SG, Brazil, and EU)	Focus Area
1. Customer Onboarding and e-KYC Integration	e-KYC enables digital ID verification across institutions	Institutions use KYC and onboarding data to create risk profiles shared across entities	
2. Centralized Collateral Tracker	Collateral data is held separately by each broker or institution with no shared visibility	Centralized collateral management system segregates collateral at the final beneficiary level and tracks positions across participants, improving transparency and reducing overexposure	✓
3. Real-Time Monitoring and Alerts	No integrated system to monitor collateral usage or send alerts across entities	Near real-time monitoring of pledged collateral facilitates visibility for authorized entities, enhancing oversight	✓
4. Interoperability with Other Financial Systems	Limited cross-platform interoperability among brokers, custodians, and clearinghouses	System is integrated with clearinghouses, central bank systems, and depositories to support efficient and secure end-to-end collateral processes	✓

Initiatives Deep Dive

Enhancing cross-institution collateral transparency can strengthen Thailand's market resilience by enabling early risk detection, reducing systemic vulnerabilities, and promoting safer, more trusted capital markets

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
2  Centralized Collateral Tracker	<ol style="list-style-type: none"> 1. Build a centralized database to record pledged collateral across brokers and financial institutions 2. Require brokers to submit standardized collateral reports to a central platform (e.g., SEC or TSD-hosted) 	Shared visibility into pledged collateral helps detect duplication, improve oversight, and strengthen systemic stability
3  Real-Time Monitoring and Alerts	<ol style="list-style-type: none"> 1. Integrate real-time monitoring tools to flag multiple pledges or excessive leverage by a single client 2. Apply privacy-preserving methods to maintain data confidentiality 3. Enable alert notifications for regulators and participants when risk thresholds are crossed 	Real-time alerts support early detection of misuse without exposing private data, allowing for timely intervention
4  Interoperability with Other Financial Systems	<ol style="list-style-type: none"> 1. Connect the platform with existing systems used by custodians, clearinghouses, or TSD 2. Enable secure data exchange through standardized APIs and regulatory reporting pipelines 	Seamless integration reduces duplication, avoids delays, and allows end-to-end oversight across the financial ecosystem

Examples from International Markets



United States: Sonar is an independent, member-run data consortium in the United States that enables real-time sharing of fraud and counterparty risk information across financial institutions, fintechs, and merchants, helping participants detect and prevent first-party fraud, authorized push payment scams, and money mule activities



Singapore: COSMIC is a centralized platform launched by the Monetary Authority of Singapore and six major banks that enables participating financial institutions to share customer information when specific red flags of potential financial crime are detected



Europe: Europe's ECMS (Eurosystem Collateral Management System) is a unified, centralized platform developed by the European Central Bank (ECB) to manage assets used as collateral in Eurosystem credit operations, replacing the fragmented systems of national central banks



Brazil: Brazil's B3 Collateral Platform consolidates the management, valuation, and mobilization of collateral for equities, derivatives, government and corporate debt, and foreign exchange activities into a single clearinghouse

Supplementary
Markets

Initiatives Deep Dive

The U.S. Sonar Consortium demonstrates how a member-led model can rapidly mobilize cross-sector collaboration, using anonymized data sharing and legal safeguards to enhance fraud detection within just one year of launch.

How Leading Markets Executed Key Initiatives



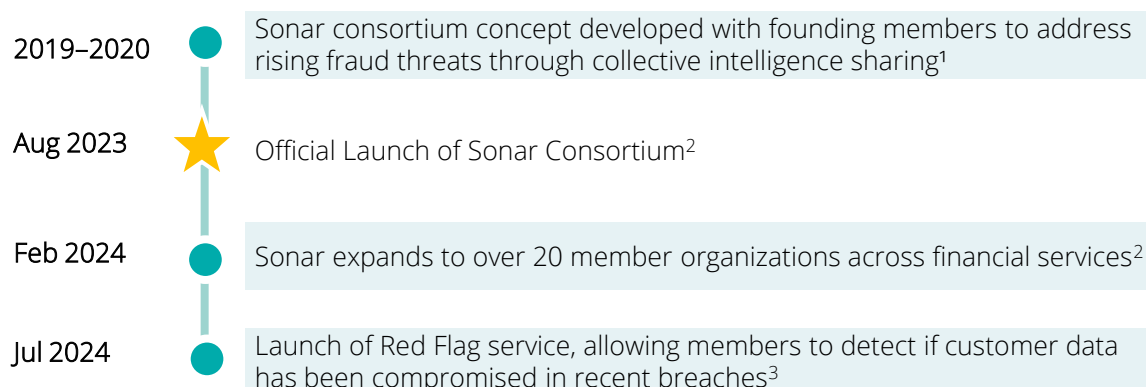
U.S. Sonar Intelligence Sharing Consortium

Sonar is a member-led U.S. consortium that enables real-time fraud data sharing across banks, fintechs, and merchants. It uses anonymized signals and operates under U.S. legal frameworks to help detect and prevent fraud without requiring major system changes. By pooling anonymized data from a wide range of financial institutions, Sonar closes the visibility gaps that criminals exploit when organizations operate in silos.

Key Stakeholders

Non-Profit Org.	Sonar
Professional Services	Risk and analytics technology vendors
Financial Intermediaries	1. Banks 2. Fintechs 3. Credit Unions

Key implementation steps



Summary of Timeline & Duration

- **4 years** from concept development to official launch of the Sonar Consortium (2019–2023)
- **Within 12 months** Sonar expanded to over 20 member organizations and launched its Red Flag service (2023–2024)
- **Ongoing enhancements** continue to expand functionality and strengthen fraud detection across members

Sources:

1) JoinSonar, [How It Works](#), 2024

2) BusinessWire, [Real-time Fraud Data Sharing Consortium SardineX Rebrands to Sonar and Expands to 20 Members](#), 2024.

3) BusinessWire, [Sonar Launches Red Flag Service to Help Banks and Fintechs Verify If Their Customer Data Has Been Leaked](#), 2024


Initiatives Deep Dive

Real-time visibility empowers regulators and institutions to act faster, detect misconduct earlier, and safeguard market integrity without compromising privacy

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
2. Centralized Collateral Tracker	A. Develop predictive models using historical manipulation data B. Set up risk-based triage with clear escalation protocols	SEC, BOT	None
3. Real-Time Monitoring and Alerts	A. Develop rule-based thresholds to flag duplicate or excessive pledges B. Integrate alert system into regulator dashboard for supervisory use	SEC	None
4. Interoperability with Other Financial Systems	A. Align collateral taxonomy and data standards with central bank and clearinghouses B. Establish secure API connections for cross-platform data exchange	SEC, BOT	None

Expected Impact

 <p>SEC and BOT</p> <p>Gain real-time visibility into collateral reuse and duplication across financial institutions, enabling faster risk identification and regulatory intervention</p>	 <p>Investors</p> <p>Benefit from improved market integrity and reduced systemic risk as oversight gaps narrow and misconduct becomes harder to conceal</p>	 <p>Financial Intermediaries</p> <p>Improve internal risk controls and reduce exposure to over-leveraged clients through access to shared collateral and client intelligence</p>
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Key Risks and Enablers

- Technology Infrastructure:** Institutions vary in digital maturity, posing integration risks for data-sharing and alerting capabilities.
- Data confidentiality vs. Trusted sharing framework:** Institutions may resist sharing sensitive client data. Adoption of privacy-safe infrastructure, such as anonymized identifiers and purpose-limited access, builds confidence and compliance.
- Implementation scale vs. Phased rollout approach:** A full launch may strain capacity and create pushback. Pilot deployment and gradual scaling allow systems and users to adapt while refining design in real time.

Initiatives Deep Dive

Reliance on periodic disclosure and broad event definitions may delay timely reporting and limit early regulatory oversight

Strategic Rationale

Thailand's current framework emphasizes periodic reporting, creating delays between material events and public awareness. Adopting timely disclosure of material events and quantitative discrepancies, as seen in Taiwan, would enable prompt regulatory response, reduce information asymmetry, and strengthen market transparency and investor trust.

Current State

Thailand's framework emphasizes periodic disclosure, which may result in delayed awareness of certain material events

Target State

Timely and detailed disclosure of material events enhances transparency, enables faster oversight, and builds investor trust

Current State (Thailand)

Key Feature	Thailand (SET)	Example of Global Practice (Taiwan)	Focus Area
1. Disclosure Platform	SETLink (internal submission by listed firms) ELCID (public)	MOPS (Market Observation Post System)	
2. Public Accessibility	ELCID is public-facing and shows disclosures after submission	MOPS is fully public and shows disclosures immediately after submission	
3. Timeliness of Material Event Disclosure	Tiered timelines: immediate, 3-day, or longer based on urgency	Specify exact disclosure deadlines, within hours or by the next trading day	✓
4. Material Event Definition	Defined by SET notification rules, includes board changes, mergers, litigation, etc.	Clearly defined by TWSE/FSC rules, includes detailed categories of events	
5. Immediate Disclosure	Required for significant events (e.g., capital changes, executive changes)	Required for significant events (e.g., mergers, major litigation)	
6. Quantitative Disclosure Scope	Provided illustrative disclosure items categorized by broad event types	Specify detailed disclosure criteria, including quantitative thresholds (e.g., exceeding financial forecasts by 20%) for applicable event types	✓
7. Regulator Authority to Summon	SEC/SET can summon management but is rarely practiced	FSC/TWSE actively engage companies when disclosures are unclear or delayed	
8. Penalty for Non-Compliance	Company-level penalties: <ul style="list-style-type: none"> Fine up to 100,000 THB Additional fine up to 3,000 THB per day for each day the violation continues Individual-level penalties: Directors, managers, or persons with management authority who fail to provide explanations as required may face <ul style="list-style-type: none"> Imprisonment up to 3 months, or Fine up to 100,000 THB, or Both imprisonment and fine 	Fines: <ul style="list-style-type: none"> 50,000 NTD per violation 100,000 NTD for repeated offenses Up to 1 million NTD for serious or intentional breaches Daily fines of 10,000 NTD for continued delays Trading Sanctions: <ul style="list-style-type: none"> TWSE may restrict or suspend trading in serious cases Mandatory Disclosures: <ul style="list-style-type: none"> Companies may be ordered to hold press conferences. Failure to do so may result in further penalties. 	
9. Overall Transparency	Moderate — some delay and discretion in practice	High — disclosures are prompt, transparent, and enforced	

Note: Currency shown in New Taiwan Dollars (NTD) to reflect original regulatory source. As of May 2025, 1 NTD ≈ 1.15 THB.(Exchange rate sourced from Bank of Thailand, May 2025)

Initiatives Deep Dive

Timely material event disclosure and expanded quantitative disclosure scope enable faster oversight, and support stronger market transparency

Target State (Vision)

Key Focus Areas	Implementation for Thailand	Why it matters
3  Timeliness of Material Event Disclosure	<ol style="list-style-type: none"> 1. Define a clear, exhaustive list of material events requiring immediate disclosures 2. Mandate same-day or next-trading-day disclosure for price-sensitive events, with clear deadlines and minimal discretion 3. Enable automated push notifications upon listed company submission via designated link to ensure timely follow-up 	Timely updates help investors assess risks and prevent misinformation or rumor-based decisions
6  Quantitative Disclosure Scope	<ol style="list-style-type: none"> 1. Require listed firms to disclose quantitative criteria such as discrepancies (e.g., >10% gap between self-assessed and CPA-reviewed profit) to enhance financial transparency 2. Update SETLink templates and validation logic to support standardized, automated checks on accuracy 	Improves transparency, enables early detection of misstatements, and strengthens investor confidence through standardized checks

Examples from International Markets



United States: SEC's Form 8-K mandates real-time disclosure of material events within 4 business days



Singapore: SGX requires prompt disclosure of price-sensitive information and uses the SGXNet system for dissemination



China: Real-time issuer disclosure under CSRC mandates continuous disclosure during material developments



Malaysia: Listed companies must announce material developments via Bursa LINK immediately



Taiwan: MOPS mandates immediate disclosure of key events, with detailed discrepancy reporting, real-time access, and oversight

Initiatives Deep Dive

Taiwan's disclosure rules, based on the 1988 Act, were implemented within 1 to 3 years and demonstrate a fast-track approach that Thailand could consider

How Leading Markets Executed Key Initiatives



Corporate Disclosure in Taiwan

Taiwan mandates that listed companies disclose material information promptly—typically within 2 hours or by the next trading day. Disclosure requirements are specific and include quantitative thresholds, such as reporting when earnings deviate from forecasts by 20% or more. These rules ensure timely and transparent communication to investors.

Key Stakeholders

Regulator	Financial Supervisory Commission (FSC)
Exchange	The Taipei Exchange (TPEX)

Key implementation steps



Summary of Timeline & Duration

- Taiwan typically takes 1 to 3 years to implement new disclosure regulations
- For example, the FSC's roadmap for IFRS alignment, announced in 2023, plans for phased implementation starting in 2026, allowing companies time to adapt to new standards

Sources:

- 1) FSC, [Press Release](#), 2023
- 2) FSC, [Important Measures](#), 2024
- 3) Deloitte, [Taiwan sets out roadmap for adoption of ISSB standards](#), 2023

Initiatives Deep Dive

This enhancement can strengthen regulatory oversight, improve market transparency, and increase investor confidence

High Level Implementation Plan

Key Feature	Key Activity	Lead Body	Supporting Body
3. Timeliness of Material Event Disclosure	A. Define scope of material events for real-time disclosure	SET	TCLA
	B. Draft and issue disclosure guidelines with specific timelines		
6. Quantitative Disclosure Scope	A. Mandate disclosure of quantitative risk criteria, including profit discrepancies over 10%, to enhance transparency	SET	SEC
	B. Revise SETLink system to enable automated validation of disclosed financial figures		

Expected Impact

 <p>Retail Investors</p> <p>Gain timely access to critical developments, improving trust and reducing reliance on rumors</p>	 <p>Institutional Investors</p> <p>Benefit from faster, verified disclosures for improved risk management and portfolio strategies</p>	 <p>Regulators (SEC)</p> <p>Gains formalized mechanisms to act on red flags by summoning executives, improving enforcement agility</p>	 <p>Listed Companies</p> <p>Face clearer expectations on timely disclosure and public scrutiny, encouraging stronger governance</p>
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Key Risks and Enablers

- Regulatory misalignment vs. Clear mandate and enforcement capacity:** Inconsistent interpretation or lack of authority may weaken compliance; strong legal mandate and adequate resources enable effective oversight and penalty enforcement.
- System fragmentation vs. Integrated digital infrastructure:** Siloed systems and technical limitations may delay rollout; coordinated system integration and IT readiness ensure platform success.
- Low corporate readiness vs. Scaled onboarding and internal capacity building:** Companies may lack processes or skills for real-time disclosure; structured training and support improve adoption and reduce compliance risk

An aerial photograph of a city, likely Bangkok, featuring a wide river, a multi-lane bridge with traffic, and a dense urban landscape with numerous high-rise buildings. The image is overlaid with a dark green semi-transparent filter.

4.1

Initiatives to Strengthen Investor Protection

4.1.1 9 Initiatives

4.1.2 Initiatives Deep Dive

4.1.3 Summary

Summary

Consolidation of initiatives reveals varying implementation timeline, key stakeholders and its impact in enhancing investor protection in Thailand

Stage	Priority	Initiative	Key Improvement Areas				Lead Body	Supporting Body		
1	1	Centralized Investment Fraud Task Force	Centralized Taskforce				SEC	DSI, ECIB, OAG, AMLO, Private Firms		
2	2	Investor Knowledge Empowerment	Centralized Platform	National Education Program				SEC, MOE	SET, BOT, CCIB, MOF, Private Firms	
3	3	Whistleblower Protection and Incentive Program	Protection Coverage	Anonymous Reporting	Whistleblower Reward System	Tracking After Reporting	SEC	MOF		
4	4	Investor Protection Center	Independent Investor Protection Center	Facilitation of Class Action Claims Against Bad Actors and Perpetrators of Fraud	Investor Protection Fund	Representative Filing - Derivative & Discharge Suits	SEC, Investor Protection Center	TIA, SET, MOF, Law Firms		
5	5	Corporate Accountability System	Executive Certification	Personal Liability & Penalties	Internal Control Certification				SEC	BOT, MOF, IOD, TLCA, TFAC
6	6	Market Supervision Report	Dedicated and Detailed Enforcement Report	Investment Fraud Case Tracker				SEC	None	
7	7	Ai-Driven Market and Disclosure Surveillance System	Predictive Modeling	Augmented Intelligence	Interactive Dashboard	Financial Disclosure Analytics	SEC, SET	None		
8	8	Cross-Institution Collateral Tracking System	Centralized Collateral Tracker	Real-Time Monitoring and Alerts	Interoperability with Other Financial Systems				SEC, SET	TCLA
9	9	Corporate Disclosure Enhancement	Timeliness of Material Event Disclosure	Quantitative Disclosure Scope				SET	SEC, TCLA	

Summary

The roadmap outlines a sequenced rollout of 9 initiatives, balancing quick wins with longer-term structural reforms to progressively strengthen investor protection in Thailand

High-Level Implementation Roadmap¹

Category	Possible Timeline	Rationale
Quick Win	Within 2 years	Leverages existing mandates and coordination; no major legal or structural change needed
Strategic Focus	Within 4 years	Involves legislative changes, institution building —requiring more lead time
Tactical Improvements	Within 2 years	Builds on existing tools or processes; may require limited upgrades in capabilities or systems
Future Considerations	Within 4 years	Involves infrastructure or ecosystem shifts; longer lead time for planning and execution

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1. Centralized Investment Fraud Task Force						
2. Investor Knowledge Emp.						
	3. Whistleblower Protection and Incentive Program					
	4. Investor Protection Center					
	5. Corporate Accountability System ²					
6. Market Supervision Report						
	7. Ai-Driven Market and Disclosure Surveillance System					
			8. Cross-Institution Collateral Tracking System			
			9. Corporate Disclosure Enhancement			

Note

¹ Actual execution may vary depending on future policy decisions, resource availability, and evolving market conditions

² Based on SME inputs, adjusted to reflect anticipated local implementation complexity

An aerial photograph of a city, likely Bangkok, featuring a large multi-lane bridge spanning a river. A prominent, tall, modern skyscraper stands out in the background. The image is overlaid with a dark, semi-transparent filter. The text '4.2 Concluding Remarks' is centered in white.

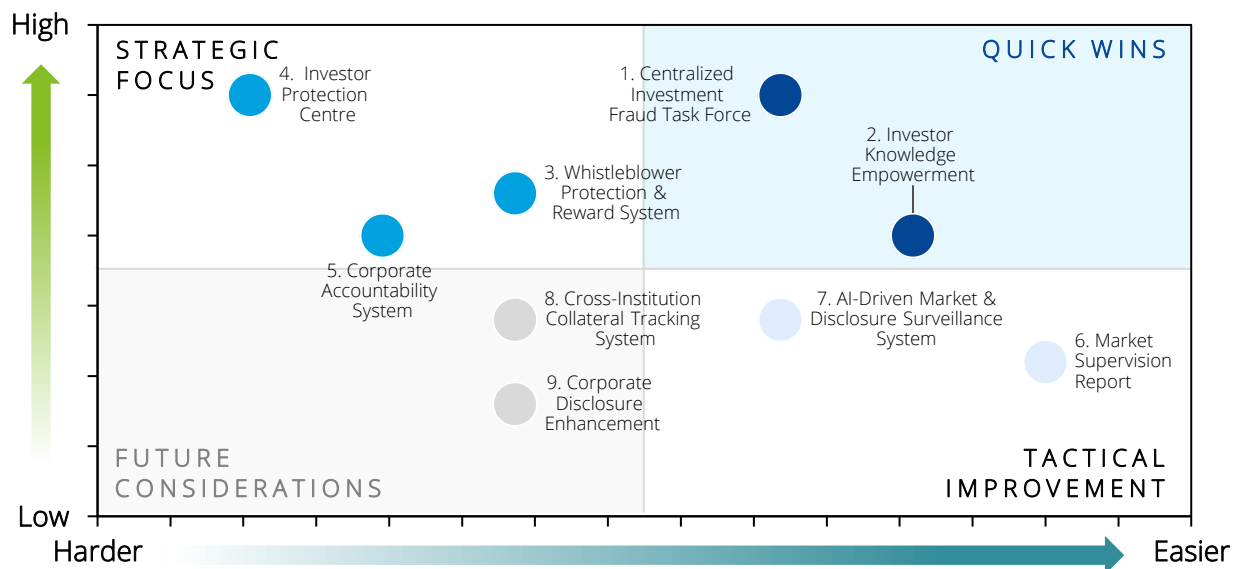
4.2 Concluding Remarks

Concluding Remarks

A balanced and evolving path forward

Applying the 5 Strategic Guiding Principles to Restore Investor Confidence

Restoring investor confidence in Thailand's capital market requires more than a single regulation or reform—it demands an integrated, adaptable approach. The 9 initiatives offer a practical roadmap to address critical gaps in prevention, detection, enforcement, and recovery.



They are grounded in 5 guiding principles that balance global best practices with Thailand's local context. They offer a targeted path to strengthen investor protection through collaboration, transparency, and adaptability—without compromising market agility. With clear direction and a strong foundation, Thailand can build a safer, more trusted capital market

	Foundation	Description
1	Evidence-Based and Locally Relevant	Address root causes of past fraud to prevent future cases, while adapting global best practices to fit Thailand's market context
2	Continuous Improvement	Ensure the framework evolves alongside fraud — through technology, data, and global insights — to stay ahead of emerging risks
3	Cross-Sector Collaboration	Align efforts across regulators, law enforcement, exchanges, professional firms, and investors for unified action
4	Transparent Engagement	Build public trust through clear, timely communication on enforcement and investor redress
5	Holistic and Balanced Reform	Implement end-to-end reforms across prevention, detection, enforcement and recovery – without overburdening the market or limiting growth

An aerial photograph of a city, likely Bangkok, featuring a wide river, a multi-lane bridge with traffic, and a prominent tall skyscraper in the background. The image is overlaid with a dark teal gradient. The text "Thank you." is centered in the middle of the image in a white, sans-serif font, with a small yellow dot at the end of the sentence.

Thank you.

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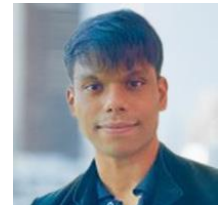
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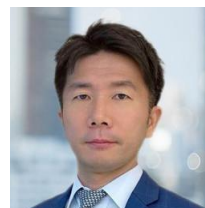
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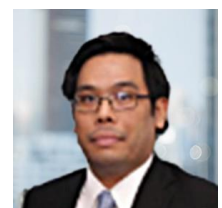
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An aerial photograph of a cityscape, likely Bangkok, featuring a wide river, a multi-lane bridge with traffic, and a prominent skyscraper. The image is overlaid with a dark teal gradient. The word "Appendix" is centered in white text.

Appendix

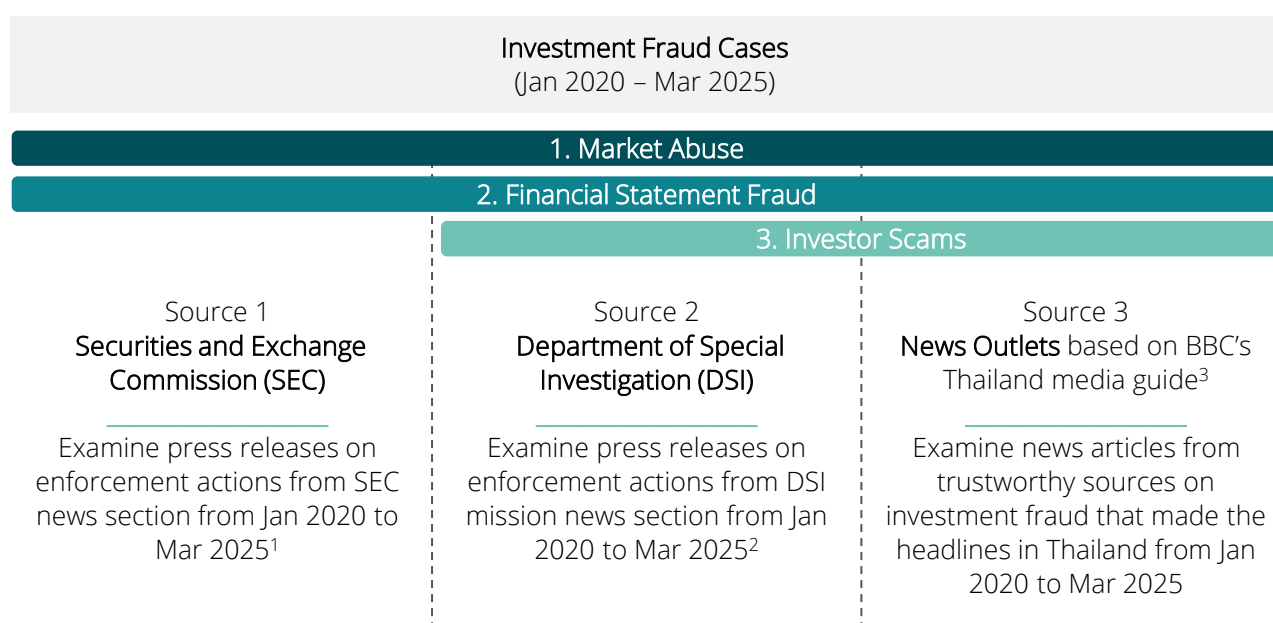
Appendix 2.1: Investment Fraud Financial Damage Consolidation

Methodology

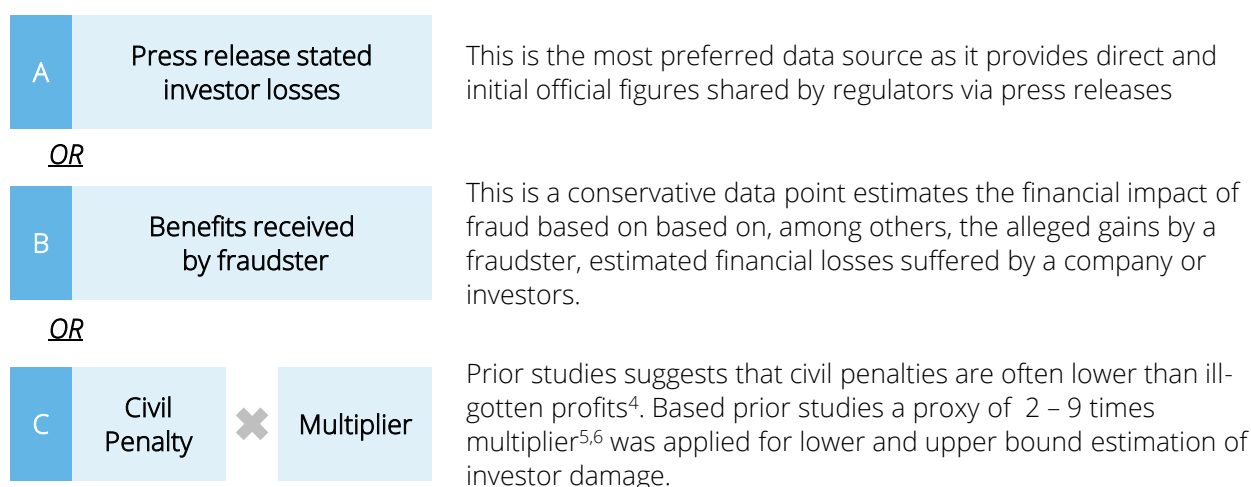
The following outlines the methodology for consolidating investment fraud cases over the past five years and estimating their financial damage. Conservative assumptions were applied to address data gaps, ensuring a comprehensive and reliable analysis

1. Case Identification & Classification

Cases are identified from press releases across 3 primary sources and categorized into 3 types of fraud based on the details provided. If a case is mentioned in multiple press releases, whether as a duplicate or an update, the article date will be determined by the earliest press release among the 3 sources.



2. Financial Damage Consolidation



Sources:

- | | |
|--|---|
| 1) SEC Thailand, SEC News , Articles 1/2563 – 47/2568 | 5) CORE, Corporate Fraud and its Consequences , 2014 |
| 2) DSI, Mission News , Articles from Jan 2020 – Mar 2025 | 6) ECGI, Regulatory Sanctions and Reputational Damages , 2018 |
| 3) BBC News, Thailand media guide , 2023 | |
| 4) TDRI, Get tough on stock market misconduct , 2025 | |

Appendix – Chapter 2

Appendix 2.2: Investment Fraud Cases Analysed (1/3)

#	Article Date	Case Name	Source
1	4-Mar-25	LPN insider trading	SEC 47/2568
2	10-Feb-25	ABM, F&D, TVDH-W3, AMR stock price manipulation	SEC 28/2568
3	27-Jan-25	MAX, EIC, NEWS stock manipulation	SEC 20/2568
4	20-Jan-25	RPC stock price manipulation	SEC 15/2568
5	17-Jan-25	NVD stock price manipulation	SEC 13/2568
6	27-Dec-24	IQ Option forex scam	DSI
7	20-Nov-24	Concept Series Ponzi scheme	DSI
8	15-Nov-24	BCP insider trading	SEC 245/2567
9	1-Nov-24	Dr. Boon's non-existent medical business	DSI
10	22-Oct-24	iCon Group Ponzi scheme	Bangkok Post
11	21-Oct-24	Ban Share Nong Carrot Ponzi scheme	Thai.News
12	11-Oct-24	Plook Morn Kae Jon forex trading and mulberry cultivation project	DSI
13	27-Sep-24	SLM fictitious investments	SEC 201/2567
14	19-Sep-24	Nice review 2 Ponzi scheme on fake review website	DSI
15	9-Sep-24	Nice Day Travel Ponzi scheme on LINE social media	DSI
16	3-Sep-24	Thai Farmers Development Fund Ponzi scheme	DSI
17	1-Aug-24	COL insider trading	SEC 156/2567
18	24-Jul-24	NMG, EIC, and TH stock price manipulation	SEC 154/2567
19	12-Jul-24	EA procurement fraud	SEC 143/2567
20	9-Jul-24	SQ insider trading	SEC 139/2567
21	21-Jun-24	PRINC stock price manipulation	SEC 125/2567
22	2-May-24	THE stock price manipulation	SEC 93/2567
23	2-Apr-24	BM stock price manipulation	SEC 75/2567
24	28-Mar-24	SCN stock price manipulation	SEC 69/2567
25	7-Mar-24	STAR stock price manipulation	SEC 55/2567
26	12-Feb-24	TRC insider trading	SEC 37/2567
27	23-Jan-24	AJD management assets misappropriation	SEC 23/2567
28	15-Dec-23	TOPLINE management asset misrepresentation	SEC 246/2566
29	14-Nov-23	WORLD management assets misappropriation	SEC 211/2566
30	10-Nov-23	CHG insider trading	SEC 210/2566
31	7-Nov-23	TIGER stock price manipulation	SEC 207/2566
32	5-Nov-23	Mae Manee Ponzi scheme	DSI
33	3-Oct-23	Operation "Trust No One" crypto pig butchering scheme	The Nation
34	22-Sep-23	Financial.org AI blue-chip stock trading Ponzi scheme	DSI
35	21-Sep-23	Treedom agarwood investment ponzi scheme	DSI

Appendix – Chapter 2

Appendix 2.2: Investment Fraud Cases Analysed (2/3)

#	Article Date	Case Name	Source
36	21-Aug-23	SCI, GSC, ASIAN, FLOYD, RP stock price manipulation	SEC 148/2566
37	8-Aug-23	TIPCO insider trading	SEC 142/2566
38	7-Aug-23	PTG insider trading	SEC 139/2566
39	6-Jul-23	STARK falsified financial statement	The Nation
40	27-Jun-23	MORE stock price manipulation	SEC 108/2566
41	17-Mar-23	PPPM disclosure fraud	SEC 49/2566
42	1-Mar-23	KC stock price manipulation	SEC 40/2566
43	13-Dec-22	MBAX stock price manipulation	SEC 228/2565
44	7-Sep-22	Zipmex disclosure fraud and misuse of customers funds	SEC 147/2022
45	7-Sep-22	TRUE insider trading	SEC 146/2565
46	30-Aug-22	Bitkub Online insider trading of KUB token	SEC 135/2565
47	26-Aug-22	THG disclosure fraud	SEC 134/2565
48	12-Jul-22	Satang Pro circular trading with market maker	SEC 107/2565
49	4-Jul-22	TASCO insider trading	SEC 111/2565
50	30-Jun-22	Bitkub Online circular trading with market maker	SEC 106/2565
51	24-Jun-22	New Concept Property real estate ponzi scheme	DSI
52	1-Apr-22	TU insider trading	SEC 46/2565
53	11-Mar-22	ACAP procurement fraud	SEC 36/2565
54	25-Feb-22	TPAC insider trading	SEC 30/2565
55	7-Jan-22	NMG fictitious revenue	SEC 4/2565
56	9-Dec-21	GSC improper loans to ACAP	SEC 228/2564
57	19-Nov-21	IFEC management asset misappropriation	SEC 209/2564
58	8-Oct-21	Million Link misinformation through its media channels	SEC 184/2564
59	28-Sep-21	Bangkok Bank Investment Advisor asset misappropriation	SEC 180/2564
60	25-Sep-21	NasApp trading platform Ponzi scheme	The Nation
61	7-Sep-21	NBC circular trading	SEC 169/2564
62	19-Jul-21	Fake IPO Investment Advisor	SEC 138/2564
63	9-Jul-21	PHOL insider trading	SEC 130/2564
64	6-Jul-21	HFT insider trading	SEC 127/2564
65	30-Jun-21	Government Lottery Office Impersonation	DSI
66	17-Jun-21	KIAT stock price manipulation	SEC 119/2564
67	14-Jun-21	KC management asset misappropriations	SEC 115/2564
68	8-Jun-21	RICH misrepresentation of financial statement	SEC 110/2564
69	31-May-21	Phetchaburi Park Project fake real estate investment	DSI
70	28-May-21	JKN disclosure fraud	SEC 104/2564

Appendix – Chapter 2

Appendix 2.2: Investment Fraud Cases Analysed (3/3)

#	Article Date	Case Name	Source
71	28-May-21	RHB Securities Investment Advisor asset misappropriation	SEC 103/2564
72	11-Apr-21	Forex-3D forex trading Ponzi scheme	Bangkok Post
73	23-Mar-21	GGC procurement fraud	SEC 61/2564
74	2-Feb-21	SVI insider trading	SEC 19/2564
75	11-Jan-21	TMB Investment Advisor asset misappropriation	SEC 7/2564
76	29-Dec-20	UVAN insider trading	SEC 240/2563
77	13-Nov-20	Eagle Gates trading firm Ponzi scheme	DSI
78	22-Oct-20	ICHI insider trading	SEC 202/2563
79	21-Oct-20	SCB Investment Advisor & Branch Manager asset misappropriation	SEC 198/2563
80	16-Sep-20	UOB8TF insider trading	SEC 173/2563
81	15-Sep-20	TMB Bank Investment Advisor (2) asset misappropriation	SEC 172/2563
82	10-Sep-20	KGIAM Investment Advisor asset misappropriation	SEC 167/2563
83	7-Aug-20	Bangkok Bank Investment Advisor asset misappropriation	SEC 145/2563
84	3-Aug-20	AIA Insurance Investment Advisor asset misappropriation	SEC 141/2563
85	15-Jul-20	Bangkok Bank Investment Advisor (2) asset misappropriation	SEC 133/2563
86	19-Jun-20	IFEC procurement fraud	SEC 119/2563
87	19-May-20	Land and Houses Bank Investment Advisor asset misappropriation	SEC 103/2563
88	18-May-20	Global View Consulting Ponzi Scheme	DSI
89	14-May-20	NOBLE insider trading	SEC 96/2563
90	5-May-20	TMB Bank Investment Advisor (3) asset misappropriation	SEC 88/2563
91	1-Apr-20	Siam Night Fund Management disclosure fraud	SEC 70/2563
92	19-Mar-20	TMB Bank Investment Advisor (4) asset misappropriation	SEC 60/2563
93	16-Mar-20	STEC insider trading	SEC 55/2563
94	28-Jan-20	{Company Name Withheld} asset misrepresentation	SEC 17/2563
95	3-Jan-20	BAY Investment Advisor asset misappropriation	SEC 2/2563

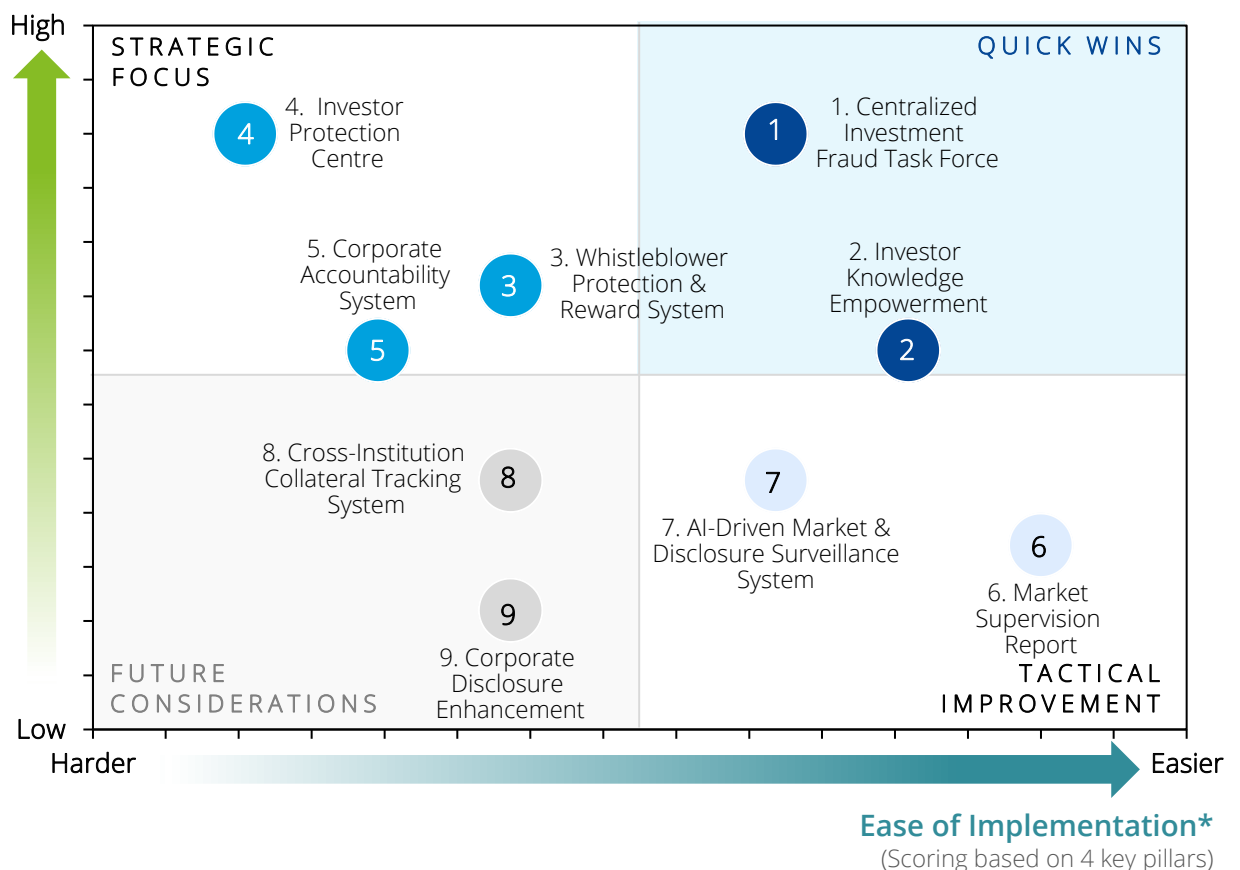
Appendix – Chapter 4

Appendix 4.1: Initiative scoring results

Scoring Result	A. Ease of Implementation (Higher = Easier)	B. Estimated Impact (Higher = Greater)
1. Centralized Investment Fraud Task Force	9	21
2. Investor Knowledge Empowerment	10	15
3. Whistleblower Protection and Incentive Program	7	18
4. Investor Protection Center	5	21
5. Corporate Accountability System	6	15
6. Market Supervision Report	11	6
7. AI-Driven Market and Disclosure Surveillance System	9	9
8. Cross-Institution Collateral Tracking System	7	9
9. Corporate Disclosure Enhancement	7	3

Estimated Impact*

(Scoring based on Chapter 2.4)

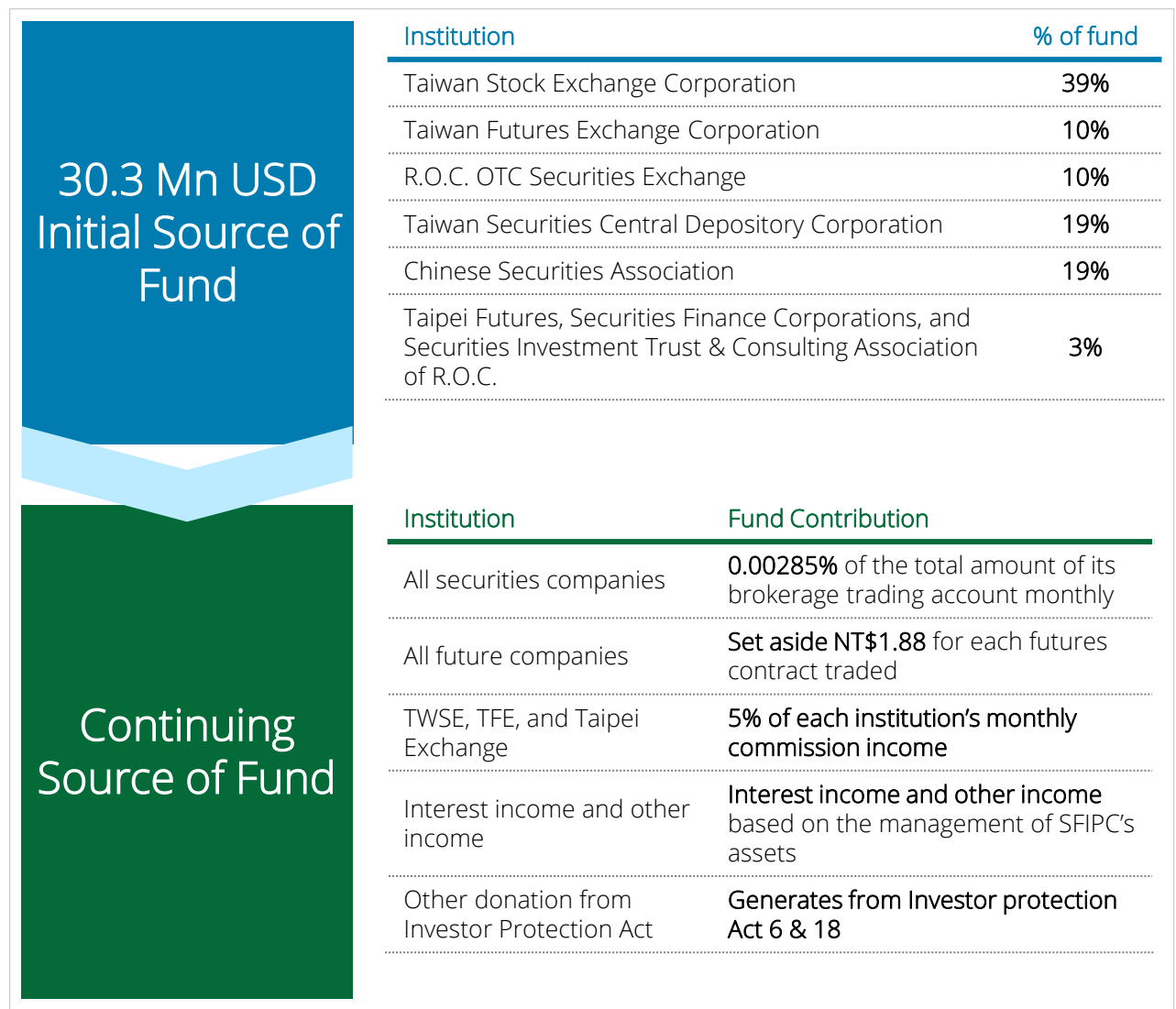


Appendix 4.2: Reference of Taiwan's SFIPC fund source

Source of SFIPC's fund

To develop the fund, the center will require initial support from the SEC Thailand under Sections 25 and 319 of the SEC Act, along with contributions from exchanges such as the SET. Ongoing funding can be sourced from a percentage of trading fees from securities and futures firms, and a share of commission income from national exchanges. Taiwan's SFIPC offers a useful reference for structuring and sustaining such a model.

SFIPC's initial capital came from NT\$1,031 million in donations from 11 designated institutions, including the Taiwan Stock Exchange, futures exchanges, and securities associations. Ongoing funding includes 0.00285 percent of brokerage trading volume from securities firms, NT\$1.88 per futures contract from futures firms, 5 percent of exchange commission income, interest income, and other donations.



Sources:

1) NTD, [Article](#), Accessed Apr 2025



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