

What technology can bring to financial business

Pain Points

- High cost
- Long wait
- Inadequate access
- Conflict of Interests
- Human error
- Barrier to entry

Technology

- Data analytics
- Artificial Intelligence (AI)
- Cloud computing
- Blockchain

FinTech

- Robo-advisor
- Crowdfunding
- Blockchain for Settlement

Benefits

- Cheaper
- Faster
- Better access
- Competition
- Innovation
- Choices

Unbundling of services and new breed of players

Unbundling of services

KYC Research Advice Execute order Margin loan Market making Settlement Safe keeping

new breed of players

Ex-financial market professionals / Consumers / Technology companies / Telco firms

Types of technology:





Regulator's roles

Facilitate innovation

- How easy is it for service providers to experiment with new ideas and mechanism?
- Are enabling laws and regulations in place?

Mitigate risk to trust and confidence

- Do we truly understand the market as it evolves?
- How can we use technology effectively?

Promote competition

- How easy is it for new business to enter the market?
- Do consumers have the information to make informed choices?
- How easy is it for consumers to switch service providers?

Intended outcomes

- More innovative products reaching the market
- Reduced time-to-market at potentially lower cost
- □ Enabling regulators to understand and come up with appropriate consumer protection safeguards

SEC's approaches - Open space for innovation

1) Virtual sandbox
Testing with data

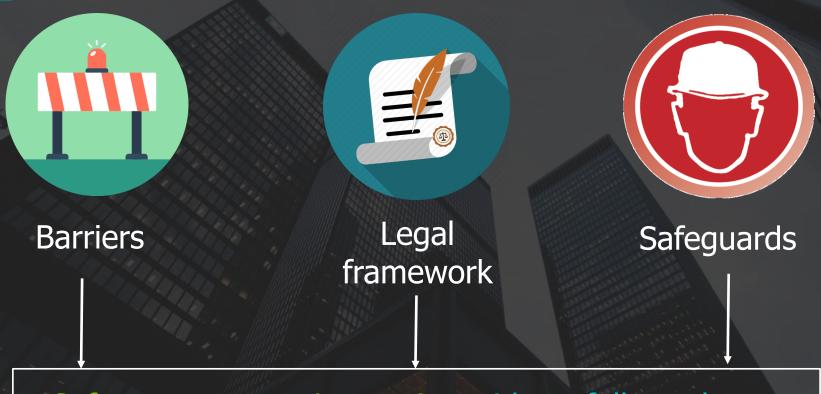
2) Regulatory Sandbox

Restricted experiment with real customers

3) Enabling regulations

Support technology-driven players

Key considerations for regulatory sandbox



Safe space to test innovation without full regulatory burden while still ensuring investor protection

Key eligibility criteria for SEC's regulatory sandbox



1. Innovative financial services



3. Well-developed plan& ready for testing



2. Beneficial to Thai investors or Thai capital market



4. Limited testing scope & period

Exiting the sandbox



Successful

>> obtain appropriate license to fully operate



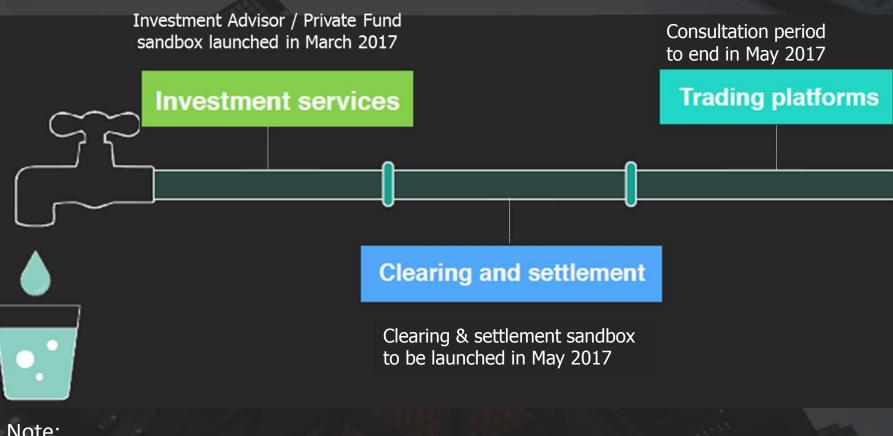
Unsuccessful*

>> discontinue & follow proposed exit strategy

Note: Testing period can be extended subject to prior approval by SEC.

*also including failure to comply with sandbox rules and voluntary exit

Regulatory sandboxes in SEC's pipeline



Note:

- Bank of Thailand launched regulatory sandbox framework in late 2016.
- Insurance Commission is considering having a sandbox scheme.

