

Thailand's Cryptocurrency Landscape: A Retrospective Look at Thailand's Legal Framework and Market Situation in the Bull Run Era

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The cryptocurrency market has evolved significantly, and achieved major milestones as a decentralized digital currency system in recent years. Thailand has emerged as a notable player in the global cryptocurrency landscape, with market capitalization in excess of THB 90,000 million in 2024 (a robust 73.99% growth since 2023) and is using an adaptive legal framework to establish comprehensive cryptocurrency laws and regulations. A review of the relevant laws and regulations, and their evolution over time, is helpful to understand the past, present, and future of the cryptocurrency market in Thailand.

1. Introduction: The Emergence of Cryptocurrency Markets in Thailand

Cryptocurrency is a revolutionary form of digital currency, which operates on decentralized blockchain networks, with prices determined primarily by market supply and demand, without being controlled by any centralized authority. Cryptocurrency plays two key roles in the modern economy, as an investment asset and as a medium of exchange for goods, services, and digital assets. The cryptocurrency market has achieved significant milestones in recent years, including the U.S. Securities and Exchange Commission's approval of spot Bitcoin ETFs and Bitcoin Halving, as well as the widespread adoption of stablecoins for cross-border payments. This expansion reflects the growing integration of digital currencies into the global financial ecosystem.

Thailand has emerged as a significant market in this global cryptocurrency landscape, with a market capitalization in excess of THB 90,000 million in 2024 (a 73.99% increase over 2023). This growth is evidenced by daily trading volumes as high as THB 2,977 million in January 2025, and supported by a substantial user base of 2.45 million trading accounts, of which approximately 200,000 are actively engaged. The expanding market activity demonstrates Thailand's growing presence in the global cryptocurrency market.

As one of the first countries in Southeast Asia to develop a systematic regulatory framework for cryptocurrency, Thailand's growth is supported by its ever-evolving legal framework, which adapts to advances in technology and market developments. The relevant regulatory bodies, including the Securities and Exchange Commission of Thailand (“**SEC**”), Bank of Thailand (“**BOT**”) and Revenue Department (“**RD**”), regularly update their frameworks through periodic regulations and announcements. These responsive regulations greatly enhance confidence among both domestic and international investors.

2. Regulatory Framework and Key Milestones in Thai Laws and Regulations

(1) Summary of the Digital Asset Law

Cryptocurrency was invented in the early 2000s, but its initial impact was limited to niche communities, and offered little indication of significant future role cryptocurrency would play in national financial systems and for the public. During this early stage, cryptocurrency operated in a regulatory gray area, without formal legal status or governance. Regulatory bodies limited their involvement to issuing non-binding warnings about investment risks.

In 2018, cryptocurrency reached a significant turning point in Thailand, with the enactment of the Emergency Decree on Digital Asset Business Operations B.E. 2561 (2018) ("**Digital Asset Law**"). The Digital Asset Law is considered the first law to establish a formal regulatory framework for digital asset businesses; it divides "digital assets" into two main categories: (i) cryptocurrency¹ and (ii) digital tokens². This article will focus primarily on cryptocurrency.

The Digital Asset Law places restrictions on certain types of businesses involving or relating to digital assets. Operation of the following six types of cryptocurrency businesses requires approval from the Ministry of Finance, upon a recommendation from the SEC. Some key information about these restricted businesses (collectively, "**Digital Asset Business Operators**") can be seen in the chart below.³

¹ The Digital Asset Law defines "cryptocurrency" as an electronic data unit built on an electronic system or network which is created for the purpose of being a medium of exchange for the acquisition of goods, services, or other rights, including exchanges of digital assets.

² The Digital Asset Law defines "digital token" as an electronic data unit built on an electronic system or network which is created to specify the rights of a person to participate in an investment in any project or business, or to acquire specific goods, services, or other rights under an agreement between the issuer and the holder.

³ Based on the Digital Assets Business License Application Guide published by the SEC, it appears that the guidelines for consideration of applications and the documents that business operators are required to submit to the SEC to obtain the license are quite detailed. Applicants must demonstrate various measures and approaches for engaging in business, such as risk assessment measures, emergency protocols, internal audit and control systems, IT risk assessment frameworks, customer service systems, and systems for business operation. Moreover, certain types of businesses require operators to have relatively high paid-up registered capital (e.g., Baht 100 million for Digital Asset Exchanges that hold custody of client assets, or Baht 50 million for Digital Asset Broker businesses that hold custody of client assets). According to the SEC database, there currently are nine licensed operators of Digital Asset Exchanges, twelve licensed Digital Asset Brokers, four licensed Digital Asset Dealers, two licensed Digital Asset Fund Managers, two licensed Digital Asset Advisory Services, and two licensed Digital Asset Custodial Service Providers.

No.	Type of Business	Description
1	Digital Asset Exchange	Any center or network established for trading or exchanging digital assets through matching or finding counterparties, or organizing systems or facilitating those who wish to trade or exchange digital assets to reach agreements or match with each other, conducted as a regular business.
2	Digital Asset Broker	A person who provides services or represents to public that they are ready to provide services as a broker or agent for trading or exchanging digital assets for others as a regular business, and receives fees or other compensation.
3	Digital Asset Dealer	A person who provides services or represents to the general public that they are ready to provide services for trading or exchanging digital assets in their own name as a regular business, conducted outside of Digital Asset Exchanges.
4	Digital Asset Advisory Service	<p>A person who provides advice to the public, either directly or indirectly, regarding the value of digital assets or the suitability of investments related to digital assets, or concerning the buying, selling, or exchanging of any digital assets as a regular business, for which fees or other compensation are received.</p> <p>However, this does not include providing advice that is part of or related to the operations of Digital Asset Exchanges, Digital Asset Brokers, Digital Asset Dealers, or Digital Asset Fund Managers.</p>
5	Digital Asset Fund Manager	A person who manages funds or represents to the general public that they are ready to manage funds for others to seek benefits from digital assets as a regular business.
6	Digital Asset Custodial Service Provider	<p>A person who provides services or represents to the general public that they are ready to provide one or more of the following services as a regular business and receives fees or other compensation: (i) accepting deposits or custody of digital assets (ii) managing cryptographic keys or any other confidential items used to approve transfers or transactions related to digital assets, with full or partial authority.</p> <p>However, this does not include services that are part of the operations of Digital Asset Exchanges, Digital Asset Brokers, Digital Asset Dealers, or Digital Asset Fund Managers.</p>

(2) Denial of Cryptocurrency As a Means of Payment

In July 2021, the BOT issued a significant statement that impacted Thailand's cryptocurrency. The statement expressed serious concerns about using digital assets, including cryptocurrency, as a medium of payment. Accordingly, the BOT continues to view digital assets primarily as investment vehicles that require careful risk assessment, rather than as reliable payment methods, and discourages the use of digital assets as a medium

of payment.

In March 2022, the SEC formally issued a notification prohibiting Digital Asset Business Operators from providing services that facilitate or promote payments for goods and services using digital assets, including advertising and solicitation thereof, as well as offering wallet services for such payment purposes.

(3) Summary of Tax Benefits of Cryptocurrency Transactions

In March 2022, the RD issued a Ministerial Regulation regarding taxation of digital asset transactions. The regulation permits taxpayers to offset losses from cryptocurrency transfers against profits from other cryptocurrency transfers made during the same tax year, provided the transactions are conducted through Digital Asset Exchanges licensed under the Digital Asset Law. The exemption is effective from 14 May 2018 onward.

In May 2022, the RD issued a Royal Decree providing an exemption from value-added tax for cryptocurrency transfers conducted through Digital Asset Exchanges licensed under the Digital Asset Law, effective 1 April 2022 to 31 December 2023. In September 2024, the RD extended this value-added tax exemption for cryptocurrency transfers made through licensed Digital Asset Exchanges, and expanded it to include transfers conducted through licensed Digital Asset Brokers, by licensed Digital Asset Dealers, or transferred to licensed Digital Asset Dealers, from 1 January 2024 onward.

(4) Summary of Retail Investor Protection Measures

In 2023, the SEC established requirements for Digital Asset Business Operators to make specified information disclosures and risk notifications to clients, as well as other guidelines Digital Asset Business Operators must follow, in order to strengthen protections for retail investors. For example, Digital Asset Business Operators are required to give notice of risk statements as specified by the SEC. Digital Asset Brokers also are required to disclose information about the exchanges on which they engage in trading.

(5) Summary of Funds Regulations Governing Investments in Crypto Assets

In 2024, the SEC amended its regulations governing fund investments to permit certain categories of funds to invest in crypto assets⁴ and to establish prescribed investment allocation ratios specific to each fund category.

Specifically, an Ultra Accredited Investor Mutual Fund (“**UI fund**”) can invest in crypto asset ETFs without investment proportion limitations. When UI funds invest in crypto assets, either directly or indirectly through derivatives, the investment is limited to no more than 20% of the fund's Net Asset Value (NAV).

Funds for retail investors (i.e. retail-MF or Accredited Investor funds) that meet the requirements established by the SEC can invest in crypto assets through ETFs or foreign mutual funds. The key requirements for these

⁴ The phrase “crypto assets” is defined in the SEC regulations governing investment criteria for the funds, and is broader than “cryptocurrencies” under the Digital Asset Law. Specifically, the SEC regulations define “crypto assets” as (i) cryptocurrency, and (ii) digital utility tokens that do not have as their primary purpose either consumption, use, or serving as a certificate or representing any rights document.

funds are as follows:

- The total amount of the investments in crypto assets can be no more than 5% of NAV.
- The fund must have been established after the effective date of the amended regulation, to prevent impacting existing fund investors who may not wish to have exposure to crypto assets.
- The fund must have an active management strategy and be a mixed mutual fund with a primary investment policy for asset allocation, an equity mutual fund, or an alternative asset mutual fund.
- The fund must disclose information and warnings about crypto asset exposure to investors in a clear manner.

Currently, some funds in Thailand do have policies for investing in digital assets. For example, KT-BTCETFFOF-UI-A is a UI fund that invests in destination funds worldwide that have investment policies and/or generate returns in digital assets in the Bitcoin digital currency.

3. Summary and Future Outlook

To summarize, cryptocurrency in Thailand is viewed primarily as an investment vehicle and has not been accepted as a medium of payment. Thailand's regulatory authorities have taken a notably active approach, implementing laws and regulations to protect investors while gradually relaxing various restrictions, in line with the evolution of the cryptocurrency market.

While investors need to continue monitoring SEC announcements closely, early 2025 brought encouraging signs for the crypto investment community in Thailand. These positive developments came after Pornanong Budsaratragoon, Secretary-General of the SEC, indicated in an interview with international media that the SEC was considering opening Bitcoin ETF investments to both retail and institutional investors in Thailand. These authorizations are expected to have a positive impact on the cryptocurrency market in Thailand, as many believe ETF approval will attract traditional securities investors to the cryptocurrency market.

However, it remains necessary to monitor the situation closely, to see how this potential approval process develops and what direction it takes.

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