



Thailand Moves Carbon Credits into Derivatives Market: A Turning Point for Climate Finance and Compliance

Background

Thailand has made significant progress in the development of its green financial infrastructure. On 10 February 2026, the Securities and Exchange Commission Thailand (SEC) announced that, following Cabinet approval, Thailand will expand the permissible underlying assets under the Derivatives Act B.E. 2546 (2003) to include carbon credits. The key change allows carbon credits to be used as reference assets in the Thailand Futures Exchange (TFEX) and also includes greenhouse gas emission allowances and renewable energy certificates (RECs) as additional reference assets [1].

This facilitates both physically settled futures and cash-settled derivatives associated with carbon credits, in accordance with the draft Climate Change Act and national objectives to achieve net-zero greenhouse gas emissions by 2050. The decision represents a significant advancement in the incorporation of carbon instruments into Thailand's primary financial framework. It positions carbon credits not merely as environmental instruments but as assets for financial risk management.

Why This Matters for Thailand's Climate Transition

Thailand's carbon market has primarily been voluntary. However, the upcoming Climate Change Act is anticipated to establish emissions caps and pricing mechanisms, which will likely increase the compliance demand for carbon credits.

The inclusion of carbon credits in the derivatives market helps:

- Prepare the financial sector for compulsory carbon pricing.
- Enhance Thailand's competitiveness in a low-carbon global economy.

In 2023, global compliance carbon pricing generated over USD 100 billion in revenue, however, the Asia-Pacific region accounted for only USD 4.35 billion, despite its considerable mitigation potential [2]. Therefore, enhancing financial architecture is essential for promoting climate finance.



References

[1] Securities and Exchange Commission Thailand. (2026, February 10). SEC advances the Thai derivatives market to accommodate new goods and variables (No. 43/2026). Retrieved from https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=12552

[2] Carbon Market Institute. (2024). International Market Update – August 2024.

[3] Asia Clean Energy Partners. (2025). Making Carbon Pricing Work for Southeast Asia's Energy Transition (SPARK Policy Brief).



Governance and Regional Lessons

Regional experience indicates that financial innovation should be complemented by institutional preparedness. The SPARK Policy Brief highlights common obstacles in Southeast Asia, such as fragmented institutional mandates, inadequate registry interoperability, limited monitoring, reporting, and verification (MRV) systems, and unclear definitions of carbon assets [3].

Consequently, the expansion of carbon derivatives in Thailand should be complemented by effective inter-agency coordination frameworks, compatible national registries, and legal clarity under the Climate Change Act.

Conclusions

Thailand is proactively establishing market infrastructure by including carbon credits into the derivatives market prior to the full implementation of climate legislation. If governance and integrity frameworks develop simultaneously, this shift could speed up Thailand's transition from a voluntary carbon market to a credible, compliance-oriented system.

