

Valuing Thailand's Digital Marketplaces



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A New Regulatory Variable for Investors

New guidelines¹ on unfair trade practices and anti-competitive conduct by e-commerce platforms under the Trade Competition Act, B.E. 2560 (2017) (the “TCA”) (the “Guidelines”) were brought into effect by the Trade Competition Commission of Thailand (the “TCCT”) on 25 March 2026. The Guidelines respond to increasing concerns regarding the growing influence of e-commerce platforms, particularly in relation to platform self-preferencing, unfair treatment of counterparties and algorithm-driven conduct. Their impact also extends to how investors assess the value and future earnings potential of digital marketplace businesses.

What Has Changed?

The Guidelines do not replace the TCA or make every practice identified automatically unlawful. Rather, they provide a more detailed framework for assessing whether particular conduct by e-commerce platforms may result in unfair trade practices, monopoly, or a reduction or restriction of competition. The assessment remains dependent on the circumstances and competitive impact of the business's practices.

The Guidelines identify a range of practices that may be considered unfair if without reasonable cause, including:

1. self-preferencing and reduced visibility, such as using algorithms to favour the platform's own products or particular sellers;
2. requiring sellers to use specified logistics or payment services;
3. using data obtained from sellers to create a competitive advantage for the platform's own business;
4. imposing certain pricing restrictions, including requirements relating to price parity or resale prices;
5. imposing unreasonable fees or charges; and
6. restricting sellers' ability to use alternative platforms or trading opportunities.

None of these practices are automatically unlawful merely because they fall within one of the categories above. The Guidelines require the circumstances and competitive effects of each practice to be considered. Platforms should therefore review these practices and, where appropriate, modify those that form part of their commercial model.

¹ Notification Re: Guidelines on Unfair Trade Practices, Monopolisation and Acts Restricting or Reducing Competition in Multi-Sided Platform Businesses, Type: E-Commerce Digital Platform Businesses

Distinguishing Durable Growth from Growth at Risk

The consequence for investors is not that these businesses have become unsuitable targets, but that their historical growth drivers require closer examination before they can be relied upon. Growth attributable to a superior product, more efficient logistics, or genuine network effects is unlikely to be materially affected by regulatory scrutiny. Growth attributable to the practices identified above is considerably more exposed, particularly where the platform cannot evidence a sound commercial justification, and a valuation that fails to distinguish between the two may result in the purchaser paying for growth that cannot be sustained on the same basis if the target is required to modify its commercial practices to comply with the Guidelines.

This development is not confined to Thailand. Regulators in the European Union and elsewhere in Asia have identified similar concerns regarding self-preferencing, data advantage and algorithmic control. The broader regulatory direction is therefore relevant to investors assessing platform businesses across multiple jurisdictions.

What This Means for Deal Strategy

The practical response is to incorporate competition-law analysis into commercial due diligence at the outset, rather than to treat it as a legal issue to be addressed after commercial terms have been agreed. The buyer should identify regulatory-driven growth risk as a valuation issue and assess whether changing the relevant practices could affect the financial assumptions underlying the acquisition price. For example, if a material portion of a platform's revenue, margins or growth depends on fees, ranking practices or exclusivity arrangements that may need to be modified, the buyer should assess what the platform's financial and growth profile would look like without those practices.

A buyer that identifies a potentially problematic practice before signing can consider its financial implications and reflect them in the transaction. Depending on the circumstances, this may involve adjusting the purchase price, revising financial projections, requiring changes to the target's business practices, seeking specific contractual protections, or allocating identified liabilities between the parties. The same issue identified after signing is more difficult to address. By that point, the purchase price may already have been agreed on the basis of historical growth that is no longer sustainable, while the buyer may also bear, directly or indirectly, some of the costs and risks associated with changing the target's business model.

Conclusion

The key question for investors is not simply whether a marketplace has grown rapidly, but why it has grown rapidly and whether the same drivers can continue to support that growth. A platform whose growth is supported by genuine competitive advantages may present a lower degree of regulatory exposure in this respect. A target that has already adjusted its commercial practices to address regulatory concerns presents a materially different risk profile from one that has not. The Guidelines therefore make competition-law diligence part of the valuation exercise itself.

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