

THE SUMMARY OF STAKEHOLDER CONSULTATIONS OF THE UNDP FINANCE AGAINST SLAVERY AND TRAFFICKING (FAST) INITIATIVE

1 INTRODUCTION

Modern slavery and human trafficking remain persistent human rights violations and financial crimes globally and in Thailand. Despite significant progress in enforcement, victim protection, and regulatory reform, emerging forms of exploitation linked to complex supply chains, (deceptive, fee-based) cross-border recruitment, migration, forced labour, and scam-centre operations continue to evolve. These trends underscore the need for a whole-of-government and whole -of-market response that goes beyond traditional criminal justice measures.

The financial sector plays a critical role in both enabling and preventing modern slavery. Financial transactions often provide the most traceable evidence of exploitation, while financial regulators and institutions hold leverage that can influence business behaviour, shape market incentives, and strengthen transparency across value chains. When used effectively, financial tools and systems can also support compensation, remediation, and recovery for victims and survivors, complementing enforcement efforts and strengthening overall accountability.

The Finance Against Slavery and Trafficking (FAST) initiative, supported by the United Nations Development Programme (UNDP) and the Government of Liechtenstein, provides a framework for how financial systems can help detect, disrupt, and prevent modern slavery. In 2024–2025, UNDP Thailand with the FAST Initiative and the Department of Rights and Liberties Protection (Ministry of Justice), and the Global Compact Network Thailand (GCNT) convened a series of policy dialogues and training programmes¹ to localise the FAST framework for Thailand’s context.

This policy paper synthesises insights from these dialogues and proposes recommendations for Thai government agencies, state-owned financial institutions, regulators, and private-sector actors. The analysis and recommendations are derived from workshop discussions, consultative dialogues, and related presentation materials, including contributions by the Fair Finance Thailand. Accordingly, this paper is intended to inform policy discussion and strategic direction rather than to provide a comprehensive or exhaustive review of all relevant laws, institutions, or stakeholders.

¹ These dialogues include 1: consultative dialogue on strengthening legal and regulatory frameworks to address modern slavery and human trafficking in the financial sector on 27 May 2025 and 2: the stakeholder consultation on “how financial regulators can help combat modern slavery and human trafficking in the financial sector on 25 July 2025”.

2 THE FAST FRAMEWORK AND ITS RELEVANCE TO THAILAND

The Finance Against Slavery and Trafficking (FAST) framework sets out five core goals for how financial systems and stakeholders can help prevent, detect, and remediate modern slavery and human trafficking:



GOAL 1 Strengthen compliance with laws and regulations:

Ensure that financial institutions and regulators effectively apply anti-trafficking, Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT), procurement, and financial - governance laws to detect, disrupt, and prevent modern slavery.



GOAL 2 Knowing and Showing Risks: Enhance transparency and due diligence:

Improve how financial institutions identify, assess, and disclose modern-slavery risks across clients, supply chains, and investment portfolios.



GOAL 3 Use leverage creatively and responsibly

Encourage financial institutions, public funds, and regulators to use their influence through lending, investment, and regulations to shift business behaviour away from exploitative practices.



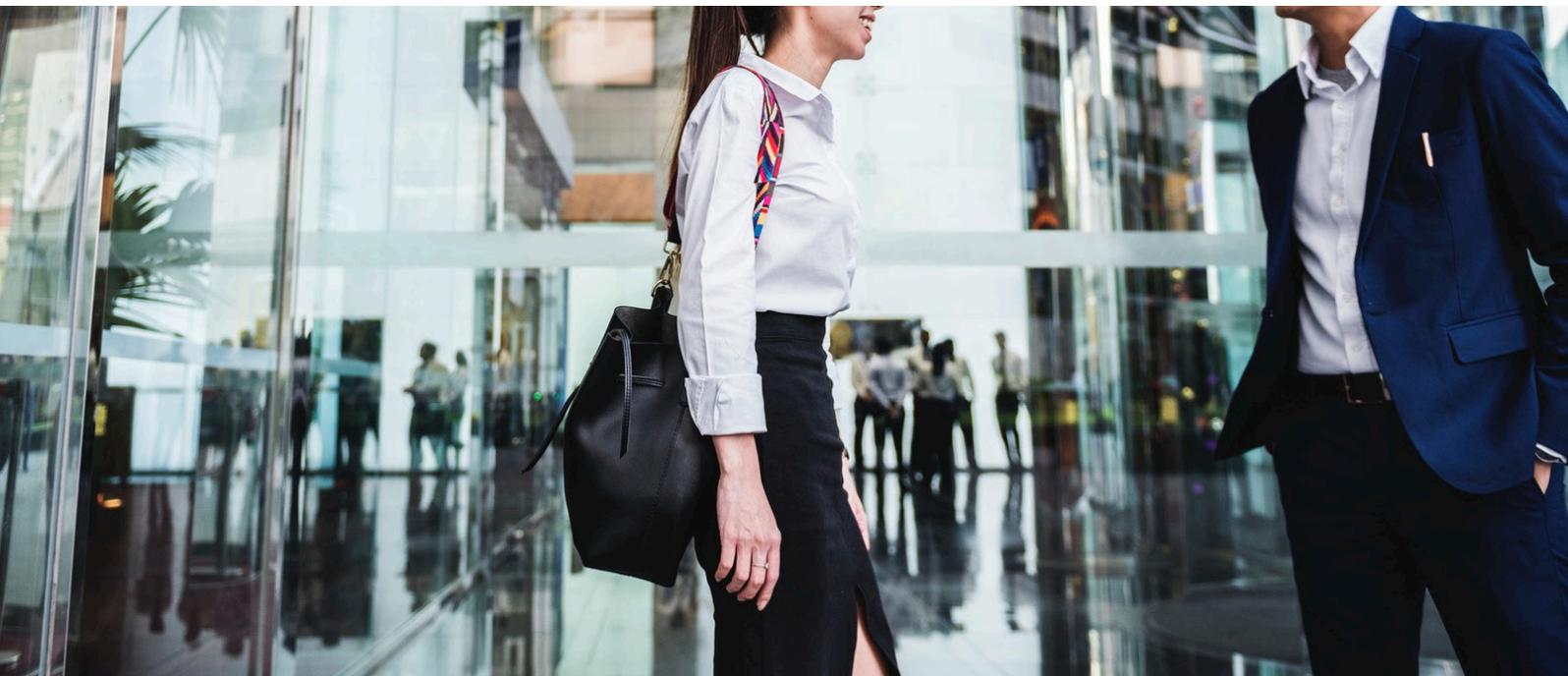
GOAL 4 Facilitate access to effective remedy

Ensure that victims of modern slavery receive compensation, restitution, and support through stronger state and corporate remediation systems.



GOAL 5 Invest in innovation

promote research and development, the integrated use of technology, data and financial innovation to detect risks, support enforcement, reduce modern slavery vulnerabilities, and leverage financial instruments to mobilize funding for the cause.



These goals are highly relevant to Thailand's current policy context for the following reasons:



Weak enforcement outcomes:

Trafficking cases in Thailand continue to have very high acquittal rates. This points to gaps in financial evidence, and investigative tools, which highlights the need for stronger involvement of the financial sector in enforcement efforts.



New and complex forms of exploitation:

Modern slavery linked to scam-centre operations has expanded rapidly. These cases often involve cross-border trafficking, coercion, and complex financial flows – including the use of less or unregulated (digital) currencies and payment systems, that are difficult to detect using existing labour or enforcement systems.



Rising external expectations:

International developments, including Thailand's OECD accession process, the EU Forced Labour Regulation, and growing global ESG expectations, are increasing pressure for Thailand to strengthen how its financial system addresses modern-slavery risks.



Limited access to information:

Financial institutions often lack clear visibility into labour practices within client operations, value, and supply chains. At the same time, civil society organisations have direct knowledge of exploitation risks but lack structured ways to share this information with financial actors and regulators.



Gaps in social-risk management:

Thailand has made progress on environmental aspects of sustainable finance, but social risks such as forced labour and modern slavery are not yet well integrated into ESG frameworks, disclosure requirements, or risk-assessment tools.

3 POLICY DIRECTIONS UNDER THE FAST FRAMEWORK



GOAL 1

Strengthen compliance with laws and regulations

Thai context

Thailand has a broad legal framework to address human trafficking, forced labour, and related financial crimes. This includes the Criminal Code, the Anti-Trafficking in Persons Act B.E. 2551 (2008), the Anti-Money Laundering Act, labour legislation, and the public procurement regime under the Public Procurement and Supplies Administration Act B.E. 2560 (2017). Key institutions involved in enforcement, supervision, and victim protection include the Ministry of Justice, the Ministry of Labour, the Ministry of Social Development and Human Security, the Anti-Money Laundering Office (AMLO), the Comptroller General's Department, the courts, and financial-sector regulators such as the Bank of Thailand



However, in practice, stakeholder consultations highlight a persistent gap between legal frameworks and outcomes. Most trafficking cases continue to end in acquittals due to evidentiary challenges, limited use of financial investigations, and barriers to accessing justice. Even when cases are decided in favour of victims, recovering proceeds linked to modern slavery is extremely difficult, and existing state compensation and restitution mechanisms provide only limited support compared to the harm suffered. As a result, modern-slavery risks are not yet addressed systematically through enforcement, public procurement, or state-backed finance.



Policy Recommendations based on the FAST Framework

1. Strengthen cooperation to support financial investigations:

Cooperation between the Anti-Money Laundering Office (AMLO) and financial institutions should be strengthened to improve the identification of financial flows linked to modern slavery and human trafficking. Insights from workshop sessions with regulators indicate that AMLO already works with some specialised financial institutions (SFIs) in this area, and that this form of cooperation can be expanded to include commercial financial institutions.

2. Mobilize the insurance sector:

The insurance sector has untapped potential to help prevent modern slavery, particularly at key decision points such as policy design, contract signing, and policy renewal. The Office of Insurance Commission can play a facilitative role by issuing guidance on how insurers should consider modern-slavery risks in contract terms and claims assessment. At the industry level, insurers and other financial institutions should be encouraged to exchange practices on contract and policy design that help ensure insurance products do not indirectly cover or enable activities linked to modern slavery. This may include the use of exclusion clauses or other safeguards in policy lines where labour exploitation risks are higher. International reference points for this approach can be found in frameworks such as the UNEP Finance Initiative Principles for Sustainable Insurance.

3. Use public regulatory levers



(a) *Public procurement, investment, and fiscal tools:*

Thailand can use public-sector economic levers more systematically to address modern-slavery risks. In public procurement, the Comptroller General's Department can integrate clear prohibitions on modern slavery and basic due-diligence expectations into standard procurement conditions and oversight processes. For state-owned enterprises and state-backed finance, oversight bodies such as the State Enterprise Policy Office and agencies responsible for specialised financial institutions and public funds, including the Fiscal Policy Office, can ensure that modern-slavery risks are considered in investment, lending, and procurement decisions. At the same time, fiscal and investment authorities such as the Revenue Department and the Board of Investment (BOI) can explore incentives that encourage businesses to adopt credible supply-chain due diligence and risk-mitigation measures.



(b) *Market regulation:*

Capital-market rules can be used to send clearer signals on expectations related to modern-slavery risks. The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) can integrate these expectations into listing requirements, ESG reporting frameworks, and the Form 56-1 One Report, including guidance on identifying, managing, and disclosing modern-slavery risks. Relevant international reference points include the United Nations Sustainable Stock Exchanges Initiative.



(c) *Competition law:*

Competition rules should be clarified to allow financial institutions to cooperate on systemic modern-slavery risks, such as through joint typology development or shared risk assessments, where such cooperation cannot be effectively undertaken by individual institutions acting alone. This collaboration can be supported through engagement with the Trade Competition Commission of Thailand to ensure that such cooperation is monitored and does not create anti-competitive effects.

4. Improve legal definitions and enforcement mechanisms under the Anti-Trafficking Act:

Stakeholder consultations highlighted the need to strengthen the legal basis for modern-slavery enforcement. Although Section 6/1 of the Anti-Trafficking in Persons Act lists various forms of coercion (including threats, document confiscation, and financial control), **sub-paragraph (6)** which was intended as a catch-all provision is too vague to be applied effectively.



Stakeholders recommended that Thailand: develop formal interpretive guidance to clarify the scope and application of Section 6/1(6); and provide additional training to investigators, prosecutors, and relevant officials to ensure they can recognise and respond to more complex and evolving forms of exploitation, including scam-centre operations and deceptive recruitment practices.



Agencies such as the Ministry of Labour, the Ministry of Social Development and Human Security, and the courts can play a key role in ensuring that enforcement authorities are better equipped to identify and respond to more complex and evolving forms of exploitation, including scam-centre operations and deceptive recruitment practices.



GOAL 2

Enhance Transparency and Due Diligence

Thai context

In recent years, Thailand has advanced its sustainable-finance and business-and-human-rights agenda through tools such as the National Action Plan on Business and Human Rights (NAP 2023–2027), One Report disclosure guidelines under the SEC, and the Thailand Taxonomy led by financial regulators. Many financial institutions and listed companies have adopted human rights policies or supplier codes of conduct, and some have started to integrate HRDD into lending or investment processes. However, modern-slavery risks are rarely identified explicitly; social indicators in ESG reporting remain less developed than environmental ones; and there is no common taxonomy or data standard for assessing modern-slavery risks across the financial system.



Policy Recommendations based on the FAST Framework

1. Strengthen HRDD systems and integrate modern-slavery risks:

Thailand should ensure that companies and financial institutions explicitly incorporate modern-slavery and human-trafficking risks into their HRDD processes. This can begin through voluntary frameworks under the National Action Plan on Business and Human Rights, facilitated by the Ministry of Justice, and later transition toward mandatory HRDD once the private sector is better prepared. Strengthening HRDD includes training staff to recognise indicators such as coercion, debt bondage, deceptive recruitment, or trafficking; improving internal grievance channels; and using worker-voice tools to capture frontline information and address concerns in a timely and structured manner.

2. Promote collaborative value-chain mapping to address information asymmetry:

Private-sector actors can begin by sharing information within industries and financial-sector networks to map high-risk value chains. As these efforts develop, collaboration should expand to include civil-society organisations, which have frontline knowledge of exploitation risks. Participants noted that involving CSOs at this stage can help close information gaps faced by financial institutions on client activities by improving understanding of recruitment practices, subcontracting arrangements, and other risk indicators, and by strengthening due-diligence outcomes.

3. Develop a common taxonomy for modern-slavery risks:

Government agencies and private-sector actors should work together to develop a shared taxonomy that defines modern-slavery risk categories, activities, and indicators. Current sustainable-finance efforts have focused primarily on environmental activities, through frameworks such as the EU Taxonomy and the Thailand Taxonomy. Expanding these frameworks to cover social risks, including modern slavery, could be explored as a next phase, drawing on international developments such as the EU Commission's work on a Social Taxonomy. A common taxonomy would provide a consistent foundation for disclosure, financial-sector supervision, and corporate reporting, and allow regulators, financial institutions, and civil-society organisations to assess risks using a shared language.

4. Integrate modern-slavery risks into ESG ratings and financial disclosures:

Thailand can build on existing ESG and disclosure regimes to better reflect modern-slavery risks. Listed companies already report on social issues through the Form 56-1 One Report, which covers human rights and labour protection, and through SET ESG Ratings, which are transitioning to the FTSE Russell framework and include a social pillar on labour standards, human rights, and community impacts. Many companies also use global benchmarks such as GRI or DJSI, which adopt similar approaches. Modern slavery can be treated as a specific and relevant risk within these frameworks, but greater clarity is needed on how companies should identify, assess, and disclose such risks in practice. Targeted guidance, capacity building, and policy signals from the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) can help strengthen how modern-slavery considerations are integrated into ESG reporting, ratings, and related risk-management processes.



GOAL 3

Use Leverage Creatively and Responsibly

Thai context

Thailand's financial regulators, state-owned financial institutions, public funds, and private financial actors collectively command significant leverage over business conduct. Public procurement and state-backed finance influence large parts of the economy; listing rules and disclosure requirements shape corporate behaviour in capital markets; and banks, insurers, and investors can set expectations on clients and investees through their credit and investment policies. However, this leverage is not yet used in a systematic way to address modern-slavery risks, and there is limited guidance on how financial institutions should engage with clients when risks are identified.



Policy Recommendations based on the FAST Framework

1. Make better use of leverage in routine financial relationships:

Financial institutions should apply leverage more systematically when modern-slavery risks are identified in their relationships with clients and investee companies. This includes the use of contractual tools such as conditions, audits, questionnaires, and pricing incentives, as well as non-contractual approaches including capacity-building, awareness-raising, and structured dialogue with companies. Greater consistency can be achieved through sharing practices across financial-sector associations, while government agencies can support these efforts by providing clear guidance on appropriate and proportionate use of leverage.

2. Support collaboration where risks are systemic:

 Where modern-slavery risks affect entire sectors or value chains, individual institutions often cannot act alone. Thailand should support collaborative approaches among financial institutions and businesses, as well as cooperation with non-commercial partners such as government agencies, international organisations, trade unions, and civil society.

3. Develop practical guidance and benchmarks on the use of leverage:

Regulators, rating agencies, and research institutions should work together to develop simple benchmarks or guidance that explain what effective use of leverage looks like in different contexts. This could help financial institutions understand when to engage, escalate, or apply pressure. Sector-based guidance may be particularly useful in areas such as insurance, institutional investment, and trade finance, drawing on international reference points such as the ICC Sustainable Trade Finance Initiative.



GOAL 4

Facilitate Access to Effective Remedy

Thai context

Under Thai law, victims of trafficking and forced labour are entitled to assistance and compensation. In practice, however, few survivors receive meaningful financial remedy. High acquittal rates, limited asset recovery, and complex procedures mean that compensation orders are rare and often difficult to enforce. At the corporate level, many grievance mechanisms focus on basic labour disputes rather than severe exploitation, and clear remediation protocols for modern-slavery cases are often lacking. Financial institutions have begun to consider their responsibility when harms occur in their portfolios, but expectations and tools are not yet well defined.



Policy Recommendations based on the FAST Framework

1. Strengthen the role of financial institutions and the insurance sector in supporting remedies:

Financial institutions can use their leverage to require high-risk projects and investees to put remedial arrangements in place before harm occurs. This may include worker-compensation funds, guarantees, or similar mechanisms that allow victims to access remedies quickly and at an appropriate scale. Consultation participants working with victims noted that Thailand's enforcement outcomes remain weak, with an estimated 90–95 percent of trafficking cases ending in acquittals and very limited recovery of illicit proceeds. In this context, remedial arrangements supported by financial actors can help complement existing state compensation and assistance

measures, which may not be able to fully address the range or scale of losses suffered by victims.

In parallel, Thailand should explore the development of insurance products that provide payouts in cases of modern slavery or human trafficking. As noted in the FAST framework, such products could be modelled on existing kidnap-and-ransom insurance. The Office of Insurance Commission can work with the insurance sector to assess feasibility, scope, and safeguards for such products as part of a broader remedy ecosystem.

2. Strengthen government mechanisms for compensation and asset recovery:



Stakeholder consultations highlighted persistent barriers to victim access to remedies in Thailand. While public compensation mechanisms, including the Anti-Trafficking in Persons Fund, are in place, they provide only partial coverage and are often tied to lengthy legal proceedings. Even where courts award damages, enforcement remains limited due to challenges in tracing and recovering illicit proceeds.

Consultations also noted that compensation assessments frequently rely on minimum-wage benchmarks, which do not fully reflect long-term economic loss, trauma, and vulnerability. To address these gaps, Thailand should strengthen coordination between trafficking enforcement, financial investigations, and compensation systems. This includes improving asset-tracing capacity, strengthening cross-border cooperation, and creating clearer pathways for channeling recovered assets into victim compensation. Complementary funding mechanisms may also be explored where existing public measures are insufficient.

3. Strengthen corporate remedy mechanisms and worker access to grievance channels:

Companies play a critical role in ensuring access to remedy at the operational level. Many existing grievance mechanisms are not designed to detect or escalate complaints related to coercion, debt bondage, or trafficking, particularly for migrant workers. The Ministry of Justice should support the private sector in developing stronger HRDD-linked grievance systems, ensure staff are trained to recognise modern-slavery indicators, and promote accessible worker-voice channels that allow workers to raise concerns safely and directly.





GOAL 5

Invest in Innovation, Research, and Digital Solutions

Thai context



Thailand has an increasingly sophisticated financial and digital ecosystem, with advanced payment systems, growing fintech adoption, and active research communities in universities and think tanks. Nonetheless, the use of data analytics, regtech, and other digital tools to identify modern-slavery risks remains limited, and research on the financial dimensions of trafficking, especially in relation to scam centres and cross-border networks, is still emerging. Cooperation across regulators, financial institutions, CSOs, and academia on these issues is relatively ad hoc.

Policy Recommendations based on the FAST Framework

1. Build on existing financial-inclusion and digital-finance policies to reduce vulnerability to modern slavery:

Thailand already has a range of financial-inclusion and digital-finance policies, led by the Bank of Thailand, aimed at expanding access to formal financial services and preventing reliance on informal debt. These initiatives can be further developed to specifically address the needs of groups vulnerable to modern slavery, including migrant workers and workers in high-risk sectors. This includes promoting access to safe digital-payment services, as well as ensuring that KYC and identity-verification rules are applied in a way that facilitates access rather than exclusion.

2. Advance social-finance solutions through SFIs:

Specialised Financial Institutions have a unique role within Thailand's financial system, as they are designed to support public-policy objectives and can mobilise public resources to support these goals. Building on this role, SFIs can expand existing financial instruments and develop targeted products to support workers and survivors of exploitation. This may include financing that supports responsible recruitment practices or emergency financial assistance for victims. While environmental finance instruments, such as EXIM Bank's Blue Bonds, are progressing, greater emphasis on social-finance solutions would help ensure that sustainable-finance efforts also address labour exploitation and broader human-rights risks.

3. Promote innovation and collaboration to improve risk detection:

Financial institutions and fintech firms should work with government agencies, specialised financial institutions, academia, and civil-society organisations to strengthen how modern-slavery risks are identified. This can include developing and using digital tools to flag unusual financial patterns or labour-related risks, and integrating basic risk indicators or worker-voice inputs into existing systems. Ongoing collaboration and shared research will help ensure that detection methods keep pace with evolving forms of exploitation, including scam-centre operations.

ANNEX 1:

THAILAND'S FINANCIAL SECTOR STAKEHOLDERS

An effective response to modern slavery requires coordination among financial, regulatory, law-enforcement, and market institutions. Key stakeholders include:

Government Agencies

- **Anti-Money Laundering Office (AMLO)**
- **Ministry of Finance (MOF)**
 - Comptroller General's Department (CGD)
 - Fiscal Policy Office (FPO)
- **Office of Insurance Commission (OIC)**
- **Revenue Department**
- **Ministry of Justice** (Department of Rights and Liberties Protection (DRLP))
- **Bank of Thailand (BOT)**

State-Owned Enterprises and Public Funds

- **Specialized Financial Institutions (SFIs)**
 - Government Savings Bank (GSB)
 - Bank for Agriculture and Agricultural Cooperatives (BAAC)
 - Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
 - Government Housing Bank (GHB)
 - Export-Import Bank of Thailand (EXIM Bank)
 - Thai Credit Guarantee Corporation (TCG)
 - Islamic Bank of Thailand (IBank)
- **Capital Market Regulators and Public Funds**
 - Stock Exchange of Thailand (SET)
 - Securities and Exchange Commission, Thailand (SEC)
 - Vayupak Fund
 - Social Security Fund (SSF)

Private Sector Institutions

- **Commercial Banks**
- **Insurance Companies**
- **Securities Firms and Asset Management Companies**
- **Credit Rating Agencies**
- **Fintech and Payment Service Providers**
- **Financial-sector professional associations, including:**
 - Thai Bankers' Association (TBA)
 - Thai General Insurance Association
 - Federation of Thai Capital Market Organizations (FETCO)

ANNEX 2:

RELEVANT THAI LAWS AND STANDARDS

The FAST framework relates closely with existing Thai policy instruments, including:

- *Anti-Trafficking in Persons Act B.E. 2551 (2008) and Amendments*
- *Anti-Money Laundering Act B.E. 2542 (1999) and Amendments*
- *Public Procurement and Supplies Administration Act B.E. 2560 (2017) and Amendments*
- *National Action Plan on Business and Human Rights (NAP) 2023–2027*
- *One Report Requirements (SEC)*
- *Thailand Taxonomy*