



CA | ComplianceAsia

Contents

Executive Summary	1
Australia	1
Cambodia	2
Mainland China	2
Hong Kong	4
India	5
Indonesia	6
Japan	6
Korea	6
Malaysia	7
Mauritius	8
Myanmar	8
New Zealand	8
Philippines	8
Russia	9
Singapore	9
Sri Lanka	9
Taiwan	10
Thailand	10
Vietnam	11
Suggestions	12

Contact Details

Hong Kong Office

Tel: +852 2868 9070

Singapore Office

Tel: +65 6533 8834

Mainland China Office

Tel: +86 147 1431 1859

Japan Office

Tel: +81 3 6837 5483

London Office

Tel: +44 (0) 7310 972435

Philippa Allen

Group CEO

philippa.allen@complianceasia.com

Alex Duperouzel

Managing Director

alex.duperouzel@complianceasia.com

Welcome to our Regulatory Newsletter for January 2021

Executive Summary

This month in South Korea, the South Korean FSC announced that it has decided to grant a preliminary financial investment business license to IMC Trading BV, a Netherlands-based trading firm. This license is the first approval of a foreign based trading firm in three and a half years.

Over in Singapore, the Monetary Authority of Singapore (MAS) issued its revised Technology Risk Management Guidelines to address recent trends in the use of technology by financial intermediaries including the increased use of cloud software and 3rd party IT service providers.

Meanwhile, in Japan, the FSA established the Financial Market Entry Office to process licensing applications and regulatory issues for English speaking financial intermediaries. This move is a feature of the Japanese Government's move to make Tokyo a global financial centre.

Finally, the Financial Supervisory Commission (FSC) of Taiwan sought to adjust the fund structures available to Real estate investment trusts in line with other Asian Financial Centres.

Australia



On 28 January 2021, ASIC released a warning on the increasing number of imposter bond investment offers. Investors and Intermediaries should be aware of scammers pretending to be associated with well-known domestic and international financial service firms that offer high yield bond investments to investors. For more details, please click [here](#).

Enforcement

On 4 January 2021, mortgage broker, Astna Shirtika Sahay (Ms. Sahay), was banned by ASIC from engaging in any credit related activities for five years. Ms. Sahay allowed her father, Mr. Shiv Prakash Sahay to engage in credit activities using her and her company's (Absolute Finance) accreditation. Mr Prakash was banned from credit related activities permanently. For more details, please click [here](#).

On 5 January 2021, Squirrel Superannuation Services Pty Ltd (Squirrel), a financial technology company that holds an Australian financial services license, had civil penalty proceedings commenced against it by ASIC on 23 December 2020, for the proceeds are in relation to making false or misleading representations. ASIC found that from January 2015, Squirrel marketed and sold services that help customers establish and operate self-managed superannuation funds (SMSF) to purchase established residential property through making misleading claims in their brochures. For more details, please click [here](#).

On 15 January 2021, Hayley Joan Street (Ms. Street), a former director of Steven & Joan Pty Ltd (S&J) and Tutti Famiglia #1 Pty Ltd (Tutti Famiglia), was disqualified by ASIC from managing corporations for four years. Ms. Street was found to have failed to exercise her duties as a director of S&J with due diligence, including using her position as a director to financially benefit herself and making poor financial decisions on behalf of S&J. For more details, please click [here](#).

On 19 January 2021, Jim Pavlidis (Mr. Pavlidis), a Sydney-based financial adviser, was banned by ASIC from providing financial services for three years. Mr. Pavlidis failed to provide financial advice that was in the best interests of his clients and failed to keep proper records of his activities. Mr. Pavlidis failed to consider the relevant circumstances of each client and left client objectives unaddressed due to his lack of training and understanding of the need to provide competent advice. For more details, please click [here](#).

Cambodia



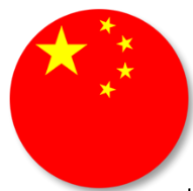
A media search did not find any relevant articles for Cambodia during January.

Enforcement

A media search did not find any enforcements for Cambodia during January.

Mainland China

On 7 January 2021, PBOC and SAFE jointly announced that the macro-prudential adjustment parameter for cross-border financing of companies has been revised down from 1.25 to 1. For more details, please click [here](#) (Chinese only).



On 8 January 2021, CSRC officially issued 'Several Provisions on Strengthening the Supervision of Private Investment Funds'. The provisions reiterate that private funds shall only be offered to qualified investors by non-public offering and that private fund managers are required to specify the business nature in their name to reflect the characteristics of entrusted management of private funds. Additionally, it is reminded that private fund managers are required to focus on the main business of investment management, and may carry out fund raising, investment management, consulting services and provide management consulting services for invested companies. For more details, please click [here](#) (Chinese only).

On 8 January 2021, SAFE issued the revised 'Guidelines for Inter-bank Foreign Exchange Market Makers' to further enhance the market maker system in the inter-bank foreign exchange market. Under the Guidelines, market makers shall no longer be classified by product type. SAFE will also decentralize the entry and exit management of market

making institutions to the China foreign exchange trading centre, and direct market makers to focus on improving the quality of market quotations and provision of liquidity. For more details, please click [here](#) (Chinese only).

On 13 January 2021, CBIRC issued 'Measures for the Supervisory Rating of Consumer Finance Companies' for trial implementation to grade consumer finance companies on a scale of one to five, with Grade 1 being viewed as relatively sound and Grade 5 is deemed to be exposed to higher risk. Companies will be assessed by the CBIRC annually based on factors including corporate governance, internal controls, capital and risk management, quality of professional services, as well as information technology management. The CBIRC may order the takeover of consumer finance companies that are rated as Grade 5, or force them to delist from the market where required. For more details, please click [here](#) (Chinese only).

On 15 January 2021, the CBIRC and PBOC jointly issued a notice on preventing commercial banks from undertaking personal depository services via internet platforms. Commercial banks are now prohibited from selling or promoting time deposits and time-demand optional deposits via non-self-operated internet platforms. According to the Notice, commercial banks should strengthen the assessment and monitoring of business risks and enhance sales management and network security protection when selling deposit products online. For more details, please click [here](#) (Chinese only).

On 20 January 2021, PBOC issued a consultation on 'Non-bank Payment Institutions Rules' mainly to enhance antitrust measures for payment services by non-bank institutions and categorize payment business into two types – stored value account operations and payment transaction handling. Any non-bank payment institution with half of the market share in online transactions or two institutions with a combined two-thirds market share could be subject to investigations. Additionally, the PBOC may make referrals to China's State Council's antitrust committee to stop non-bank payment institutions abusing their dominant position, or even brake up those institutions by their business type if they severely hinder the development of the payment service market. For more details, please click [here](#) (Chinese only).

On 22 January 2021, PBOC issued 'Measures for the Custody of Customer Reserves of Non-bank Payment Institutions' which will come into effect on 1 March 2021. The Measures stipulate rules for the deposit, use and transfer of customer reserves by non-bank payment institutions. Under the Measures, all customer reserves received by a non-bank payment institution must be deposited to the PBOC or qualified commercial banks. For more details, please click [here](#) (Chinese only).

On 22 January 2021, CBIRC issued a consultation of 'Measures for the Administration of Licenses for Banking and Insurance Institutions'. According to the consultation, CBIRC is planning to integrate the licenses issued to banking and insurance institutions into three types – financial licenses, insurance licenses and insurance intermediary licenses. Penalties will be imposed to banking and insurance institutions who failed to renew their license, or those who transfer, lend or borrow licenses to or from others, as well as those who forge or falsify their license. For more details, please click [here](#) (Chinese only).

On 22 January 2021, the CBIRC issued a consultation on the 'Administrative Measures for the Quality of Debt in Commercial Banks'. The draft measures clarify the definition and business scope of quality of debt in commercial banks and stipulates the corresponding requirements in 11 factors, including organizational structure, corporate governance, internal control and business innovation management. Commercial banks will no longer be allowed to absorb or falsely inflate deposit levels by rebates, depositing through third-party intermediaries, delayed payment, loan transfers or other illegal means. For more details, please click [here](#) (Chinese only).

On 22 January 2021, the CBIRC published an 'Analysis on Corporate Governance at Chinese Banking and Insurance Institutions 2020'. CBIRC evaluated 1,792 institutions on a scale of A to E, in which 1,605 of them were banks and 187 of them were insurers. More than half of the institutions were given a 'C' ranking, meaning they have 'fair' corporate governance. 10% of them fell in the lowest rank 'E' while only one institution was given the highest 'A' ranking. For more details, please click [here](#) (Chinese only).

On 25 January 2021, CBIRC updated its 'Provisions on Insurance Company Solvency Regulation' which will come into effect on 1 March 2021. The Provisions stipulate that insurers must adhere to the regulatory indicators of solvency which comprise of a core solvency adequacy ratio, comprehensive solvency adequacy ratio and comprehensive risk rating. Insurers are also required to establish or improve an organizational structure for solvency management and establish a complete solvency risk management system. For more details, please click [here](#) (Chinese only).

On 29 January 2021, CBIRC issued a consultation on 'Measures for Evaluating the Performance of Directors and Supervisors of Banks and Insurers' to collate the general duties and obligations of directors and supervisors. The

consultation also outlined important rules for regulating the performance evaluation of the directors and supervisors of banks and insurers. According to the draft rules, the planned performance evaluation results can be divided into three grades - competent, basically competent and incompetent. For more details, please click [here](#) (Chinese only).

On 29 January 2021, CBIRC issued a consultation of 'Guidelines for Corporate Governance of banks and insurers' to stipulate rules for shareholders and general meetings, directors and board of directors, supervisors and board of supervisors, senior management, stakeholders and social responsibilities, in particular emphasising the importance of party leadership in corporate governance. It also requires boards of directors to focus on practicing a high standard of professional ethics, in response to the requirements advocated in the G20/OECD Principles of Corporate Governance. For more details, please click [here](#) (Chinese only).

On 31 January 2021, the State Council of the PRC and the General Office of the Chinese Communist Party published a 5-year action plan for building a high-standard market system. The plan called for measures to expand the opening up of financial services market. China will allow foreign capital to have majority control in joint-venture banks and securities firms, while asset management companies can be wholly foreign-owned or jointly owned. For more details, please click [here](#) (Chinese only) & [here](#).

Enforcement

On 8 January 2021, CBIRC announced a number of illegal cases and imposed administrative penalties on China Development Bank, China Development Bank Financial Leasing Co Ltd, Industrial and Commercial Bank of China, Postal Savings Bank of China, China Great Wall Asset Management Co Ltd, Great Wall Xinsheng Trust Co Ltd and Great Wall West China Bank Co Ltd, with the cumulative penalties totalling RMB 199.5 million. For more details, please click [here](#) (Chinese only).

On 29 January 2021, CBIRC fined Agricultural Bank of China Ltd (ABC) RMB 4.2 million for breaching the Banking Supervision Law of the PRC. CBIRC found that ABC failed to report an emergency related to its important information system resulting in data leakage due to their poor data security management. The leaks of sensitive information occurred through ABC's internet portals. For more details, please click [here](#) (Chinese only).

Hong Kong



On 1 January 2021, the Hong Kong Exchanges and Clearing Limited (HKEX) announced that as of 1 January 2021 Mr. Tai Chi Kin will take over from Mr. Li Xiaojia as the Interim Chief Executive of the HKEX. For more details, please click [here](#).

On 14 January 2021, the Hong Kong Academy of Finance (AoF) announced the appointment of Mr Kwok Kwok Chuen as Chief Executive Officer for a two-year term which will take effect from 18 January 2021. For more details, please click [here](#).

On 20 January 2021, the SFC and the Securities and Exchange Commission of Thailand (SEC) entered into a Memorandum of Understanding (MoU) on Mutual Recognition of Funds (MRF) to allow eligible Hong Kong and Thai public funds to be distributed in each other's market through a streamlined process. The MoU establishes a framework for exchange of information, regular dialogue as well as regulatory cooperation in relation to the cross-border offering of eligible Hong Kong and Thai funds. For more details, please click [here](#).

On 21 January 2021, The Hong Kong Monetary Authority (HKMA) published a report titled "AML/CFT Regtech: Case Studies and Insights", the report highlights the opportunities that Regtech offers in order to transform the effectiveness and efficiency of Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) efforts. For more details, please click [here](#).

On 22 January 2021, HKEX announced that as of 1 February 2021 the HKEX will allow the inclusion of eligible A-shares listed on the Shanghai Stock Exchange's (SSE) Sci-Tech Innovation Board (STAR Market) into Stock Connect. For more details, click [here](#).

On 27 January 2021, The Government of the Hong Kong Special Administrative Region of the People's Republic of China (the "HKSAR Government") announced the successful offering of US\$2.5 billion of green bonds under the Government Green Bond Programme. For more details, please click [here](#).

On 28 January 2021, the Hong Kong Monetary Authority (HKMA) announced that the countercyclical capital buffer (CCyB) ratio for Hong Kong will remain unchanged at 1.0%. For more details, please click [here](#).

Enforcement

On 4 January 2021, the SFC banned Mr Yung Lap Hong, a former branch manager of China Construction Bank (Asia) Corporation Limited (CCBA), from re-entering the industry for life, pursuant to section 196 of the Securities and Futures Ordinance (SFO). The SFC found that Yung had misappropriated HK\$3,600,000 from a bank account of a customer of CCBA. For more details, please click [here](#).

On 11 January 2021, the Eastern Magistrates' Court today sentenced Mr Chow Chiu Chi, company secretary of China Automation Group Limited (China Automation), to 45 days of imprisonment after he was convicted of insider dealing in the shares of China Automation following a prosecution by the SFC. Chow was also ordered to pay a fine of \$45,000 and the SFC's investigation costs of \$37,029.51. For more details, please click [here](#).

On 27 January 2021, the Hong Kong Monetary Authority (HKMA), under section 58A(1) of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (BO), suspended all of the relevant particulars of Ms CHUI Chau Mang from the register maintained under section 20(1)(ea) of the BO for four months from Jan-May. For more details, please click [here](#).

India



On 13 January 2021, the Securities and Exchange Board of India (SEBI) issued a press release on a consultation paper on the role of the KYC registration agencies (KRAs) / market infrastructure institutions (MIIs) in performing KYC of clients in securities market. It has been proposed that the KYC and account opening process may be separated by doing client KYC through KRAs (which includes Market Infrastructure Institutions like Stock Exchanges, Depositories). This would ensure an end-to-end secured KYC process including Aadhaar authentication, independent verification of Officially Valid Document (OVD) / Income Tax Permanent Account Number (PAN), document safekeeping, technological innovations, standardization, cyber security norms, etc. For more details, please click [here](#).

On 15 January 2021, SEBI met with industry representatives to discuss business responsibility and sustainability reporting by listed companies. The meeting was attended by senior-level participants from the industry, comprising of MD/CEOs, CFOs, along-with representatives from industry bodies (FICCI/CII/ASSOCHAM) and the fund management industry. The discussion centered around enhancing key environmental, social and governance disclosures. For more details, please click [here](#).

On 22 January 2021, SEBI issued a press release after United Nations' Security Council Resolution updated its list of sanctioned individuals and entities, as per Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT). The update included the removal of the names of two Iraqi individuals from its List of Individuals and Entities subject to the assets freezing. For more details, please click [here](#).

Enforcement

On 4 January 2021, the Reserve Bank of India (RBI) imposed penalty of ₹ 5 lakh on Vyavasayik Sahakari Bank Maryadit, Raipur. This action was based on non-compliance with directions issued by RBI on opening of On-site ATM and Know Your Customer. The bank was in violation of Section 47 A (1) (c) read with Section 46 (4) (i) and section 56 of the Banking Regulation Act, 1949. For more details, please click [here](#).

On 4 January 2021, the RBI imposed penalty of ₹ 2 lakh on Maharashtra Nagari Sahakari Bank Maryadit, Latur for non-compliance with the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and section 56 of the Banking Regulation Act, 1949 issued by RBI on Know Your Customer. For more details, please click [here](#).

On 5 January 2021, the RBI imposed penalty of ₹ 2.50 crore on Bajaj Finance Limited, Pune, for failure to ensure that the recovery agents of the bank did not resort to harassment or intimidation of customers as part of its debt collection efforts. Thus, Bajaj Finance Limited breached the Code of Conduct in Outsourcing of Financial Services by NBFCs and Fair Practices Code (FPC) for applicable NBFCs. For more details, please click [here](#).

On 7 January 2021, the RBI cancelled the registration certificate of Abhinav Hire Purchase Limited, Jupiter Management Services Private Limited and N. E. Leasing and Finance Private Limited under Section 45-IA (6) of the Reserve Bank of India Act, 1934. For more details, please click [here](#).

On 11 January 2021, the RBI cancelled the banking license of Vasantdada Nagari Sahakari Bank Ltd., Osmanabad, Maharashtra as continuance of bank would be prejudicial to the interests of its depositors and against the interest of public. The bank failed to comply with the requirements of Section 11(1) read with Section 56, along with Section 22(3) (a), 22(3) (b), 22(3) (c), 22(3) (d) and 22(3) (e) of BR Act. For more details, please click [here](#).

On 12 January 2021, the RBI imposed penalty of ₹ 2 crore on Deutsche Bank AG. The statutory inspection of the bank revealed deficiencies in regulatory compliance including the bank's lack of intention to pronounce upon the validity of any transaction or agreement entered into with its customers. For more details, please click [here](#).

On 13 January 2021, the RBI imposed penalty of ₹ 1 lakh on Alavi Co-operative Bank Ltd., Vadodara (Gujarat) for contravening of RBI directions on Loans and Advances to Directors, Relatives and Firms/Concerns. For more details, please click [here](#).

On 13 January 2021, the RBI imposed penalty of ₹ 1 lakh on The Mandvi Mercantile Co-operative Bank Ltd., Mandvi, Dist. Kutch (Gujarat) for contravening of RBI directions on Loans and Advances to Directors, Relatives and Firms/Concerns and Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks. revealed during statutory inspection. For more details, please click [here](#).

On 21 January 2021, the RBI imposed penalty of ₹ 2 crore on Standard Chartered Bank-India for non-compliance with its direction issued under Reserve Bank of India (Frauds - Classification and Reporting by commercial banks and select FIs) Directions 2016. For more details, please click [here](#).

On 29 January 2021, the RBI cancelled the banking license of Shivam Sahakari Bank Ltd, Ichalkaranji, Kolhapur, Maharashtra as the bank did not have adequate capital and earning prospects, and continuance of banking license would have been detrimental to public interest. For more details, please click [here](#).

Indonesia



A media search did not find any relevant articles for Indonesia during January.

Enforcement

A media search did not find any enforcements for Indonesia during January.

Japan



On 12 January 2021, The Financial Services Agency (FSA) announced that it had established the "Financial Market Entry Office" to handle all the regulatory process from pre-application consultation, registration, to supervision after the registration for newly entering asset management firms as a single point of contact with all the communications available in English. The communications will be available in English and online. The Office will also serve as a contact point for any inquiry on procedures under financial laws and regulations in connection with the establishment of a business base in Japan by all types of foreign financial business operators.

The Office will take over the role of the Financial Market Entry Consultation Desk. For more details, please click [here](#).

On 12 January 2021, The FSA announced that it had published proposals for public consultation between 6 November and 7 December 2020. Prime Minister SUGA Yoshihide stressed in his first policy speech in October that the Japanese government will pursue a range of initiatives to become a global financial centre competing in Asia and the world. The amendments allow foreign asset management firms and other eligible financial business operators to complete the registration process in English for designated types of business under the Financial Instruments and Exchange Act. For more details, please click [here](#) & [here](#)

Enforcement

A media search did not find any enforcements for Japan during January

Korea



On 13 January 2021, the FSC announced revisions to the Enforcement Decree of the Financial Investment Services and Capital Markets Act (FSCMA) as a follow-up measure to the government's effort to strengthen penalties on illegal stock short sale activities. The key revisions include restrictions on short sellers' participation in capital increase, maintenance of short sale transactions data, penalty surcharge standards and penalty on violation of data maintenance duty. For more details, please click [here](#).

On 13 January 2021, the FSC granted a preliminary financial investment business license to a Netherlands-based trading firm IMC Trading BV. It was the first approval of a foreign-based trading firm in 3.5 years. For more details, please click [here](#).

On 14 January 2021, the Vice Chairman of the FSC discussed the government's plan to improve rules on corporate disclosure in a meeting with industry officials. The aim is to make information disclosures easier to understand for retail investors while reducing filing burdens for companies. The plans also include promoting ESG/responsible investing, closing loopholes in disclosure system and improving rules on penalties. For more details, please click [here](#).

On 28 January 2021, the FSC announced a detailed work plan for financial innovation and digital finance which aims to spur the growth of the fintech industry, promote the spread of online-based financial services and build financial infrastructures necessary for digital innovation. For more details, please click [here](#).

Enforcement

A media search did not find any enforcements for Korea during January

Malaysia



On 12 January 2021, The Securities Commission Malaysia (SC) issued a notice on receiving public and investor queries through email and operating as usual during the Movement Control Order. For more details, please click [here](#).

On 13 January 2021, The Securities Commission Malaysia (SC) issued a notice that all Capital market entities supervised, licensed or registered by the SC informing them that they must operate in accordance with the applicable standard operating procedures issued by the authorities during the Emergency Ordinance and various forms of Movement Control Order period. This follows a statement released on 12 January 2021 by the Minister of Finance that capital markets remain open during this period as it supports the resilience and recovery of the Malaysian economy. For more details, please click [here](#).

On 18 January 2021, Majlis Keselamatan Negara (MKN) updated a series of standard operating procedures for capital market participants, reminding participants to remain vigilant and take all necessary measures to minimise the risk of the spread of COVID-19 at their workplace. This includes only allowing 30% of management staff to be allowed to attend work premises and suspending sales and marketing activities outside CMPs' premises or in public places for areas under MCO. For more details, please click [here](#).

On 21 January 2021, The Securities Commission Malaysia (SC) expanded its Green SRI Sukuk Grant Scheme to encourage more companies to finance green, social and sustainability projects through SRI sukuk and bonds issuance. With this expansion, the grant has been renamed as the SRI Sukuk and Bond Grant Scheme and is applicable to all sukuk issued under the SC's Sustainable and Responsible Investment (SRI) Sukuk Framework or bonds issued under the ASEAN Green, Social and Sustainability Bond Standards (ASEAN Standards). For more details, please click [here](#).

On 26 January 2021, The Securities Commission Malaysia (SC) reminded unlisted public companies (UPCs) seeking to raise funds from members of the public to comply with the Capital Markets and Services Act 2007 (CMSA) and relevant guidelines, especially when the offer is made to retail investors. This is due to an increasing number of queries and complaints on UPCs conducting marketing of shares to investors via phone calls and one-on-one meetings. For more details, please click [here](#).

On 29 January 2021, the Securities Commission Malaysia (SC) and Bursa Malaysia Berhad (Bursa Malaysia) reminded the public to exercise caution when participating in social media chatrooms although both the SC and Bursa Malaysia are closely monitoring the local stock market in light of the current price surge of selected stocks in the US markets, fuelled by social media chatrooms against short-sellers. Investors should also be wary of discussions in these social media chatrooms that may trigger securities breaches such as the provision of investment advice or stock recommendations without a licence. For more details, please click [here](#).

Enforcement

A media search did not find any relevant articles for Malaysia during January.

Mauritius



On 15 January 2021, the FSC Mauritius published its Guidelines on Stress Test Requirements for Long Term Issuers. The Guidelines set out the expected minimum standards for long term issuers for calculating stress tests as required by the Insurance (Long Term Insurance Business Solvency) Rules, 2007. For more details, please click [here](#).

Enforcement

A media search did not find any relevant articles for Mauritius during January.

Myanmar



On 27 January 2021, the Central Myanmar Bank issued the Directive for establishment, operations and business conduct of non-bank financial institutions. The directive shall only apply to Finance company, leasing and factoring businesses. For more details, please click [here](#).

Enforcement

A media search did not find any enforcements for Myanmar during January.

New Zealand



A media search did not find any relevant articles for New Zealand during January

Enforcement

On 28 January 2021, the Financial Market authority (FMA) released its review of New Zealand's Exchange's (NZX) technology issues following a series of system failures throughout 2020. Beginning in April 2020, NZX suffered repeatedly from outages related to volume issues and cyber-attacks. The FMA's review found that NZX lacked "adequate technology capabilities" across the organisation to sufficiently comply with its obligation to maintain fair, orderly, and transparent markets. In the review the FMA provided NZX with a formal action plan to address the shortcomings. A follow-up report addressing the progress made by NSX will be published in June 2021. For more details, please click [here](#).

Philippines



On 30 January 2021, the Philippines' Financial Intelligence Unit and Anti-Money Laundering Council (AMLC) announced a recent amendment of Republic Act No. 11521 which impacts offshore gaming operators (OGOs), real estate developers (REDs), real estate brokers (REBs), and OGO-service providers (OGO-SPs) who will now be deemed as Covered Persons responsible for reporting any suspicious transactions to the AMLC. For more details, please click [here](#).

On 26 January 2021, the Monetary Board (MB) announced that they have approved the guidelines on Virtual Asset Service Providers (VASP), or entities that facilitate financial services through conducting virtual asset activities. The MB has reminded intermediaries that it is essential to comply with licensing requirements, regulatory expectations

for VASP. The MB noted the importance for the industry to pay particular attention to the AML/CFT obligations and the VASP Guidelines established by BSP. For more details, please click [here](#).

Enforcement

A media search did not find any enforcements for January.

Russia



On 15 January 2021, the Bank of Russia (“BoR”) announced that it had committed to the principals laid out in the FX Global Code. Developed by a working group of the Bank for International Settlements in Basel consisting of representatives of central banks and market participants from 16 countries, the codes set out international best practice in foreign exchange markets. The BoR states that whilst the codes impose no legal or regulatory burdens on market participants, they are intended to complement current laws and regulatory requirements. Intermediaries can declare their adherence to the codes through a public post on their website. For more details, please click [here](#).

Enforcement

A media search did not find any enforcements in Russia during January.

Singapore



On 6 January 2021, the Monetary Authority of Singapore (MAS) announced the conclusion of the first phase of the Veritas Initiative which seeks to develop a fairness assessment methodology in credit risk scoring and customer marketing. The phase involved the development of principals for the use of artificial intelligence and data analytics. Two white papers containing the five-part methodology used were also published. For more details, please click [here](#).

On 12 January 2021, the Singapore Exchange Regulation (SGX) announced that it would enhance the requirements applicable to auditors and valuers when dealing with listed companies. The enhancements seek to raise the standards by which auditors and valuers are held. The changes include increasing the Accounting and Corporate Regulatory Authority’s (ACRA) oversight of the industry, requiring the appointment of independent professionals and special auditors in certain circumstances, increasing the qualifications required for property valuers and adjusting the requirements for the valuation of overseas properties. For more details, please click [here](#).

On 18 January 2021, the MAS issued its revised Technology Risk Management Guidelines in an attempt to address issues arising from emerging technologies and current trends in the cyber security sphere. The updates seek to address the increased uptake in use of cloud software along with other developments, increased cyber-attacks on supply chains, and increased reliance upon 3rd part service providers. The changes to the guidelines introduce more robust threat analysis processes, increased participation in cyber security exercises, and increased responsibilities for senior management and the board of directors. For more details, please click [here](#).

On 28 January 2021, the Green finance Industry Taskforce, established by the MAS, issued a consultation on a proposed taxonomy for Environmental, Social, and Governance issues, particularly for classifying activities which are green or transitioning towards being green. It is thought that the taxonomy will assist in enhancing environmental risk management practices by financial intermediaries, improve disclosures, and encourage green finance solutions. Matters for discussion include a traffic light system for identifying the green initiatives of activities and developing quantifiable thresholds for this system. For more details, please click [here](#).

Enforcement

A media search did not find any enforcements in Singapore during January

Sri Lanka



A media search did not find any relevant articles for Sri Lanka during January.

Enforcement

On 11 January 2021, the Central Bank of Sri Lanka announced that the Financial Intelligence Unit imposed Rs. 2.3 million in financial penalties on Sri Lankan institutions for non-compliance with the Financial Transactions Reporting Act. For more details, please click [here](#).

Taiwan



On 12 January 2021, the Financial Supervisory Commission (FSC) published a consultation paper on the amendments made to Securities Investment Trust and Consulting Act. Previously, Real estate investment trusts (REITs) were issued under the trust structure, to provide investors with multiple investment channels and enhance the competitiveness of the asset management industry. The FSC refers to the real estate investment trust systems in Japan, Singapore, Hong Kong and other places, and is looking to open up REITs to adopt alternative fund structures at issue. For more details, please click [here](#). (Chinese only)

Enforcement

On 12 January 2021, Shinkong Insurance Co., Ltd. was fined NTD\$ 4.5 million for breaking the Insurance Act. The FSC found the Company did not seek the board of director's consideration and resolution before it engaged in transactions that were related to the Company's stakeholders and failed to avoid potential conflicts of interest that arose from such transactions. For more details, please click [here](#). (Chinese only)

Thailand



On 5 January 2021, the Thai Securities and Exchange Commission (SEC) issued regulations to allow insurance companies to issue and offer for sale insurance capital bonds, to contribute towards regulatory capital requirements (insurance capital bond). The bonds can only be offered to institutional investors initially following approval from the OIC. For more details, please click [here](#). (Thai only).

On 5 January 2021, the Bank of Thailand (BOT) announced that under the Non-resident Qualified Company Scheme (NRQC Scheme), non-resident companies can conduct foreign exchange transactions against Thai baht with domestic financial institutions with greater flexibility. Qualified non-financial companies can now manage currency risks related to Thai baht more freely without having to provide proof of the underlying assets for each transaction and manage Thai baht liquidity more flexibly without being subject to the end-of-day outstanding limit of THB 200 million imposed on Non-resident Baht Accounts (NRBA). For more details, please click [here](#).

On 6 January 2021, the SEC announced that 12 February and 24 September 2021 will be special holidays for securities companies and derivatives business operators, and have been implemented to bring forward the substitution holiday for Chulalongkorn Day from 25 October 2021 to 22 October 2021 to be in line with the Cabinet's resolution. For more details, please click [here](#).

On 7 January 2021, the SEC announced that it was seeking public comments on the formulation of the SEC's code of ethics to be used as a guideline for the workforce at the SEC. The Committee had conducted a public hearing on this matter to seek comments from state officials, stakeholders of respective agencies, service users and the public. For more details, please click [here](#).

On 8 January 2021, the Bank of Thailand and the People's Bank of China renewed the Chinese Yuan - Thai Baht Bilateral Currency Swap Arrangement (BSA). This BSA allows for the exchange of local currencies up to RMB 70 billion or THB 370 billion for a period of five years. For more details, please click [here](#).

On 12 January 2021, the BOT announced that retail debtors could apply for assistance until 30 June 2021, in view of the COVID-19 situation. It also allows financial service providers to expedite assistance to all types of debtors, taking into account their risk. For more details, please click [here](#). (Thai only)

On 12 January 2021, the SEC repealed two regulatory notifications, regarding Reporting of Results of Public Offering of Investment Units and Appointment of Investment Unit Selling and Redemption Agents. The repeals were with the intention of keeping pace with current world events and to give more convenience to business operators without compromising proper investor protection. For more details, please click [here](#).

On 15 January 2021, the SEC declared support for the Task Force on Climate-Related Financial Disclosures (TCFD) by becoming an official supporter. Business sectors are encouraged to incorporate climate-related risks into their strategic planning and risk management, and to follow international standard disclosure guidelines. This is believed to be effective in strengthening business sectors' capability to manage material risks and business opportunities arising from climate change. For more details, please click [here](#).

On 18 January 2021, the SEC passed a resolution requiring Bitkub Online Co., Ltd. to rectify work systems issues to protect investors. The issue involved failure to provide services to clients as usual, resulting from interruption to the core work system, i.e., the trading system, on 2, 3 and 16 January 2021. Following the issues, the SEC received a significant number of complaints related the system failures. For more details, please click [here](#).

On 20 January 2021, the SEC and the Securities and Futures Commission (SFC) entered into a Memorandum of Understanding (MoU) on Mutual Recognition of Funds (MRF) to allow eligible Hong Kong and Thai public funds to be distributed in each other's market through a streamlined process. The MoU establishes a framework for exchange of information, regular dialogue as well as regulatory cooperation in relation to the cross-border offering of eligible Hong Kong and Thai funds. For more details, please click [here](#).

On 27 January 2021, the SEC announced that it will be seeking public comments on the proposed amendments to make digital asset custodial wallet providers regulated intermediaries, and introduce measures to prevent misuse of digital assets. This aims to ensure proper supervision of digital asset businesses and investor protection. For more details, please click [here](#).

Enforcement

On 6 January 2021, the SEC announced that the Appeal Court has ruled against a judgement of the Civil Court in the case of insider trading of Inter Far East Energy Corporation Public Company Limited (IFEC) shares. The Appeal Court ordered the defendant, Mr. Suphanan Rittiphairoj, the option to pay the total amount of 31,926,822.72 baht plus the annual interest rate of 7.5 percent to the SEC as the plaintiff. For more details, please click [here](#).

On 11 January 2021, the SEC banned Mr. Somchai Poungrayar, a former investment consultant at TMB Bank Public Company Limited, from performing capital market business personnel duties for a period of four years and eight months on account of committing wrongful acts against an investor's assets. For more details, please click [here](#).

On 28 January 2021, the SEC banned Mr. Pusit Kaewmongkolsri from working as a capital markets business employee for 4 years. Mr Kaewmongkolsri previously worked at Maybank Kim Eng (Thailand) Public Company Limited but was made redundant for taking important information and business secrets of the company without approval. For more details, please click [here](#).

On 28 January 2021, the SEC filed a criminal complaint with the Economic Crime Suppression Division of the Royal Thai Police (ECSD) against three offenders, namely (1) Devere & Partners (Thailand) Ltd., (2) Broadgate Mutual Fund Brokerage Securities (Thailand) Co., Ltd. (Broadgate) (current name: Broadgate (Thailand) Co., Ltd.), and (3) Mr. Fredrick Ian McIntyre, Managing Director of both companies, for operating securities brokerage and investment advisory businesses without a license. For more details, please click [here](#).

Vietnam



A media search did not find any relevant articles for Vietnam during January.

Enforcement

A media search did not find any enforcements for Vietnam during January.

Suggestions

Please send any comments or suggestions or other information you would like included in the next issue to newsletter@complianceasia.com. In addition, if there are others in your organisation who you believe will benefit from this newsletter, please do let us know.