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Welcome to our Regulatory Newsletter for April 2022

Executive Summary

This month in Japan the Financial Services Agency published its report on the current status and issues in relation to Money Laundering, Terrorist Financing and proliferation financing measures. The report addresses the current risks surrounding financial institutions in Japan, the current status and issues on money laundering and other risk management systems in banks, insurance companies, and financial instrument business operators (brokers, fund managers, financial advisors and trust banks etc). In addition, the report also addresses the fact that Japan has now taken further measures following the Financial Action Task Forces mutual evaluation that assessed the extent to which Japan has taken on the FATF measures.

Over in Singapore, the MAS signed a FinTech Bridge Agreement with Australia to support the FinTech ecosystem development of both countries. This includes the option to explore joint innovation projects on emerging issues, to strengthen linkages between Australia and Singapore.



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Australia



On 6 April 2022, the Australian Securities & Investments Commission (“ASIC”) found significant deficiencies in the conflict management arrangements of Trustees in Australia’s superannuation.

It was found that there was a lack of oversight and control measures in relation to investment switching to prevent directors and senior executives from potentially misusing price sensitive information for their personal gain. The ASIC has written to 23 trustees who were reviewed, outlining their concerns, and requesting they take steps to improve their existing policies and procedures. The trustees are providing ASIC with details of the actions they are taking to close this control gap, including a copy of updated policies and procedures. For more information, please click [here](#).

On 6 April 2022, the ASIC extended its product intervention order imposing conditions on the issue and distribution of contracts for difference (“CFDs”) for a further five years to 23 May 2027. ASIC found that the product intervention order has been effective in reducing the risk of significant detriment to retail clients resulting from CFDs. For more information, please click [here](#).

On 19 April 2022, the ASIC extended relief from certain dollar disclosures in product disclosure statements (“PDS”) for litigation funding schemes until 1 October 2026. The relief has been extended public disclosures of some categories of information could provide a tactical advantage to opposing parties in class actions. For more information, please click [here](#).

Enforcement

On 4 April 2022, the ASIC disqualified Enrico Pucci until 7 March 2027, due to his involvement in the failure of three companies. ASIC found that Mr. Enrico failed to, among others, ensure the companies complied with their tax obligations, ensure the company records were adequately kept, and ensure records were provided to the liquidator. The three companies owed a combined total of \$9,710,858 to creditors, including \$2.4m owing to the Australian Taxation Office. For more information, please click [here](#).

On 4 April 2022, the ASIC banned Mark Babbage from providing financial services for or engaging in credit activities until 11 March 2022. Mr. Babbage was convicted of three charges relating to a failure to comply with a direction under the Emergency Management Act 2005 and one charge of gaining a benefit by fraud in contravention of the Criminal Code Western Australia. For more information, please click [here](#).

On 5 April 2022, the ASIC banned Dominique Grubisa from engaging in credit activity, providing financial services, performing any function in a credit entity, or controlling a credit entity or financial services business for four years. Ms. Grubisa, among others, represented that she and her company held an Australian financial services licence and Australian credit licence when neither were true, failed to rectify these misrepresentations despite being made aware they were false, and failed to conduct herself with the professionalism of someone providing financial and credit services. For more information, please click [here](#).

On 7 April 2022, the Federal Court (“FC”) ordered Westpac Banking Corporation to pay a AU\$1.5 million penalty for mis-selling consumer credit insurance. The penalty relates to Westpac’s Credit Card Repayment Protection and Flexi-Loan Repayment Protection policies which were add-on insurance products sold with credit cards and lines of credit. From April 2015 to February 2017, Westpac issued consumer credit insurance policies to 141 customers who did not request the product. For more information, please click [here](#).

On 8 April 2022, the FC ordered Westpac subsidiary and superannuation trustee, BT Funds Management Limited (BT Funds), to pay a \$20 million penalty for incorrectly charging commission payments to members of one of its superannuation funds, despite the banning of these commissions under the Future of Financial Advice reforms in 2013. BT Funds had continued to charge superannuation members insurance premiums that included commission payments until 2020. Westpac has indicated it will pay over \$9.8 million in remediation to over 9,900 members by July 2022. For more information, please click [here](#).

On 19 April 2022, the ASIC suspended the AFS license of Dixon Advisory & Superannuation Services Pty Limited due to the appointment of administrators in January 2022. Their AFS license would continue to operate until 9 May 2022 so that existing clients who have not yet transitioned to an alternate provider can continue to access financial services. For more information, please click [here](#).

On 22 April 2022, the FC ordered Westpac to pay penalties in the amount of \$113 million for widespread compliance failures across multiple businesses, including Westpac’s banking, superannuation, wealth management and insurance brands. Six separate civil penalty proceedings were filed by ASIC against Westpac in November 2021. For more information, please click [here](#).

On 27 April 2022, the ASIC issued two infringement notices to Maritime Super Pty Ltd (“Maritime”) due to misleading statements made to members about Maritime’s investment partnership with Host-Plus Pty Ltd (“Hostplus”). Maritime stated that its investment partnership with Hostplus would result in reduced overall investment management fees for its members. When in fact, Maritime’s investment partnership with Hostplus resulted in increased investment costs for 77 per cent of Maritime members and higher investment fees for six of Maritime’s 11 investment options. Maritime paid \$26,640 to comply with two infringement notices issued by ASIC. For more information, please click [here](#).

Mainland China



On 2 April 2022, the China Securities Regulatory Commission (“CSRC”) issued a notice to seek public comments on the "Regulations on Enhancing Confidentiality and File Management into the Context of Foreign Securities Offerings and Stock Exchange Listings by Domestic Enterprises" (the "Regulations"), the deadline for feedback was 17 April 2022. In order to further strengthen confidentiality and file management in relation to overseas securities offerings and listings by domestic enterprises, maintain national information security and deepen cross-border regulatory cooperation, the Regulations have been revised and the main contents include extending the application scope to include the domestic companies indirectly listed abroad; strengthening procedural requirements and clarifying companies’ responsibility for confidentiality; clarifying accounting records management requirements; amending provisions on offshore inspections; maintaining convergence with higher-level laws. For more information, please click [here](#) (Chinese only).

On 6 April 2022, the Beijing Stock Exchange (“BSE”) held the First Annual Working Meeting of the Listing Committee 2021. It strictly adheres to the baseline of integrity and consciously embraces supervision. Secondly, it relies on the characteristics of the review object and improving the accuracy and scope of identifying innovative small and medium-sized enterprises (“SMEs”). Thirdly, it focuses on information disclosure and takes full advantage of the regulatory benefits of stock enterprises. For more information, please click [here](#) (Chinese only).

On 8 April 2022, the CSRC issued the Decision on Amending the Measures for the Administration of Initial Public Offerings and Listing of Stocks (the “IPO Measures”), with effect from 8 April 2022. The main amendment to the “IPO Measures” is that issuers shall continue to operate for more than 3 years since the establishment of the joint stock company. The revision serves to protect the seriousness of the implementation of the rules, to maintain a fair competitive order in the market and achieve equal treatment of all types of enterprises. For more information, please click [here](#) (Chinese only).

On 15 April 2022, the CSRC issued the Guidelines on Investor Relations Management for Listed Companies (the "Guidelines"), with effect from 15 May 2022. The Guidelines consist of, among other things, general provisions, the content and manner of investor relations management, organisation, implementation and by-laws. First, further clarification of the definition, scope of application and principles of investor relations management. Second, to further develop and enrich the content and methods of investor relations management, while maintaining the best practices of recent years. Third, the organisation and implementation of investor relations management of listed companies is further clarified, while the requirements for listed companies are tightened. Strengthening investor relations management is an important measure to improve the quality of listed companies, but also an important element of investor protection. For more information, please click [here](#) (Chinese only).

On 18 April 2022, the People’s Bank of China (“PBC”) and State Administration Foreign Exchange introduced 23 initiatives to fully implement epidemic prevention of the economic and social development of financial services (the "Notice"). The Notice introduced increased financial support for industries, enterprises and people affected by the epidemic. The PBC will maintain an adequate abundance of liquidity and guide financial institutions to expand their loan investments and provide reasonable concessions to the real economy; allow the settlement and use of domestic foreign exchange loans with an export background; and improve the efficiency of cross-border use of the RMB by enterprises and improve exchange rate hedging services for enterprises. The China Foreign Exchange Trade Center has waived transaction fees in the inter-bank foreign exchange market for small and medium-sized enterprises for foreign exchange derivatives transactions. Increase support for export credit insurance. For more information, please click [here](#) (Chinese only).

On 20 April 2022, the CSRC congratulates the Futures and Derivatives Law of the People's Republic of China (the "Futures Law") for passing the Futures Law which will be formally implemented on 1 August 2022. The Future Law is approved to implement the central government's decision and to improve capital market infrastructure, to serve the real economy, prevent and control financial risks, deepen financial reform as the starting and anchor point, adhere to the direction of marketisation, rule of law and internationalisation, comprehensive and systematic regulations of the futures market and derivatives market infrastructure to create a standardised, transparent, open, dynamic and resilient capital market. . For more information, please click [here](#) (Chinese only).

Enforcement

A media search did not find any enforcements for Mainland China during April.

Hong Kong



On 1 April 2022, the Securities and Futures Commission (“SFC”) together with the Hong Kong Monetary Authority (“HKMA”) issued a [joint consultation](#) conclusions on the additions of new calculation periods under the over-the-counter derivatives regulatory regime which will come into effect on 1 March 2023. Proposed legislative amendments to the clearing rules for adding eight calculation periods will be submitted to the Legislative Council for negative vetting. For more information, please click [here](#).

On 1 April 2022, the Insurance Authority (“IA”) and the HKMA issued a circular ([IA circular](#), [HKMA circular](#)) clarifying the supervisory standards and requirements related to the use of premium financing in taking out life insurance policies. The IA circular was addressed to all authorised life insurers and licensed insurance intermediaries carrying out regulated activities in relation to long term business, and the HKMA circular was addressed to all authorised institutions. For more information, please click [here](#).

On 7 April 2022, the SFC publicly criticised Gao Yunhong and Feng Xuelian for breaching the no frustrating action rules under the Takeovers Code. An offer period commenced for Steering Holdings Limited on 13 May 2021, when an announcement was published by Mastervoyor Holdings Limited. Between 27 May 2021 and 1 June 2021, a wholly-owned subsidiary of Steering disposed of certain listed securities held by it. Given that the disposals when aggregated were a disclosable transaction under the Listing Rules carried out during an offer period, they constituted a frustrating action which was subject to the requirements of the Takeovers Code. The approval of Steering’s shareholders was not obtained nor was a waiver of the requirement to obtain shareholders’ approval sought from the Executive which resulted in a clear breach of the Takeovers Code requirements. For more information, please click [here](#).

On 14 April 2022, the HKMA issued a [circular](#) to all authorised institutions (“AI”) on the implementation of facilitative measures for reactivating dormant accounts or suspended bank accounts maintained in Mainland China during the pandemic. The HKMA received feedback from members of the public that their Mainland bank accounts had become dormant or had been suspended due to various reasons and that they are facing various difficulties in reactivating their bank accounts as visiting bank’s branches in Mainland China is challenged due to travel restrictions imposed by the pandemic. The HKMA strongly encourage AIs to implement facilitative measures such as adopting financial technology solutions to assist affected customers in reactivating their Mainland bank accounts.

On 14 April 2022, the Government announced the relaunch of the subscription arrangement for the government retail bond which was previously postponed due to pandemic. The target issuance size of this retail green bond is \$15 billion which may further increase to \$20 billion with regard to market conditions. For more information, please click [here](#).

On 21 April 2022, the SFC issued a [circular](#) to intermediaries regarding End-to-End (“E2E”) test for the Hong Kong Investor Identification Regime which will commence from 16 May 2022 until 15 July 2022. It is mandatory for all relevant regulated intermediaries to participate in the E2E test. For more information, please click [here](#).

On 22 April 2022, the SFC issued a circular setting out consequential amendments to the Code on Real Estate Investment Trusts which states the changes to the Code of Conduct in relation to book building, pricing, allocation and placing activities. The changes are part of regulatory enhancements to clarify the roles of intermediaries and set out the standards expected of them in these activities. With effect from 5 August 2022, the Listing Rule provisions relating to the sponsor-overall coordinator, overall coordinator and other capital market intermediaries will apply to REIT offerings involving book building activities. For more information, please click [here](#).

On 26 April 2022, the SFC launched a consultation on proposed changes to the position limit regime for listed futures and options contracts. A key proposal is to set out how the statutory prescribed limits and reporting requirements should be applied to unit trusts and sub-funds under an umbrella fund. Other proposed changes involve reportable positions in contracts traded on holiday trading days and the inclusion of a broader range of contracts which may be authorised by the SFC for excess positions. For more information, please click [here](#).

On 26 April 2022, the HKMA launched the Regtech Knowledge Hub (“Hub”) to encourage greater sharing of Regtech adoption experience and expertise within the Regtech ecosystem in Hong Kong. The Hub provides an online platform for the Regtech community, including banks and Regtech providers, to share success stories and implementation experience. For more information, please click [here](#).

On 27 April 2022, the HKMA issued a discussion paper titled “e-HKD: A policy and design perspective” inviting views from the public and the industry on key policy and design issues for introducing retail central bank digital currency. After announcing the “Fintech 2025” strategy in June 2021, the HKMA started a project to study the prospect of introducing the e-HKD in Hong Kong. For more information, please click [here](#).

On 28 April 2022, the HKMA and the banking industry launched the Banking Graduate Trainee Program (the “Programme”). The Programme aims to nurture more new entrants and hence enlarge the talent pool for the fast-growing areas of the banking sector. The new Programme will focus on providing job opportunities in financial technology, green and sustainable finance, and Guangdong-Hong Kong-Macau Greater Bay Area business for recent university graduates. For more information, please click [here](#).

Enforcement

On 8 April 2022, the Independent Commission Against Corruption (“ICAC”) charged Ho Che-Chun, a former senior unit manager of Sun Life Hong Kong Limited, to 10 month’s imprisonment at the Kowloon City Magistrates’ Courts for laundering over \$640,000 in crime proceeds in relation to the sale of insurance products. For more information, please click [here](#).

On 11 April 2022, the Hong Kong Stock Exchange (“HKEX”) issued a disciplinary action against Hsin Chong Group Holding Limited (the “Company”) and its former directors for not having internal control in relation to financial reporting, rule compliance in respect to notifiable and connected transactions, approval transactions, and avoidance of conflict of interest. The other directors failed to discharge their duties to ensure the Company had adequate and effective internal controls for Rule compliance and to safeguard the assets of the Company. For more information, please click [here](#).

On 22 April 2022, the HKEX published an information paper outlining the consequential amendments to the Listing Rules which will complement the new requirements of the SFC Code of Conduct, regarding the conduct of issuers and intermediaries involved in book building and placing activities. New requirements resulting from the Rule changes will apply to listing applications submitted on or after 5 August 2022 for specified types of placings. For more information, please click [here](#).

On 29 April 2022, the HKEX launched a new diversity repository, and introduced ESG in Practice section to the ESG Academy. The new repository aims to improve access to information and provide transparency around board diversity, enabling investors and other stakeholders to stay informed of business’ policy and approach to good governance and board diversity. For more information, please click [here](#).

On 12 April 2022, the SFC banned Mr. Poon Choi Yung, a former licensed representative of China Tonghai Securities Limited, from re-entering the industry for 20 months from 12 April 2022 to 11 December 2023 for breaches of the SFC’s Code of Conduct. It is found that between June 2019 and March 2020, Poon made 1,002 transactions in six clients’ accounts without the clients’ specific authorizations for the trades and/or their written authorizations for him to do trades on a discretionary basis. The investigation also revealed that Poon failed to take reasonable steps in establishing three clients’ financial situations and investment experience during account opening between May 2019 and February 2020. For more information, please click [here](#).

On 28 April 2022, the ICAC convicted Lau Kit-Yee, a former district manager of AIA Limited, at the District Court of deceiving the insurer into offering her a more favourable remuneration package involving a signing fee of over \$860,00 by submitting false income proof statements which exaggerated her total income by over \$1.5 million. ICAC inquiries revealed that the defendant’s total income during the period was about \$650,000 and she was only entitled to receive a signing fee of about \$100,000. By exaggerating the total income by over \$1.5 million, the defendant was granted a signing fee \$760,000 higher than her entitlement. For more information, please click [here](#).

On 28 April 2022, the ICAC charged Lam Fuk-yuen, a former regional director of Manulife International Limited, for allegedly conspiring with a downline insurance manager to deceive the insurer into releasing commissions and bonuses totalling about \$1 million to them and a downline insurance agent. Done by taking out insurance policies for dummy customers and making false representations about their handling agent that took place between November 2017 and December 2018. For more information, please click [here](#).

India



On 1 April 2022, the Securities and Exchange Board of India (“SEBI”) issued a circular on standardisation of industry classification. Credit rating agencies are advised to use this standardised industry classification for the purpose of rating exercise, peer benchmarking, research activities etc. For more details, please click [here](#).

On 1 April 2022, the SEBI extended the timeline for the implementation of certain provisions of original circular’s issued on standardisation in regard to ratings scales used by credit rating agencies to 30 June 2022. For more details, please click [here](#).

On 4 April 2022, the SEBI issued a circular in relation to the execution of ‘Demat Debit and Pledge Instruction’ (DDPI) for the transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities. For more details, please click [here](#).

On 4 April 2022, the SEBI constituted an ad-hoc committee for reviewing and making recommendations for further strengthening of governance norms at Market Infrastructure Institutions (“MIIIs”). For more details, please click [here](#).

On 5 April 2022, the SEBI revised UPI limits in public issue of Equity shares and convertibles. For more details, please click [here](#).

On 7 April 2022, the Reserve Bank of India releases guidelines on establishment of Digital Banking Units (“DBUs”). For more details, please click [here](#).

On 8 April 2022, the SEBI advised stock exchanges to put in place by 1 June 2022 Standard Operating Procedures (“SOP”) for dispute resolution between a listed company and its shareholder investors. For more details, please click [here](#).

On 8 April 2022, the Reserve Bank of India released draft guidelines for comments related to processing and settlement of small value export and import related payments facilitated by Online Export-Import Facilitators. For more details, please click [here](#).

On 8 April 2022, the SEBI constitutes Working Group to review the Role and Eligibility of a Sponsor of a mutual fund to facilitate growth and innovation in the industry. For more details, please click [here](#).

On 11 April 2022, the SEBI issued comprehensive risk management framework for Electronic Gold Receipts (“EGR”) segment. For more details, please click [here](#).

On 13 April 2022, the SEBI updated Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper - Modifications in Chapters I, II and XIV, Introduction of Chapter XIX on Investor Charter and Introduction of Chapter XX on payment of fees. For more details, please click [here](#).

On 13 April 2022, the SEBI accepted the request to surrender the certificate of registration of BNP Paribas Mutual Fund. Consequently, BNPP MF ceases to exist as a mutual fund w.e.f. April 13, 2022. For more details, please click [here](#).

On 18 April 2022, the SEBI issued guidelines for Securities and Covenant Monitoring using Distributed Ledger Technology (“DLT”) to strengthen the process of security creation and monitoring of security created asset cover and covenants of the non-convertible securities. For more details, please click [here](#).

On 20 April 2022, the SEBI signed MoU with Manitoba Securities Commission, Canada for mutual co-operation, exchange of information and technical assistance. MoU will also make investors based in the province of Manitoba eligible to obtain registration as Foreign Portfolio Investors (“FPIs”) with SEBI. For more details, please click [here](#).

On 26 April 2022, the SEBI issued a master circular for Infrastructure Investment Trusts (“InvITs”). Circulars provide temporary relaxations to certain compliance requirements for InvITs due to the Covid-19 Pandemic. For more details, please click [here](#).

On 26 April 2022, the SEBI issued a master circular for Real Estate Investment Trusts (“REITs”). It comprises certain compliance relaxation measures applicable to REITs. For more details, please click [here](#).

On 28 April 2022, the SEBI reduced the timeline for the listing of units for Infrastructure Investment Trust (“InvIT”) to streamline the process. The new time allocation is reduced to 6 working days (T+6). For more details, please click [here](#).

On 28 April 2022, the SEBI reduced the timeline for listing of units for Real Estate Investment Trust (“REIT”). The new time allocation is reduced to 6 working days (T+6). For more details, please click [here](#).

On 29 April 2022, the SEBI modified Operational Guidelines for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors - SEBI to generate FPI registration number and both the Depositories to host the CAF. For more details, please click [here](#).

Enforcement

On 4 April 2022, the Reserve Bank of India ("RBI") imposed a monetary penalty of ₹2 lakh on Kokan Mercantile Co-operative Bank Ltd., Mumbai for contravention of/ non-compliance with directions issued by RBI on Income Recognition, Asset Classification and Provisioning and Other Related Matters – UCBS. For more details, please click [here](#).

On 8 April 2022, the RBI imposed a monetary penalty of ₹90 lakh on IDBI Bank Ltd., for, among others, non-compliance with the directions issued by RBI on "Frauds - classification and reporting by commercial banks and select FIs". For more details, please click [here](#).

On 8 April 2022, the RBI imposed a monetary penalty of ₹93 lakh on Axis Bank Ltd., for non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions', 'RBI (Financial Services provided by Banks) Directions, 2016', 'RBI (Know Your Customer) Directions, 2016', and 'Levy of penal charges on non-maintenance of minimum balances in savings bank accounts'. For more details, please click [here](#).

On 11 April 2022, the RBI imposed a monetary penalty of ₹1.00 lakh on Mahesh Urban Co-operative Bank Ltd., Ahmedpur, Maharashtra for non-compliance with the directions issued to Urban Co-operative Banks on Exposure Norms & Statutory/ Other Restrictions-UCBs. For more details, please click [here](#).

On 18 April 2022, the RBI imposed a monetary penalty of ₹17,63,965.00 on Manappuram Finance Limited (the entity) for non-compliance with certain provisions of the Master Direction on Issuance and Operation of Prepaid Payment Instruments (PPIs) and the Master Direction - Know Your Customer Direction. For more details, please click [here](#).

On 22 April 2022, the RBI imposed a monetary penalty of ₹36.00 lakh on Central Bank of India for non-compliance with certain directions on 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions'. For more details, click [here](#).

On 25 April 2022, the RBI imposed a monetary penalty of ₹25.00 lakh on The Haryana State Co-operative Apex Bank Limited, Chandigarh for non-compliance with RBI directions on Housing Finance. For more details, please click [here](#).

On 25 April 2022, the RBI imposed a monetary penalty of ₹12.00 lakh on Rajkot Nagarik Sahakari Bank Limited, Rajkot for non-compliance with the direction issued by RBI on 'Interest Rate on Deposits'. For more details, please click [here](#).

On 25 April 2022, the RBI imposed a monetary penalty of ₹1.12 crore on Bank of Maharashtra for non-compliance with certain provisions of Know Your Customer Directions, 'Creation of a Central Repository of Large Common Exposures - Across Banks', and 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks'. For more details, please click [here](#).

Indonesia



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

Enforcement

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

Japan



On 1 April 2022, the Japan Securities Dealers Association (“JSDA”) released the “Report of the Survey Group for the Research on the Securities Industry and Fintech”. In May 2016, JSDA collaborated with the Japan Securities Research Institute (“JSRI”) to conduct an overview survey on the current state of fintech, its impact on the securities industry and future challenges. For more information, please click [here](#).

On 1 April 2022, the JSDA released a “Time-series Analysis of Securities Firms’ Management” written in 2019. The report summarises the management and financial trends/characteristics of three types of retail security firms: (1) listed securities firms, (2) securities firms affiliated to regional banks and (3) small and mid-sized securities firms. The results of this research are summarised in the report. For more information, please click [here \(Japanese Only\)](#).

On 8 April 2022, the Financial Services Agency (“FSA”) published a report titled “Money Laundering (“ML”), Terrorist Financing (“TF”), and proliferation finance measures current status and issues”. This comprehensive report consists of (1) the risks surrounding financial institutions in Japan, (2) the current status and issues of ML and other risk management systems of banks, insurance companies, financial instruments business operators (brokers, fund managers, financial advisors, etc.), trust banks and so on, (3) the outcome of the Financial Action Task Force (“FATF”) and a mutual evaluation to assess the extent to which Japan has taken measures to combat ML and TF based on the FATF recommendations, and (4) the FSA’s efforts to combat ML. For more information, please click [here \(Japanese Only\)](#).

On 12 April 2022, the FSA published the report “Study on Scenario Analysis for climate-related risks”. There is a growing awareness of climate-related risks affecting the soundness of financial institutions and the stability of the financial system worldwide. Financial institutions are expected to measure and manage climate-related risks with appropriate governance arrangements. Scenario analysis has proven to be a powerful tool, however, there is still not enough material available in Japanese to introduce it. The FSA commissioned the Central Research Institute of Electric Power Industry to summarise the report to provide a baseline of knowledge around the common scenarios published by the Network of Financial Authorities on Climate Change Risks, and to contribute to international discussions on scenario revision and data development globally in the future. For more information, please click [here \(Japanese Only\)](#).

On 14 April 2022, the JSDA released a survey on the “National ID System in Other Countries”. In October 2021, a research study on the utilisation of national IDs in foreign countries was commissioned to contribute to the consideration of the future utilisation of “My Number” in the securities industry. For more information, please click [here \(Japanese Only\)](#).

On 15 April 2022, the FSA updated the web page “Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses”. The latest guidebook for registration and summaries of new and amended registration applicants is available. For more information, please click [here](#).

On 15 April 2022, the FSA introduced the International Organisation of Securities Commission’s (“IOSCO”) discussion paper, “Corporate Bond Markets – Drivers of Liquidity During COVID-19 Induced Market Stresses”. This discussion paper summarises the results from a survey on corporate bond market liquidity, market participant behaviour, and recent market structure developments in the context of the March 2020 Pandemic induced market disruption. It also invites feedback on this analysis. For more information, please click [here](#).

On 20 April 2022, the Financial Services Agency (“FSA”) published a letter of supervisory focus and action in light of the losses incurred by the failure of the US investment fund, Archegos. To better understand the causes of Archegos’ failure and the lack of counterparty risk management and governance, the FSA has worked with regulators in the US, UK and other jurisdictions in preparing the letter. For more information, please click [here](#).

On 22 April 2022, the FSA released a publication written by QUICK Corp on “Analysis of Issues Related to the Formulation of Representative Indicators (“KPIs”) for the Investment Performance of Domestic Investment Management Companies and Domestic Publicly Offered Investment Trusts”. The research summary consists of (1) an overview of trust fund performance in 2021; (2) average management fees by fund category and manager; (3) expense ratio by fund category and manager; (4) average performance and fees of fund wrap; (5) data on in-house/outsourced active funds; and (6) the relationship between ESG score and performance/fees for ESG-related funds, etc. Detailed data in Excel files were also published along with the summary. For more information, please click [here \(Japanese Only\)](#).

On 22 April 2022, the FSA released a publication written by Ibbotson Associates Japan, Inc on “Investigation of Management Performance of Open-End Funds in the United States and Europe”. This report provides performance

results for UCITS and US-domiciled funds in the following areas: (1) high and low costs fund results, (2) Sharpe ratio by volume and net asset value, 3) investor returns by size, etc., (4) difference in average investor returns, etc. Detailed data in Excel files were also published together with the summary. For more information, please click [here \(Japanese Only\)](#).

On 22 April 2022, the FSA released the draft of the proposed amendments to the "Comprehensive Supervisory Guidelines for Financial Services Providers". The proposal includes the revision of comprehensive supervisory guidelines for Financial Services Providers during periods of significant material changes to the business (changes in composition of shareholders, suspension of business due to an acquisition, etc.) for Financial Services Providers based on relevant disclosures by the firms. Revisions will also be made to Supervisory Guidelines for Credit Rating Agencies and High Frequency Trading Firms. Public comments may be submitted by 23 May 2022. For more information, please click [here \(Japanese Only\)](#).

On 22 April 2022, the FSA published a Financial Stability Board letter to G20 Finance Minister and Central Bank Governor on the outlook for financial stability, financial risks arising from climate change and enhancing the resilience of non-bank financial intermediaries, crypto-assets and cyber risks. For more information, please click [here](#).

On 28 April 2022, the FSA released a Partial Amendment to the Ordinance regarding the exemption from the prohibition on loss compensation by financial instrument firms (in cases where the loss is caused by an accident, etc.) by changing the monetary standard for reporting to the Finance Bureau from JPY 100,000 or less to JPY 1,000,000 or less. Public comments can be submitted by 30 May 2022. For more information, please click [here \(Japanese Only\)](#).

Enforcement

On 12 April 2022, the FSA released a recommendation for administrative action taken by the Securities and Exchange Surveillance Commission against AMI Corporation ("AMI"). AMI was found to have (1) carried out unregistered offerings or private placements of Foreign Investments Securities from August 2018 to December 2020, (2) lent its name to an acquaintance of the company's representative director and (3) insufficient human resources and necessary systems in place to properly conduct the investment advisory/agency business. The FSA has cancelled the respondent's registration with the Kanto Bureau of Finance and ordered them to take the following corrective actions: (1) explaining administrative actions against the company to clients, (2) terminating contracts with clients who have investment advisory contracts, (3) report the status of corrective actions (1) and (2) by 11 May 2022. For more information, please click [here \(Japanese Only\)](#).

On 17 April 2022, the FSA released a surcharge payment order against an individual due to a wash trade involving the shares of Sanshin Corporation. The respondent was requested to pay a fine of JPY 334.75 million. For more information, please click [here \(Japanese Only\)](#).

On 17 April 2022, the FSA released a surcharge payment order against an individual due to insider transactions related to shares of Sanshin Corporation by the tender offeror. The respondent was requested to pay a fine of JPY 700 thousand by 15 June 2022. For more information, please click [here \(Japanese Only\)](#).

On 20 April 2022, the FSA released an administrative action against Public Accountant. Mr. Sano Gen for non-disclosure of interests. Mr. Sano was appointed Public Accountant of Yamanashi Kenmin Credit Cooperative Agent from March 2006 to March 2020. He borrowed JPY 12 million from financial institutions in 2015 and refinanced the loan from Yamanashi Kenmin. Though Mr. Sano had a significant interest in the auditee, Yamanashi Kenmin, he did not declare that fact in the audit report. The respondent had his business suspended for one month from 22 April 2022 to 21 May 2022. For more information, please click [here \(Japanese Only\)](#).

On 27 April 2022, the FSA released a revised surcharge payment order against Nissan Automobiles for JPY 2.2 billion to be paid by 27 June 2022 due to the misrepresentation of information in the Annual Securities Report ("ASR"). For more information, please click [here \(Japanese Only\)](#).

On 27 April 2022, the FSA released a surcharge payment order against an officer who had executed a sale via insider information with a subsidiary of Remixpoint. The respondent was ordered to pay JPY 2.16 million by 27 June 2022. For more information, please click [here \(Japanese Only\)](#).

On 27 April 2022, the FSA released a surcharge payment order against Grace Technology Inc based on the results of an inspection that revealed misstatements in the securities report, etc. of the respondent. The respondent has been ordered to pay JPY 24 million by 27 June 2022. For more information, please click [here \(Japanese Only\)](#).

On 27 April 2022, the FSA released a surcharge payment order against an individual due to an incident of insider trading relating to shares of Oncolys BioPharma Inc. The respondent was ordered to pay JPY 28.2 million by 27 June 2022. For more information, please click [here \(Japanese Only\)](#).

Korea



On 1 April, the Financial Services Commission (“FSC”) approved a revision to the regulation on financial investment business to introduce market-to-market valuation method on corporate money market funds and to check relevant preparation and implementation to facilitate a soft-landing of the market-to-market method in the market. For more information, please click [here](#).

On 13 April, the FSC announced the screening and licensing plan for MyData Service Providers to provide support for innovative firms to enter the market and strengthen pre-licensing control measures and post-licensing management. For more information, please click [here](#).

On 15 April, the FSC unveiled its plans to improve Cloud Computing and Network Separation Rules as concerns were raised about difficulties in adopting and using new digital technologies. It is aimed to improve digital transformation and support the financial sector. For more information, please click [here](#).

Enforcement

A media search did not find any enforcement for Korea during April.

Malaysia



On 8 April 2022, the Securities Commission Malaysia’s (“SC”) Audit Oversight Board (“AOB”) called for Audit Committees (“AC”) of public listed companies (“PLCs”) to continuously and rigorously engage auditors to promote an effective audit process. For further details, please click [here](#).

On 27 April 2022, the Joint Committee on Climate Change (“JC3”) discussed the progress of action plans and priorities for 2022, and the effects of recent global developments on transition efforts and policy responses of countries. JC3 members noted that these developments could heighten the prospect of delaying the progress of transition efforts and underscore the need for the financial sector to strengthen its response to climate change. For further details, please click [here](#).

Enforcement

On 7 April 2022, the High Court ruled that the SC had successfully proven its claim in a civil suit against Dato’ Raymond Yap Wee Hin, a former Deputy Chairman of Patimas Computers Berhad, for insider trading. For further details, please click [here](#).

On 11 April 2022, the Kuala Lumpur Sessions Court convicted Lee Koon Huat, former Adviser to the Board of Directors of Axis Incorporation Bhd, for abetting the company in furnishing false financial statements in Axis’ quarterly reports for the financial year of 2007. For further details, please click [here](#).

On 13 April 2022, the Securities Commission Malaysia (“SCM”), with the written consent of the Public Prosecutor, compounded Serba Dinamik Holdings Berhad, its chief executive officer, executive director and two officers for a sum of RM3 million each. This follows the decision of the Public Prosecutor to accept the representation made to the Attorney-General’s Chambers by Serba Dinamik and the individuals involved regarding the charges pending in court. For further details, please click [here](#).

On 24 April 2022, the SCM refuted all allegations made by Serba Dinamik Holdings Berhad, accusing it of acting in bad faith and not following procedures in discharging its duties. For further details, please click [here](#).

Philippines



On 18 April 2022, the Bangko Sentral ng Pilipinas (“BSP”), Philippines’ Department of Finance, National Commission on Muslim Filipinos, and the Bangsamoro Government approved the establishment of the Shari’ah Supervisory Board in the Bangsamoro Autonomous Region in Muslim Mindanao (“BARMM”). This move will benefit the Muslim community in the Philippines and more regulations on Sharia Law will be introduced in the near future for Philippines to be Shariah compliant. For more information, please click [here](#).

On 18 April 2022, the BSP reminds its BSP-Supervised Financial Institutions to comply with policies on the management of cyber security risks. As there is a worrying increase in fraud cases recently, the BSP also urged the public on the use of multi-factor authentication for their online transactions. To also enable notifications which will prompt the individual when a transaction was completed. For more information, please click [here](#).

On 20 April 2022, the BSP and Alliance for Financial Inclusion (“AFI”) jointly launched the Agent Registry for Cash Agents which will enable BSP’s supervision of cash agents. The registry will benefit both the regulatory body and the public. It will assist on the prompt update of agent data and allow the public to locate the nearest accredited agents and their available financial services. For more information, please click [here](#).

On 27 April 2022, the BSP decided to engage on the pilot project of a wholesale central bank digital currency (“CBDC”) as part of its efforts to promote the stability of the country’s payment system. The project was dubbed as Project CBDCPh. The project CBDCPh will be tested for high-valued financial transactions on an ongoing basis, throughout the day and night. The project will start off with a limited number of financial institutions and aim to ensure that critical operational areas are covered. For more information, please click [here](#).

Enforcement

On 23 April 2022, the BSP and Philippine National Police (“PNP”) Anti-Cybercrime Group filed a criminal complaint against an individual who was seen burning a Philippine bank note on social media. The individual is accused to have violated Presidential Decree (P.D.) No. 247, Article 154 of the Revised Penal Code, as amended, and Republic Act No. 10175 (Cybercrime Prevention Act of 2012). Deputy Governor Mamerto Tangonan of the BSP’s Payments and Currency Management Sector assured that the BSP will pursue this case until the outcome. For more information, please click [here](#).

On 28 April 2022, the BSP completed its investigation on an incident that involved unauthorised access of accounts with BDO Unibank, Inc (“BDO”) and funds were transferred to accounts with Union Bank of the Philippines (“UBP”). BDO and UBP was sanctioned by the Monetary Board (“MB”) for the financial institutions to act on the issues promptly. The sanctions served as a reminder for financial institutions to continue strengthening their technology risk management. For more information, please click [here](#).

On 28 April 2022, the MB disqualified Vility Foreign Exchange Services and H&F Foreign Exchange Services from registering with the BSP as both companies had engaged in Money Service Business without valid registration. For more information, please click [here](#).

Singapore



On 13 April 2022, the Monetary Authority of Singapore (“MAS”) signed a FinTech Bridge Agreement with Australia to support the FinTech ecosystem development of both countries, including to explore joint innovation projects on emerging issues, to strengthen linkages between Australia and Singapore for policy officials, regulators, and industry groups, etc. For more information, please click [here](#).

On 19 April 2022, the MAS sought comments on the revised notices on misconduct reporting requirements under the Financial Advisers Act, Insurance Act and Securities and Futures Act with the submission deadline on 20 May 2022. The legal amendments are based on the feedback received on the proposed changes to the misconduct reporting requirement back in July 2018. For more information, please click [here](#).

Enforcement

A media search did not find any enforcement for Singapore during April.

Taiwan



A media search did not find any relevant articles for Taiwan during April.

Enforcement

On 1 April 2022, the Financial Supervisory Commission (“FSC”) fined the Responsible Person of Taiwan Land Development Corporation for failing to complete the 2021 financial statement in accordance with Paragraph 1(1) of Article 36 of the Securities and Exchange Act. For more information, please click [here](#).

On 1 April 2022, the FSC fined the Responsible Person of CHUNG FU TEX-INTERNATIONAL CORPORATION for failing to complete the 2021 financial statement in accordance with Paragraph 1(1) of Article 36 of the Securities and Exchange Act. For more information, please click [here](#).

On 1 April 2022, the FSC fined the Responsible Person of LUXE ELECTRIC CO., LTD. for failing to complete the 2021 financial statement in accordance with Paragraph 1(1) of Article 36 of the Securities and Exchange Act. For more information, please click [here](#).

On 1 April 2022, the FSC fined the Responsible Person of Billionton Systems Inc. for failing to complete the 2021 financial statement in accordance with Paragraph 1(1) of Article 36 of the Securities and Exchange Act. For more information, please click [here](#).

Thailand



On 18 April 2022, the Bank of Thailand (“BOT”) relaxed foreign exchange regulations to bring about more balanced rules in support of capital movement and flexibility in conducting foreign exchange transactions as well as risk management, and cost reduction for the private sector. The latest relaxations in April this year will allow, Thai residents to conduct foreign exchange transactions with greater flexibility for both cross-border and domestic transfers; resident companies to manage their foreign exchange risk exposures in a broader scope; and Less burden for Thai residents in providing supporting documents when conducting foreign exchange transactions. For further details, please click [here](#).

Enforcement

A media search did not find any enforcement for Thailand during April.

Vietnam



A media search did not find any regulatory updates for Vietnam during April.

Enforcement

On 1 April 2022, the Police Investigation Agency of the Ministry of Public Security investigated and confirmed that the Chairman, individuals of FLC Group Joint Stock Company (“FLC”) and other individuals of BOS Securities Joint Stock Company and related companies suspected of manipulating the securities market and concealing information in securities activities. For more information, please click [here](#).

On 6 April 2022, the State Securities Commission of Vietnam (“SSC”) fined Sametel Corporation JSC for the violation of administrative sanction in securities market and in failing to disclose information in the profit tax losses and transaction activities with related parties in financial documents. For more information, please click [here](#).

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.

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