

Welcome to our Regulatory Newsletter

March 2024

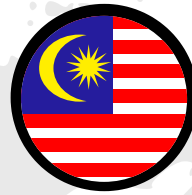
Click onto a region to read the corresponding regulatory updates and enforcement actions:



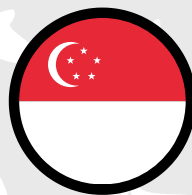
Australia



Hong Kong



Malaysia



Singapore



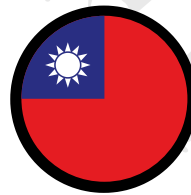
India



Japan



South Korea



Taiwan



China



Australia

On 22 March 2024, the Australian Securities and Investments Commission (ASIC) issued a reminder to AFS licensees and relevant providers regarding the importance of complying with the registration obligation on an ongoing basis. ASIC highlights specific situations where new registration is necessary. AFS licensees must register their relevant providers 1) after they authorize and appoint an adviser to the Financial Advisers Register, 2) when AFS licensees appoint an adviser who has moved from another AFS licensee, 3) when an adviser changes roles from a 'provisional relevant provider' to a 'relevant provider', and 4) when an adviser is dually authorised, and the adviser's authorisation with their registering AFS licensee ceases. For more information, please click [here](#).

On 27 March 2024, ASIC remade five class orders for managed funds that were due to expire on 1 April 2024. These class orders have been replaced by new legislative instruments that will remain in effect until 1 April 2029. The new legislative instruments are (i) ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14; (ii) ASIC Corporations (Land Holding for Primary Production Schemes) Instrument 2024/15; (iii) ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16; (iv) ASIC Corporations (Custody Standards for Providers of Custodial and Depository Services) Instrument 2024/17; and (v) ASIC Corporations (mFund) Instrument 2024/18. For more information, please click [here](#).

On 27 March 2024, ASIC announced the extension and amendment of two instruments related to parent entity financial statement and auditor independence. ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195 and ASIC Corporations (Auditor Independence) Instrument 2021/75 were due to expire on 1 April 2024 and 30 April 2024 respectively. ASIC has issued [ASIC Corporations \(Amendment\) Instrument 2024/187](#) to extend the relief under the Primary Instruments for an additional five years. For more information, please click [here](#).

Enforcement

On 1 March 2024, ASIC applied to the Federal Court to wind up retail OTC derivative issuer Prospero Markets Pty Ltd on just and equitable grounds. ASIC commenced its investigation into the Company following the Australian Federal Police's operation, which led to charges against former officers and responsible managers for money-laundering offences. ASIC holds a broad range of concerns regarding the management of the Company's business, including in relation to compliance with its Australian Financial Services (AFS) Licence conditions and obligations as an OTC derivatives issuer under the Corporations Act. For more information, please click [here](#).



On 4 March 2024, ASIC announced that the Federal Court found that R M Capital Pty Ltd failed to take reasonable steps to prevent its authorised representative, the SMSF Club Pty Ltd (SMSF Club), from accepting conflicted remuneration. ASIC's case alleged that SMSF Club advised its clients to set up self-managed superannuation funds to buy real property marketed by real estate agent, Positive RealEstate Pty Ltd. ASIC contended that SMSF Club contravened s963G of the Corporations Act by accepting these payments, and RM Capital contravened s963F of the Corporations Act by failing to take reasonable steps to prevent SMSF Club from accepting such payments. For more information, please click [here](#).

On 7 March 2024, ASIC issued an infringement notice to the market operator ASX Limited with a penalty of \$1,050,000 for order information transparency failure. ASIC believed that ASX breached the rule requiring pre-trade transparency on 8,417 occasions between 4 April 2019 and 22 December 2022. The rule requires ASX to make certain information about orders available on its trading system, however, ASX failed to make that information available about orders for certain equity market products as a result of an incorrect system configuration. For more information, please click [here](#).

On 20 March 2024, ASIC announced that David Sipina had pleaded guilty in relation to Courtenay House Ponzi scheme. Mr Sipina pleaded guilty to carrying on an unlicensed financial services business including referring new investors and marketing the business between 24 June 2015 and 21 April 2017 and dealing with money in the form of commissions he received for promoting investments in Courtenay House despite it being unlicensed. For more information, please click [here](#).



On 21 March 2024, ASIC permanently banned Jacques Creigh from providing financial services or being involved in a financial service business. He was the director of Panacea Capital Pty Ltd and operated the Panacea Capital Cryptocurrency Investment Fund (Crypto Fund) from April 2021 to June 2022. ASIC found that Mr Creigh operated the Crypto Fund while unlicensed and falsely claimed that Panacea Capital was authorised under an Australian Financial Services licence. As a result, ASIC believed that Mr Creigh was likely to contravene a financial services law due to his fundamental lack of competence as well as his lack of fitness and propriety. For more information, please click [here](#).



On 27 March 2024, ASIC announced that Cameron Waugh was sentenced to two years imprisonment for insider trading offences. Mr Waugh pleaded guilty to acquiring 747,626 shares in Genesis Minerals Limited between 14-21 September 2021 when he became aware of a funding proposal that included a multi-million dollar Genesis share placement and a restructure of the Genesis board that would see experienced mining executives, Raleigh Finlayson and Neville Power join the board. Between 1 and 19 November 2021 Mr Waugh sold the 747,626 Genesis shares, realising a profit of \$57,256.44. As a result of his conviction, Mr Waugh is automatically disqualified from managing corporations for five years. For more information, please click [here](#).

On 28 March 2024, the Federal Court found Vanguard Investments Australia Ltd contravened the law by making misleading claims about certain environmental, social and governance (ESG) exclusionary screens applied to investments in a Vanguard Index Fund. ASIC alleges that Vanguard represented to potential investors that the Fund offered an ethically conscious investment opportunity and claimed that securities included in the Fund were researched and screened against applicable ESG criteria, and any securities that violated applicable ESG criteria were excluded or removed from the Fund. However, ASIC argues that these representations were false or misleading. For more information, please click [here](#).





Hong Kong

On 8 March 2024, the Securities and Futures Commission (SFC) issued a circular regarding an Anti-Money Laundering / Counter-Financing of Terrorism to licensed corporations (LCs), SFC-licensed virtual asset service providers, and associated entities. The circular highlights the FATF Statement on High-Risk Jurisdictions subject to a Call for Action (black list) and Jurisdictions under Increased Monitoring (grey list) as well as provides a summary of the recent FATF Plenary outcomes that may be of interest to LCs, SFC-licensed virtual asset service providers, and associated entities. For more information, please click [here](#).

On 12 March 2024, the Hong Kong Monetary Authority (HKMA) announced the launch of the stablecoin issuer sandbox arrangement. The HKMA wishes to leverage the sandbox arrangement to communicate supervisory expectations to parties interested in issuing fiat-referenced stablecoins in Hong Kong and to obtain feedback from participants on the proposed regulatory requirements. For more information, please click [here](#).

On 22 March 2024, the SFC issued a circular informing intermediaries and licensed individuals of its decision to continue to waive the annual licensing fees of all intermediaries and licensed individuals for the coming year (i.e., between 1 April 2024 and 31 March 2025). For more information, please click [here](#).

On 22 March 2024, the HKMA and the SFC launched a joint further consultation on enhancements to the over-the-counter (OTC) derivatives reporting regime in Hong Kong. The joint further consultation consults on the implementation of the Unique Transaction Identifier, together with the mandatory use of Unique Product Identifier and Critical Data Elements for submission of transactions to the Hong Kong Trade Repository. For more information, please click [here](#).

On 26 March 2024, the HKMA issued a circular encouraging authorized institutions (AIs) to make use of the new greenhouse gas emissions calculation and estimation tools (“Tools”) available on the website of the Green and Sustainable Finance Cross-Agency Steering Group. The new Tools provide an easy-to-use starting point and the calculation tool enables users to calculate GHG emissions based on actual activity levels, while the estimation tool enables users to estimate the GHG emissions of their investees or borrowers where data of underlying companies is limited. For more information, please click [here](#).



On 27 March 2024, the SFC issued a circular regarding shortening of the US securities transaction settlement cycle to T+1 to LCs and management companies of SFC-authorized funds. Effective 28 May 2024, the standard settlement cycle for transactions in US securities will be shortened from two business days after the trade date (T+2) to one business day after trading (T+1). As such, the timeline for completing post-trade settlement processes will be compressed. For more information, please click [here](#).

Enforcement

On 12 March 2024, the Insurance Authority (IA) took a disciplinary action against Mr Lam Kwan by suspending his licence for seven months on the ground that he is not a fit and proper person after having taken out an insurance policy without the client's knowledge or consent and for motives other than the client's best interests. Mr Lam completed an insurance application in the name of one of his clients and signed the application as if he was the client without the client's knowledge or consent and paid the first-year premium of HK\$8,009.66. For more information, please click [here](#).

On 20 March 2024, the Eastern Magistrates' Court sentenced Ms Christine Yeung Tak Sum, a retail trader, to 18 months of imprisonment following her conviction for securities fraud involving illegal short selling in a prosecution brought by the SFC. This is the first case where an individual was convicted for the offence of employing a fraudulent or deceptive scheme with intent to defraud in transactions involving securities under section 300 of the Securities and Futures Ordinance in the context of illegal short selling. For more information, please click [here](#).



On 27 March 2024, the IA imposed a twelve-month ban on former insurance agent Mr Wong Chung Yiu for witnessing his client sign a false signature, making false declarations and signing false signatures himself. For more information, please click [here](#).

On 27 March 2024, the SFC commenced proceedings in the Market Misconduct Tribunal (MMT) against Mr Sui Guangyi, the former chairman and non-executive director of Ding Yi Feng Holdings Group International Limited along with 20 other individuals. The SFC alleges that between 1 March 2018 and 14 September 2018, Sui and the other individuals conducted manipulative trading and executed a significant number of matched trades in Ding Yi Feng shares, which was considered to create a false or misleading appearance of active trading in the shares and manipulate the price of the shares. For more information, please click [here](#).



Malaysia

On 11 March 2024, the SME Governance Working Group, chaired by the Securities Commission Malaysia (SC), issued the draft Governance Code for Malaysian Micro, Small, and Medium Enterprises (MSMEs) for public consultation. The Code focuses on governance practices, including those required to ensure clear accountability for decision making in relation to the management of sustainability risks and opportunities of a company. The governance practices in the Code are recommended based on the size and business maturity spectrum of MSMEs. For more information, please click [here](#).

On 29 March 2024, the SC issued the revised Guidelines on Conduct for Capital Market Intermediaries, aimed at elevating standards of professionalism and integrity of capital market intermediaries (CMI) in the industry. The revised Guidelines (1) reinforce the role of a CMI's board and senior management in promoting a corporate culture that prioritizes clients' interests, (2) clarify the SC's expectations on CMI's duty to act honestly, fairly, and to avoid misleading and deceiving clients under all circumstances, and (3) introduce new chapters to address crucial areas such as the treatment of vulnerable clients, the provision of personal advice, and capital market-related services. For more information, please click [here](#).

Enforcement

On 24 March 2024, the SC directed Dato' Lim Khong Soon, the Founder and Director of Quantum Metal Exchange Inc (QMEI), to immediately cease and desist the offering of QMEI shares to the Malaysian public. The SC found that QMEI was offering its shares to the Malaysian public, including via the Quantum Metal Sdn Bhd's (QMSB) website/platform to QMSB members. This was carried out without seeking recognition and registering a disclosure document with the SC. For more information, please click [here](#).



Singapore

On 25 March 2024, the Monetary Authority of Singapore (MAS) released a circular titled “Issuance of Frequently Asked Questions on the Revised Notices on Competency Requirements for Representatives Conducting Regulated Activities Under the Financial Advisors Act and the Securities and Futures Act”. The newly released FAQ mainly addressed questions relating to minimum academic and CMFAS qualifications required to act as an appointed representative. The updated FAQs will become effective 1 April 2024. For more information please click [here](#).

Enforcement

On 7 March 2024, the former CEO Ms Shim Wai Han and certain former directors of Envision Wealth Management Pte Ltd were charged in court for offenses under the Securities and Futures Regulations and the Securities and Futures Act. The MAS found that the former CEO, CIO, and COO/CCO had failed to implement an appropriate risk management framework and had failed to mitigate conflicts of interest related to loans received by the former CEO and referral fees received by Envision for investing into Envy Global Trading Pte Ltd through the fund. Additionally, on top of facing charges under the Securities and Futures Act and Financial Advisors Act, Ms Shim Wai Han is charged on two counts of section 5(1) of the Official Secrets Act for forwarding email correspondence between the MAS and Envision to a former director of Envy Global Trading Pte Ltd, which could carry imprisonment of up to 2 years. For more information please click [here](#).

On 27 March 2024, Mr Tay Ming Hin was charged with false trading under the Securities and Futures Act. The individual was charged with trading in shares of Catalyst-listed KOP Limited for the purpose of creating a misleading appearance of the share price between 7 August 2018 and 21 August 2019. If convicted, the individual faces a fine of up to \$250,000 SGD, imprisonment for up to 7 years, or both. For more information please click [here](#)



India

On 21 March 2024, The Reserve Bank of India (RBI) published the finalised “Omnibus Framework for recognising Self-Regulatory Organisations for its Regulated Entities”. The framework contains parameters, objectives, responsibilities, eligibility criteria, governance standards etc., for the grant of recognition to a Self-Regulatory Organization. For more information, please click [here](#).

Enforcement

On 4 March 2024, the RBI took an administrative action against IIFL Finance Limited, ordering the company to cease and desist gold loaning, assigning, securitising, and selling activity with immediate effect. The order was made for deficiencies identified regarding the gold loan portfolio of the Company, including serious deviations in assaying and certifying purity and net weight of gold, breaches in Loan-to-Value ratio, disbursement and collection of loan amounts in cash far exceeding regulatory limits, lack of transparency in charges levied to customers etc. The RBI has been in contact with senior management and the statutory auditors of the company regarding these deficiencies for a few months, however no meaningful corrective action has been taken so far, necessitating the cease-and-desist order. For more information, please click [here](#).



On 19 March 2024, the RBI imposed a monetary penalty equal to ₹1,31,80,000 on Tamilnad Mercantile Bank Limited for deficiencies in regulatory compliance related to interest rate advances, and reporting obligations. The RBI found that the bank failed to benchmark the interest rate on floating rate loans to an external benchmark lending rate to small and medium size enterprises, and when it did adopt benchmarks, it was found to have adopted multiple benchmarks within the same loan category. Further, the bank was found to have wrongly reported the rating of certain borrowers to the Central Repository of Information on Large Credit. For more information, please click [here](#).



On 26 March 2024, the RBI imposed a monetary penalty equal to ₹59.90 lakh on The Janalaxmi Co-operative Bank Limited, Nashik for deficiencies in regulatory compliance. The RBI found that the bank had failed to constitute a Board of Management, had sanctioned credit facilities to its nominal members in excess of the prescribed limit, and had opened or renewed deposits at interest rates higher than the State Bank of India for the same tenor. For more information, please click [here](#).

On 26 March 2024, the RBI imposed a monetary penalty equal to ₹28.30 lakh on Solapur Janata Sahakari Bank Limited, Solapur for deficiencies in regulatory compliance. The RBI found the bank appointed a member who did not satisfy Fit and Proper criteria to its Board of Management and did not reorganise the Board of Management when given direction to do so by the RBI. Further, the RBI found the bank sanctioned fresh loans carrying risks exceeding 100% during the FY2021-2022. For more information, please click [here](#).





Japan

On 15 March 2024, the Financial Services Agency (FSA) published minor draft amendments to the Administrative Guidelines for Financial Companies, specifically relating to issuers of prepaid payment instruments, and fund transfer businesses. The amendments are mainly related to the posting of documents on electronic media, and unregistered operators who engage in foreign exchange transactions as a business without being licensed under the Banking Act or registered as a money transfer business under the Act on the Settlement of Funds. For more information, please click [here](#) (Japanese only).

On 29 March 2024, the FSA released the finalized “Basic Guidelines on Impact Investment (Impact Finance)”. The guidelines aim to create common understanding for concepts and processes related to impact investment, and especially aim to clarify the basic elements expected for impact investment that fund-raisers, fund providers, and other participants in impact investment markets can refer to. For more information, please click [here](#).

Enforcement

On 8 March 2024, the Kanto Local Finance Bureau (KLFB) reissued the asset holding order to FTX Japan K.K due to the ongoing bankruptcy proceedings taking place against its parent company FTX Trading Limited in the United States. The asset holding order will be effective until 9 June 2024, preventing assets from flowing out of Japan to group companies and therefore harming the interests of investors. For more information, please click [here](#) (Japanese only).





South Korea

No relevant press releases in March 2024.

Enforcement

No enforcement actions in March 2024.



Taiwan

No relevant press releases in March 2024.

Enforcement

On 27 March 2024, the Financial Supervisory Commission (FSC) imposed an administrative fine of NT\$300,000 on IBF Securities Co., Ltd. in accordance with subparagraph 4, paragraph 1, Article 178-1 of the Securities and Exchange Act, and suspended the business execution of its employee, XX Chiang, for one month in accordance with Article 56 of the same Act. The FSC found that XX Chiang safekept bank passbooks and online banking passwords on behalf of customers, accepted customer discretionary investment commission on the securities transactions, made advance payments to customers for securities settlement, and engaged in fund borrowing and lending with customers. For more information, please click [here](#).

On 27 March 2024, the FSC imposed a sanction on Hua Nan Securities Co., Ltd. and its employee, XX Wang, an associate person of its overseas product department for violation of Securities Management Laws and Regulations by leaking customer order information through LINE. The FSC imposed a fine of NT\$300,000 on the Company in accordance with subparagraph 4, paragraph 1, Article 178-1 of the Securities and Exchange Act and suspended the business execution of XX Wang for one month in accordance with Article 56 of the Securities and Exchange Act. For more information, please click [here](#).



China

No relevant press releases in March 2024.

Enforcement

On 29 March 2024, according to the Discipline Inspection and Supervision Team of the Central Commission for Discipline Inspection and the National Supervision Commission of the State Administration of Financial Supervision and the Beijing Municipal Commission for Discipline Inspection and Supervision, Li Shiqian, the former first-level inspector of the Urban Commercial Bank Supervision Department of the China Banking and Insurance Regulatory Commission, is suspected of serious violations of discipline and law and is currently under investigation. For more information, please click [here \(Chinese only\)](#).

On 22 March 2024, according to the Discipline Inspection and Supervision Team of the Central Commission for Discipline Inspection and the National Supervisory Commission of the State Administration of Financial Supervision and the Beijing Municipal Commission for Discipline Inspection and Supervision, Zhang Jinsong, the former deputy director of the Regulations Department of the China Banking and Insurance Regulatory Commission, is suspected of serious violations of disciplines and laws and is currently under investigation. For more information, please click [here \(Chinese only\)](#).

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Key facts and figures*

People worldwide	Worldwide location	Assets under administration	Minimum senior team experience	Funds under administration
5500+	25	\$750+_{bn}	20yrs	800+

Our locations worldwide

THE AMERICAS

Bermuda
British Virgin Islands
Cayman Island
Curaçao
USA (Austin, Bedford NH, Chicago, Dallas, Fort Worth, Houston, New York, Rapid City SD, San Francisco & West Palm Beach)

MIDDLE EAST

United Arab Emirates

EUROPE

Belgium
Cyprus
France
Guernsey
Ireland
Isle of Man
Jersey
Luxembourg
Switzerland
The Netherlands
UK

AFRICA

Mauritius
South Africa

ASIA

Mainland China
Hong Kong
India
Japan
Philippines
Singapore



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