



## Welcome to our Regulatory Newsletter for February 2020

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### Australia



On 3 February 2020, ASIC announced that it had granted over 400 applications for relief between 1 April 2019 and 30 September 2019. ASIC's latest report, Overview of decisions on relief applications (April 2019 to September 2019), outlined ASIC's decisions on relief applications and highlights its efforts to reduce red-tape and achieve a practical, positive outcome for companies seeking regulatory flexibility, without harming stakeholders. For further details, please click [here](#)

On 11 February 2020, as a result of two major ASIC reviews, 6 of Australia's largest banking and financial services institutions paid or offered a total of \$749.7 million in compensation to customers who suffered loss or detriment because of non-compliant advice or fees for no service (FFNS) misconduct. For further details, please click [here](#)

On 12 February 2020, ASIC released its findings from its recent review of superannuation trustees' communications with their members about changes introduced through the Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019 (PYSP). For further details, please click [here](#)

On 14 February 2020, ASIC and the Australian Prudential Regulation Authority (APRA) jointly welcomed the proposed legislative reforms increasing the role of ASIC in superannuation. For further details, please click [here](#)

On 20 February 2020, ASIC started a four week consultation on draft guidance about the new best interests' duty for mortgage brokers. The new obligations were legislated by the Parliament in response to Recommendation 1.2 of the Royal Commission and will require mortgage brokers to act in the best interests of consumers and to prioritise consumers' interests when providing credit assistance. For further details, please click [here](#).

On 26 February 2020, ASIC provided the latest six monthly update on its enforcement and regulatory work since September 2019. The update covers ASIC's implementation of the recommendations of the Financial Services Royal Commission (FSRC). For further details, please click [here](#)

### Enforcement

On 3 February 2020, ASIC published news that it suspended the Australian financial services (AFS) licence of over-the-counter derivatives issuer AxiCorp Financial Services Pty Ltd (AxiCorp) for four months.

AxiCorp applied to the Administrative Appeals Tribunal (the Tribunal) for review of ASIC's suspension decision, as well as for a stay of the suspension decision and for confidentiality orders. For further details, please click [here](#)

On 3 February 2020, ASIC banned Queensland-based financial adviser Mr Timothy Shapter from providing financial services for a period of seven years, and cancelled the Australian financial services (AFS) licence of Smart Solutions Group (Aust) Pty Ltd (Smart Solutions). ASIC found that Mr Shapter's advice files provided to clients was not in his clients' best interests. For further details, please click [here](#)

On 4 February 2020, ASIC permanently banned financial advisor Tram Tran from providing financial services and cancelled her Australian financial services licence (AFS licence). Ms Tran was banned following an ASIC investigation in relation to alleged misappropriation of client self-managed superannuation funds (SMSF). For further details, please click [here](#)

On 5 February 2020, The Federal Court of Australia in Melbourne ordered that Global Merces Funds Management Ltd (Global Merces) be wound up on just and equitable grounds and appointed Mr Anthony Connelly and Michael Hill of McGrathNicol, as joint and several liquidators of the company. ASIC also commenced proceedings to protect the public against Global Merces with investigations ongoing. For further details, please click [here](#)

On 5 February 2020, The Federal Court ordered AMP to pay a \$5.175 million penalty after the court found AMP failed to take reasonable steps to ensure its financial planners complied with the best interests duty and related obligations under the Corporations Act. For further details, please click [here](#)

On 7 February 2020, The Federal Court found that One Tech Media Limited (OTML), Allianz Metro Pty Ltd, Eustace Senese and Yoav Ida breached the Corporations Act in relation to the pressure sale of binary options to Australian consumers. OTML offered binary options trading to customers in Australia through websites without holding an Australian Financial Services Licence (AFSL). For further details, please click [here](#)

On 10 February 2020, a former director of the Kleenmaid group of companies, Mr Andrew Eric Young was sentenced to nine years' imprisonment on Friday 7 February 2020 after being found guilty by a District Court jury of 19 offences arising out of the collapse of the national whitegoods distributor. He was found guilty of fraud and insolvent trading related offences. For further details, please click [here](#)

On 11 February 2020, ASIC banned Mark Schroeder from providing financial services for six years for his role in numerous compliance failures by Spectrum Wealth Advisers Pty Ltd (Spectrum). ASIC found that Mr Schroeder, a senior manager at Spectrum responsible for its activities and day-to-day management, was involved in Spectrum's contraventions of financial services laws. For further details, please click [here](#)

On 12 February 2020, ASIC published news that on 11 February 2020, following a two day fitness hearing in the NSW District Court, Mr Daniel Stuart McSweeney was found unfit to stand trial and unlikely to become fit in the next 12 months. Mr McSweeney was charged for 20 counts of dishonestly using his position as a director of two companies with the intention of directly gaining a personal advantage. For further details, please click [here](#)

On 13 February 2020, ASIC permanently banned Queensland financial adviser Mr. Warren Scott Acworth from providing financial services. The banning follows an ASIC investigation into Mr. Acworth's conduct between December 2015 and May 2018 while working as an adviser with Macquarie Equities Limited. Mr. Acworth undertook a trade on behalf of a client in MINI warrants (a form of derivative) where Mr. Acworth engaged in misleading conduct relating to a financial product and was dishonest. For further details, please click [here](#)

On 14 February 2020, ASIC announced that following an investigation Janet Heather Cameron, 67, of Hobart, a former director of Bellamy's Australia Limited (Bellamy's), will appear before the Hobart Magistrates' Court on criminal charges. This was following ASIC's allegation that Ms Cameron failed to properly lodge a transparent substantial holder notice with regards to her holding in a listed Company. For further details, please click [here](#)

On 14 February 2020, ASIC moved to disqualify, or suspend and/or add conditions to the registration of, a number of auditors of self-managed superannuation funds (SMSFs). This was following ASIC concerns about failures to meet requirements such as independence standards and auditing standards, failing to comply with Continuing Professional Development (CPD) requirements and otherwise not being a fit and proper person. For further details, please click [here](#)

On 14 February 2020, Mr. John Lindsay Merity, of North Nowra, New South Wales, was sentenced by the District Court of New South Wales to a term of two years imprisonment, with a minimum period of one year in custody, in relation to his conviction on two counts of contravening section 1308(2) of the Corporations Act 2001. Mr. Merity pleaded guilty to two charges of making misleading statements to ASIC in response to its enquiries into the identities of parties who had an interest in the shares in Northwest Resources Limited held by Craigside Company Ltd and Broome Enterprises Ltd. For further details, please click [here](#)

On 17 February 2020, ASIC published news that Mr Adrian Maxwell Ballintine, pleaded guilty in the County Court of Victoria to one 'rolled up' charge of authorising the making of a false or misleading document required by or for the purposes of the Corporations Act. For further details, please click [here](#)

On 17 February 2020, ASIC published news that Mr Jason Dermot Cullen, pleaded guilty in the County Court of Victoria to two counts of authorising the making of a false or misleading document required by or for the purposes of the Corporations Act. For further details, please click [here](#)

On 20 February 2020, Following an ASIC investigation, Mr Anthony Vivian Dick, a former financial adviser based in Townsville was charged with eleven counts of dishonestly applying to his own use property belonging to another, contrary to section 408C(1)(a) of the Criminal Code Act 1899 (Queensland). For further details, please click [here](#)

On 24 February 2020, ASIC reported that Mr. George Nowak pleaded guilty in the District Court of South Australia to 17 counts of aggravated deception and 1 count of dishonest dealings with documents. Charges laid against Mr Nowak concern the misappropriation of \$1.2 million in SMSF monies by not holding those funds in a designated account and by not applying those funds towards the intended property purchase. For further details, please click [here](#)

On 25 February 2020, Mr Michael Ming Jinn Ho, 32, of Lilyfield, New South Wales, appeared in the Downing Centre Local Court and pleaded guilty to insider trading and communicating inside information. Mr. Ho pleaded guilty to five counts of insider trading and one count of communicating inside information. For further details, please click [here](#)

On 25 February 2020, ASIC permanently banned Queensland-based financial adviser Mr William John Henry Houwing (known as Jack Houwing) from providing financial services for failing to act in the best interests of his clients and cancelled the Australian Financial Services (AFS) licence of Financial Options Pty Ltd (Financial Options). For further details, please click [here](#)

On 27 February 2020, The Federal Court found out that AGM Markets Pty Ltd (AGM), OT Markets Pty Ltd (OT) and Ozifin Tech Pty Ltd (Ozifin) (the companies) engaged in systemic unconscionable conduct while providing over-the-counter (OTC) derivative products to retail investors in Australia. For further details, please click [here](#)

On 28 February 2020, ASIC cancelled the Australian financial services (AFS) licence of RVM Capital Pty Ltd (RVM) for failing to lodge its annual financial statements and auditor's reports for three consecutive years. For further details, please click [here](#)

On 28 February 2020, Former pre-insolvency adviser Stephen O'Neill was sentenced at Brisbane District Court to five years in prison with a non-parole period of 22 months, after pleading guilty to one charge of dealing in the proceeds of crime. Mr. O'Neill, along with John Narramore of SME's R Us Pty Ltd, advised a former director of Cap Coast Telecoms Pty Ltd, to engage in activity that would involve the illegal removal of company assets to prevent creditors from accessing these assets. For further details, please click [here](#)

## Cambodia



On 27 February 2020, the Securities and Exchange Commission of Cambodia announced that the Director General of SECC, signed a MOU on "Consultation on the Development and Usage of Fintech and Blockchain Technology in Securities Sector in Cambodia" with Blockchain Elite Strategic Technology Association (BEST) at SECC. The purpose of this MoU is to exchange and cooperate in developing fintech and blockchain technology in the securities sector. For further details, please click [here](#)

### Enforcement

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

## China



On 1 February 2020, PBOC, MOF, CBIRC, CSRC and SAFE jointly issued a Notice on 'Further Strengthening Financial Support for the Prevention and Control of the Novel Coronavirus' the notice details a series of measures planned to boost financial support during efforts to combat the spread of novel coronavirus. The regulatory authorities will open 'green channels (fast channels)' for financial institutions by reducing handling fees and simplifying procedures for affected areas in China and extend repayment periods for mortgages, credit cards and other personal loan. For further details, please click [here](#) (Chinese only)

On 6 February 2020, CBIRC promulgated the 'Interim Measures on Equity Management of Trust Companies' to tighten the qualification of non-financial shareholder who intend to be the controlling shareholder of a trust company. They shall not transfer shareholdings they held and shall not hold shares of the trust company by ways of issuing, managing or otherwise controlling financial products.

The Measures also abolish the requirement that foreign financial institutions must have total assets of US\$1 billion when investing in trust companies, adhering to the principle of treating foreign and domestic investments equally. For further details, please click [here](#) (Chinese only)

On 28 February 2020, AMAC issued a 'Notice regarding the Registration for Private Funds Managers'. AMAC updated the checklist of application materials. Applicants must submit all the materials required including resume of all staff members involved and business plan to AMAC via the "Asset Management Business Electronic Registration System (AMBERS)" for registration. Additionally, AMAC introduced a new online platform "Private Fund Managers Publicity Platform (私募基金管理)

理人公示平台)” for applicants and the public to access the particulars of each applicant and latest application status in real time. For further details, please click [here](#) (Chinese only)

On 29 February 2020, CSRC issued a consultation on ‘Provisions for Record-filing of Securities Service Institutions Engaged in Securities Services’. Securities Services Institutions must file a record with CSRC at the time when it commences securities services and file an annual record before 30th April every year. The consultation intends to strengthen the recording-filing of securities services institutions, including audit firms, law firms and companies engaged in asset valuation, credit rating and IT service, in line with the implementation of the new requirements under the new Securities Law. For further details, please click [here](#) & [here](#) (Chinese only)

## Enforcement

On 14 February 2020, China Minsheng Bank, China Everbright Bank and Huatai Securities were penalised for failing to perform proper customer identification obligations, failing to keep customer data and transaction records, failing to report large or suspicious transactions and conducting transactions with unidentified customers. In particular, Huatai Securities was fined RMB10,100,000, which is the biggest fine ever imposed by the PBOC regarding AML. A total of 24 officers at the three financial institutions were each fined from RMB10,000 to RMB80,000. For further details, please click [here](#), [here](#) & [here](#) (Chinese only)

On 22 February 2020, CBIRC announced that they will legally end its takeover of Anbang Insurance as the Dajia Insurance Group, a revamped entity split from Anbang Insurance, is able to operate normally, according to Article 147 of the Insurance Law of PRC. CBIRC took control of Anbang Insurance since Anbang’s former chairman was jailed for fundraising fraud in 2018 and set out a new entity Dajia Insurance Group to take over the operations of Anbang Insurance. As of January 2020, RMB1.5 trillion of medium-and-short-term insurance product sold by Anbang Insurance have been paid out. For further details, please click [here](#) (Chinese only)

## Hong Kong



On 4 February 2020, the SFC and HKEx issued a statement to provide guidance to listed companies and their auditors in relation to the disclosure of financial information in view of travel and other restrictions that have arisen in response to the outbreak of the Severe Respiratory Disease associated with a Novel Infectious Agent (SRD). The impact of the SRD outbreak on a listed issuer and its auditors’ work will vary according to their individual circumstances. An affected issuer should provide the Exchange a description of the travel and other restrictions which have affected its auditing or reporting process. For further details, please click [here](#)

On 5 February 2020, the SFC has reconfigured its staffing arrangements to limit coronavirus infection risks, as have many other organisations. These arrangements will, for the time being, involve some staff working from home or remotely. This may affect some licensing applications, some product applications, and our public complaints and enquiry service. For further details, please click [here](#)

On 7 February 2020, the SFC published a special edition of its SFC Regulatory Bulletin to provide an update on its front-loaded approach to address market quality and corporate conduct issues. Case studies illustrate the SFC’s key areas of concern and recent regulatory interventions in initial public offering (IPO) applications and corporate transactions. For further details, please click [here](#)

On 21 February 2020, the SFC published its latest Quarterly Report which summarises key developments and highlights of the quarter included the launch of a consultation on proposed changes to the open-ended fund companies regime to encourage more private funds to set up in Hong Kong and the release of a position paper setting out a new licensing framework for virtual asset trading platforms from October to December 2019. For further details, please click [here](#)

On 27 February 2020, the SFC issued an annual exercise “Asset and Wealth Management Activities Survey 2019” to collect information on asset and wealth management activities in Hong Kong for regulatory and market facilitation purposes by completing the questionnaire through online submission system on or before 29 April 2020. In light of the latest situation of the novel coronavirus, the SFC recognise that licensed corporations may require longer time to complete the survey. Accordingly, the response period would be extended. For further details, please click [here](#)

## Enforcement

On 6 February 2020, the SFC has banned Mr Christopher Tse, a former research analyst at RHB Securities Hong Kong Limited (RHBSHK), from re-entering the industry for 12 months from 31 January 2020 to 30 January 2021. The investigation found that Tse conducted trades through his father’s securities trading account held at another brokerage between August 2013 and October 2015 without informing his employer and traded in a stock on RHBSHK’s restricted list on two occasions. For further details, please click [here](#)

On 11 February 2020, the SFC reprimanded and fined BMI Securities Limited (BMISL) \$3.7 million for failures in complying with anti-money laundering (AML) and counter-terrorist financing (CFT) regulatory requirements, a number of BMISL's clients subscribed for the placing shares of two Hong Kong-listed companies and subsequently transferred most or all of these shares to third parties using bought and sold notes in a series of off-exchange transactions ranged from \$4.4 million to \$855.9 million apiece, displayed various suspicious features including the subscription amount for the placing shares was incommensurate with the clients' financial profile. For further details, please click [here](#)

On 14 February 2020, the SFC has reprimanded and fined Capital Global Management Limited (CGML) \$1.5 million for its failures to ensure compliance with applicable laws and regulations in distributing investment funds and offering investment advice in Taiwan, and to adequately supervise the business activities of its representatives to ensure such compliance. The investigation found that CGML's licensed representatives operated and performed sales functions and distributed investment products to clients in Taiwan between July 2014 and April 2015. For further details, please click [here](#)

On 18 February 2020, the Court of First Instance dismissed judicial review applications against the SFC in connection with a search operation it conducted for ongoing investigations into suspected breaches of the SFO. The judicial review applications were brought by several individuals and sought to challenge search warrants issued by two Magistrates in July 2018 on the basis that they were unlawful or invalid for want of specificity. They also alleged that seizures of the digital devices pursuant to the search warrants, the SFC's continued retention of the devices were unlawful, and interfered with their right to privacy under the Basic Law and the Hong Kong Bill of Rights. For further details, please click [here](#)

## India



On 4 February 2020, SEBI issued a circular regarding the common application form (CAF) for FPIs. CAF can be used for registration of FPIs with SEBI, allotment of Permanent Account Number (PAN) and carrying out KYC while opening bank and Demat account. For further details, please click [here](#)

On 6 February 2020, SEBI announced disclosure standards for AIFs and decided to introduce templates for PPM, subject to certain exemptions and mandatory performance benchmarking for AIFs with provisions for additional customised performance reporting. Further, for complying with the terms of PPM, it will be mandatory for AIFs to carry out an annual audit of such compliance. The audit must be carried out by either internal or external auditor/legal professional. For further details, please click [here](#)

[here](#)

On 13 February 2020, SEBI developed an in-house online system for detecting misuse of clients' securities by brokers, which enables SEBI to prepare client level securities holding register of the brokers. The online system collects the details of the clients' securities submitted in weekly report filed by brokers with the Exchanges and updates the same with trades conducted in the accounts of said clients using the data available with SEBI. The securities holding balance computed is matched with the actual clients' securities holding in the demat account and submission made by the broker for the next day. Any mismatch in data is flagged as an alert for Exchanges. For further details, please click [here](#)

On 13 February 2020, SEBI issued Guidelines for Portfolio Managers which contain provisions for fees and charges, direct on-boarding of clients by Portfolio Managers, investment approaches and periodic reporting by managers, supervision of distributors etc. The Guidelines will be effective from 1 May 2020. For further details, please click [here](#)

On 25 February 2020, SEBI announced that FPIs from Mauritius continue to be eligible for FPI Registration with increased monitoring as per FATF norms, after the inclusion of Mauritius in the FATF list of "jurisdictions under increased monitoring". For further details, please click [here](#)

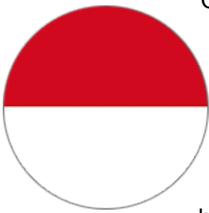
On 26 February 2020, SEBI issued a circular to allow investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/Asset Management Companies. As such, the recognised stock exchanges, clearing corporations and depositories are required to make necessary amendments to their existing byelaws, rules and/or regulations. For further details, please click [here](#)

On 28 February 2020, SEBI issued a circular to clarify that the existing recognized entities in International Financial Services Centre (IFSC) can also apply for IA registration without forming a separate company or LLP. And, the net worth requirement for registered IA in IFSC is revised to USD 700,000. For further details, please click [here](#)

## Enforcement

A media search did not find any enforcements for India during February.

## Indonesia



On 3 February 2020, Bank Indonesia and Bangko Sentral ng Philipinas agreed on cooperation in the payment system and digital financial innovation to strengthen bilateral relations between the two central banks in a signed MoU. This cooperation will complement the previous one that relates to anti-money laundering and preventing of terrorism financing in the field of payment systems and final settlement in 2018. For further details, please click [here](#)

On 18 February 2020, OJK is committed to accelerating the process of reforming the Non-Bank Financial Industry to increase public trust, improve regulatory standards and quality of supervision, build healthy, sturdy IKNB and contribute to the national economy. For further details, please click [here](#)

## Enforcement

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

## Japan



On 3 February 2020, The FSA proposed the draft amendments to the "Cabinet Office Order on Financial Instruments Business." The proposal intends to update the appended form of the said Cabinet Office Order in accordance with the amendments to the regulatory notices pertaining to Pillar 1 requirements of capital adequacy (promulgated on March 15, 2019). For further details, please click [here](#) (Japanese only)

On 5 February 2020, The FSA finalised the amendments to the "Order on Transfer Account Management Institution." In response to ongoing requests from stakeholders (designated domestic superior institutions of foreign account management institutions) to expedite and simplify the proceedings with regard to the application for designation of foreign account management institutions and the notification of changes thereto, the amendments mainly improve the proceedings by allowing the filing of notifications by superior institutions in case of mere changes in their own trade names or other such changes. For further details, please click [here](#) (Japanese only)

On 6 February 2020, The FSA updated the FSA-related cabinet office orders and the relevant applicable comprehensive guidelines in accordance with the enforcement of the "Act for Partial Revision of the Civil Code" (Act No. 149 of 1999) and the "Act to Adjust Related Acts to Coordinate with the Coming into Effect of the Act Partially Amending the Civil Code" (Act No. 45 of June 2, 2017). The revision mainly pertains to technical amendments to the FSA-related cabinet office orders and the relevant applicable comprehensive guidelines to reflect the amendments to the said Acts. For further details, please click [here](#) (Japanese only)

On 10 February 2020, The FSA proposed the draft amendments to the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators." The proposal intends to add points which require particular attention in regard to commodity-related market derivatives transactions in anticipation of the commencement of transactions at comprehensive exchanges pursuant to the "Act for Partial Revision of the Financial Instruments and Exchange Act, etc." (Act No. 86 of 2012). For further details, please click [here](#) (Japanese only)

On 14 February 2020, The FAS announced that The Council of Experts Concerning the Japanese Version of the Stewardship published the Principles for Institutional Investors on February 26, 2014. Also, the Council of Experts on the Stewardship Code revised the Code on May 29, 2017. The FSA publishes the list of institutional investors who have notified the FSA of their intention to accept the Code. The FSA will update the list any time when it receives the notification of acceptance of the Code from institutional investors. For further details, please click [here](#) (Japanese only)

On 20 February 2020, The FSA proposed the draft "Cabinet Office Order to Amend the Cabinet Office Order on Financial Instruments Business." In order to improve transparency in dark pool trading, the proposal mainly intends to require financial instruments business operators to develop institutional capacity and framework to: (1) clarify the terms and conditions of routing transaction orders to dark pools as well as information on managing routing paths and the specifics therein; and (2) record and store information to ensure the effectiveness of price improvement in dark pool trading. For further details, please click [here](#) (Japanese only)

On 21 February 2020, The FSA publishes English version of Reference Cases on Suspicious Transactions. For further details, please click [here](#)

## Enforcement

On 21 February 2020, the Kanto Local Finance Bureau took administrative actions against the two notifiers of specially permitted business for qualified institutional investors (SPBQII) with whom the Kanto Local Finance Bureau cannot make contact, ordering the abolition of the notifiers' entire specially permitted businesses for qualified institutional investors and the improvement of their business operations pursuant to the "Financial Instruments and Exchange Act." For further details, please click [here](#) (Japanese only)

On 28 February 2020, the FSA issued an order to impose an administrative penalty charge against an officer of a business counterparty (unlisted company) of a tender offeror of ASAHI INDUSTRIES CO.,LTD. for committing insider trading regarding stocks of ASAHI INDUSTRIES CO.,LTD. by using insider information which was obtained from another officer of the said business counterparty who received the information from an officer of the tender offeror of ASAHI INDUSTRIES CO.,LTD. For further details, please click [here](#) (Japanese only)

On 28 February 2020, the FSA issued an order to impose an administrative penalty charge against NISSAN MOTOR CO., LTD. for making false statements in its securities reports. For further details, please click [here](#) (Japanese only)

On 28 Feb, 2020, the FSA announced that Administrative penalty charges were laid against three individuals; one who communicated insider information regarding stocks of STrust Co.,Ltd. who was identified as an officer of the entity; and the other two who (as non-insiders) committed insider trading regarding the said stocks by using the information received from the said officer. For further details, please click [here](#) (Japanese only)

## Korea



On 14 February 2020, FSC and FSS together announced the measures to improve the regulatory framework on hedge funds. The measures intend to ensure the autonomy of private fund management while addressing regulatory inadequacies and vulnerabilities in the assessment by introducing a minimum necessary level of regulations. The measures include enhancing risk management based on market disciplines, additional investor protections and strong supervision and inspection by the regulators. For further details, please click [here](#)

On 26 February 2020, FSC announced its key policy plans for Fintech and digital finance, which include advancing digital finance, promoting data economy, cultivating new fintech industry and services, working on regulatory reform in Fintech and digital sectors, and strengthening the foundation for innovation. For further details, please click [here](#)

## Enforcement

A media search did not find any enforcements for Korea during February.

## Malaysia



On 21 February 2020, SC Malaysia announced liberalization measures of the Private Retirement Schemes (PRS) to provide more flexibility in asset allocation for the PRS funds. This will encourage PRS members to grow their investments and enable them to access funds to ease their financial burden in times of need. For further details, please click [here](#)

On 25 February 2020, SC Malaysia will closely monitor the ongoing developments in the capital market to ensure that it operates in a fair and orderly manner given the current domestic and global situations. For further details, please click [here](#)

On 25 February 2020, SC Malaysia and Bursa Malaysia announced the establishment of a wholly-owned subsidiary that will take on regulatory functions. They will review and finalise the implementation details to ensure a seamless transition of the exchange's regulatory function to the subsidiary. For further details, please click [here](#)

On 27 February 2020, SC Malaysia is working with the Government and other relevant parties to implement capital market-related measures to support the Malaysian economy, against the negative impact arising from the global Covid-19 outbreak. For further details, please click [here](#)

## Enforcement

On 14 February 2020, SC Malaysia charged a former unit trust consultant Afkariah Binti Md Norani for deceiving four individuals of their investment monies amounting to RM50,000 to trade in her own personal share trading account. For further details, please click [here](#)

On 19 February 2020, SC Malaysia charged two individuals, Ong Kar Kian and Amiruddin Bin Nin, for failing to comply with notices issued by the SC Investigating Officer to assist in an on-going investigation under the Capital Markets and Services Act 2007 and AMLATFPUAA. For further details, please click [here](#)

## Mauritius



On 14 February 2020, the FSC Mauritius released a public consultation regarding guidelines for mortgage underwriting practices and procedures. The consultation period is open until 13 March 2020. For further details, please click [here](#)

### Enforcement

A media search did not find any enforcements for Mauritius during February.

## Myanmar

A media search did not find any relevant articles for Myanmar during February.



### Enforcement

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

## New Zealand

On 10 February 2020, The Reserve Bank of New Zealand (RBNZ) streamlined its external whistleblowing policy for those employed by regulated entities. Individuals currently or formerly employed by insurers, banks or non-bank deposit takers regulated by the Reserve Bank, who have witnessed or become aware of misconduct within their organization, can directly report to the Reserve Bank via a designated email address and phone number. For further details, please click [here](#)



On 20 February 2020, the Financial Markets Authority (FMA) published news that they hosted an event allowing leaders from New Zealand's investment industry to gather in Auckland to debate whether investors benefit more from passive or active fund management, a topic that is dividing the sector. For further details, please click [here](#)

### Enforcement

A media search did not find any enforcements for New Zealand during February.

## Philippines

On 12 February 2020, the SEC gave SM Prime Holdings, Inc. the go-signal to issue debt securities worth P100 billion under a shelf registration and approved the issuance of the corresponding order of registration, as well as the permit to sell securities to the public for the initial tranche only, subject to the company's compliance with certain requirements. SM Prime intends to initially issue P15 billion worth of Series K Bonds and Series L Bonds, with an oversubscription option for a maximum of P5 billion, at 100% of the face value, based on documents submitted to the SEC. For further details, please click [here](#)



On 19 February 2020, the SEC considered favorably the public offering by San Miguel Food and Beverage, Inc. (SMFB) of fixed rate bonds worth P15 billion. The Series A Bonds will mature in five years while the Series B Bonds will be repaid seven years from the issue date. The bonds shall be issued in minimum denominations of P50,000 each, and in integral multiples of P10,000 thereafter. They will be listed and traded in denominations of P10,000 on the Philippine Dealing & Exchange Corp. For further details, please click [here](#)

### Enforcement

On 5 February 2020, the SEC canceled the corporate registration of TogaChat Academy Philippines, Inc. for running an unauthorised investment program resembling a Ponzi scheme. The SEC Enforcement and Investor Protection Department (EIPD) issued the order of revocation on January 23, after finding TogaChat to have engaged in investment-solicitation activities by selling or offering securities to the public without the necessary license from the Commission. For further details, please click [here](#)

On 12 February 2020, the the Regional Trial Court of Bislig City ordered the arrest of Kapa-Community Ministry International's (KAPA) founder, key officers and promoters for the investment fraud charges initiated by the SEC. The Court issued Warrants of Arrest against KAPA Founder and several individuals, of which accused KAPA of "willfully, unlawfully and criminally" engaging in the selling or offering for sale or distribution of securities in the Philippines without a registration statement duly filed with and approved by the SEC. For further details, please click [here](#).

## Russia



On 7 February 2020, CBR updated published plan for adopting Bank of Russia regulations. It will be regularly updated. As new documents are adopted, information will also be updated. In the course of the year, the plan may be amended in part, due to the adoption of federal laws calling for the issue of new regulations. For further details, please click [here](#)

On 11 February 2020, CBR released a review of the procedure for considering complaints against decisions to recognise persons (entities) as not compliant with qualification requirements and/or business reputation requirements. The review is aimed at raising the transparency of the activity of the Bank of Russia Complaint Commission and communicating the approaches used by the commission in its decision-making to financial market participants. For further details, please click [here](#)

On 13 February 2020, CBR proposed to legislatively establish requirements for financial institutions to disclose information when they enter complex derivative transactions. This is the topic of the report 'Disclosure of information to legal entities when concluding complex derivative transactions' to be discussed with the market community. According to the report, information should be disclosed prior to entering into complex derivative transactions with legal entities, other than qualified investors. For further details, please click [here](#)

On 17 February 2020, CBR announced the piloting of a blockchain platform for the issue and circulation of digital rights has been successfully completed in the Bank of Russia regulatory sandbox. It allows the digitising (tokenising) of goods, services, securities and other assets. For further details, please click [here](#)

## Enforcement

A media search did not find any enforcements for Russia during February.

## Singapore



On 6 February 2020, the United States and Singapore issued a joint statement on promoting an environment in financial services that fosters the development of the global economy. Both countries support allowing financial service suppliers to transfer data across borders and intend to seek to promote adoption and implementation of policies and rules in the current bilateral and multilateral economic relationships to facilitate goals. For further details, please click [here](#).

On 9 February 2020, MAS issued an advisory for financial institutions in Singapore to adopt additional measures and precautions following the raise of DORSCON alert level from yellow to orange. Financial institutions are to ensure appropriate business continuity plans are in place. For further details, please click [here](#)

On 11 February 2020, MAS published guidelines on Margin Requirements for Non-Centrally Cleared OTC Derivatives Contracts. These guidelines explain how MAS expects non-centrally cleared OTC derivatives contracts to be margined. For further details, please click [here](#)

On 18 February 2020, MAS published circular on Good Practices in Managing Customers' Credit Risks. This circular sets out MAS' expectations on financial institutions' credit risk management for their customers' trading activities. For further details, please click [here](#)

On 18 February 2020, MAS published circular to inform that MAS Will Not Introduce Collateral Requirement for the Trading of Listed Securities. This circular is to inform financial institutions and investors that MAS will not be implementing the collateralised trading requirement for listed securities. For further details, please click [here](#)

On 23 February 2020, MAS published Securities and Futures (Reporting of Derivatives Contracts) (Amendment) Regulations 2020. Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013 set out reporting requirements for OTC counterparties for OTC derivatives. Amendment to Part I of First Schedule of Securities and Futures (Reporting of Derivatives Contracts) Regulations 2020 issued on 25 Feb 2020. For further details, please click [here](#)

On 27 February 2020, MAS published FAQs on Licensing and Business Conduct (Other than for Fund Management Companies). It provides guidance on: the scope of capital markets services licensing (other than for fund management companies), appointment of representatives, business conduct rules, and the application of the SFA and SF(LCB)R to

companies), appointment of representatives, business conduct rules, and the application of the SFA and SF(LCB)R to banks, merchant banks, finance companies and insurers. For further details, please click [here](#)

## Enforcement

A media search did not find any enforcements for Singapore during February.

## Sri Lanka

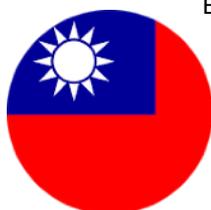
A media search did not find any relevant articles for Sri Lanka during February.



### Enforcement

On 17 February 2020, the Central Bank of Sri Lanka extended the suspension of the Dealer Unit of Pan Asia Banking Corporation in order to continue their investigation that commenced on 15 August 2017. For details on the original enforcement action, please click [here](#). For details on the extension of suspension, please click [here](#)

## Taiwan



On 4 February 2020, the FSC completed amendments made to Article 6 and 7 of the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises. The intended amendments include strengthening the KYC (Know Your Clients) and KYP (Know Your Products) in insurance industry; insurance sales need to understand the source of funds for customers paying insurance premiums. For further details, please click [here](#) (Chinese only)

On 11 February 2020, the FSC published a consultation paper regarding the amendments made to Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The intended amendments are made to assist companies and investors to understand the company's major shareholder structure, and improve the transparency of company equity and financial reporting. It is specified that the listed insurance companies should disclose the name, shareholding amount and proportion of shareholders whose equity proportion reaches 5% in the quarterly financial report. For further details, please click [here](#) (Chinese only)

On 20 February 2020, the FSC published a consultation paper regarding the Administrative Measures for Banks to Handle Financial Goods and Services for High Net Worth Individuals. With reference to the financial supervision structures in Hong Kong and Singapore, special regulations have been formulated for financial services or private wealth management services for high net worth client for banks' businesses. For further details, please click [here](#) (Chinese only)

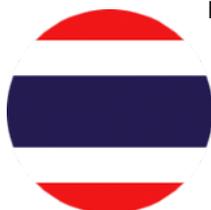
## Enforcement

On 4 February 2020, the responsible person of Technics Oil & Gas Limited was fined NT\$ 240 thousand for breaking the Article 165 of the Securities and Exchange Act when the company failed to meet the requirements of filing financial reports during Q3 2016 to year 2018. For further details, please click [here](#) (Chinese only)

On 18 February 2020, Cathay Life Insurance Company, Ltd. was fined NT\$ 5.6 million for breaking the Article 149-1 and 171-5 of the Insurance Act when the company failed to establish a strengthened inspection and control mechanism for insurance product sales. The company was also fined for not reporting that one of its investing companies in Mainland China was imposed administrative disciplinary measure by the local financial authority. For further details, please click [here](#) (Chinese only)

## Thailand

On 3 February 2020, SEC announced that the regulations on establishment of Super Savings Fund (SSF) have come into force today. For further details, please click [here](#)



On 6 February 2020, BOT approved banks to test using cross-bank identity verification through the National Digital ID (NDID) platform for opening bank accounts. The NDID platform is an infrastructure which connects authorised members together to facilitate cross-institution digital identity verification and authentication based on the identity owner's consent. It plays a crucial role to promote digital transactions and online services for both public and private sectors with greater convenience and safety in a timely manner. For further details, please click [here](#)

On 24 February 2020, SEC proposed to allow the use of a standard single form to open trading accounts with different intermediaries to make it more convenient for investors to invest in capital market products. For further details, please click [here](#)

On 24 February 2020, SEC cooperated with United Nations Development Program and the Global Compact Network Thailand to promote Sustainable Development Goals among the private sector. For further details, please click [here](#)

## Enforcement

A media search did not find any enforcements for Thailand during February.

## Vietnam



On 7 February 2020, the State Bank of Vietnam (SBV) published that on January 14 2020 the Board of Directors (BOD) - the highest decision-making agency - of the Bank for International Settlements (BIS) issued an official announcement to invite the State Bank of Vietnam (SBV) to become its member in 2020. It contributes to accelerating the international integration of the domestic banking and financial system, helping to consolidate and enhance the capacity and competitiveness of the Vietnamese banking and financial system as well as the economy. For further details, please click [here](#)

## Enforcement

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

## Suggestions

Please send any comments or suggestions or other information you would like included in the next issue to [newsletter@complianceasia.com](mailto: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.