



# CA | ComplianceAsia

## Welcome to our Regulatory Newsletter for March 2020

### Contents

|             |    |
|-------------|----|
| Australia   | 2  |
| Cambodia    | 4  |
| China       | 4  |
| Hong Kong   | 6  |
| India       | 7  |
| Indonesia   | 7  |
| Japan       | 7  |
| Korea       | 8  |
| Malaysia    | 9  |
| Mauritius   | 9  |
| Myanmar     | 10 |
| New Zealand | 10 |
| Philippines | 10 |
| Russia      | 11 |
| Singapore   | 11 |
| Sri Lanka   | 11 |
| Taiwan      | 12 |
| Thailand    | 12 |
| Vietnam     | 13 |
| Suggestions | 13 |

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### Executive Summary

With the ongoing global pandemic still taking place, several countries are implementing additional measures in order to better deal with its impact on the financial industry. In **Australia**, the Australian Prudential Regulation Authority (APRA) has confirmed that banks and other lenders will offer COVID-19 support packages to borrowers, while the Reserve Bank of **New Zealand** will delay or slow down most of its regulatory initiatives in order to free up industry resources to support the economy. In **Hong Kong**, the SFC and the Stock Exchange strives to continue providing assistance to listed issuers when fulfilling their reporting obligations in light of the COVID-19 outbreak. **Sri Lanka** aims to provide relief to businesses and individuals affected by the virus, and **Vietnam** has enhanced measures to support COVID-19 affected customers. Other countries that have taken further measures to deal with the impact of COVID-19 include **Cambodia**, **Philippines**, and **Thailand**.

In addition, **China** has issued several circulars and notifications providing guidance to foreign institutional investors, banking and insurance practitioners and fund institutions, to name a few. One such circulation includes CBIRC promulgating the 'Interim Measures of Administration of Insurance Asset Management Products', where it clarifies requirements and qualifications for private investors in insurance firms' asset management products.

## Australia



On 2 March 2020, ASIC released an information sheet covering document production guidelines for people who produce books, including documents and any other recorded information, to ASIC in connection with investigations or surveillance activities. For further details, please click [here](#)

On 10 March 2020, ASIC issued Consultation Paper 329 Implementing the Royal Commission recommendations: Advice fee consents and independence disclosure (CP 329). CP 329 seeks feedback on draft legislative instruments that deal with advice fee consents and independence disclosure; and a proposal to issue more guidance in Regulatory Guide 245 Fee Disclosure Statements (RG 245) to help industry meet obligations around ongoing fee arrangements, including renewal notices and fee disclosure statements. For further details, please click [here](#)

On 10 March 2020, ASIC released its new regulatory framework for foreign financial services providers (FFSPs) providing financial services to Australian wholesale clients. The new framework has two key elements; a new foreign Australian financial services (AFS) licensing regime for FFSPs, and licensing relief for certain providers of fund management financial services seeking to induce some types of professional investors. For further details, please click [here](#)

On 10 March 2020, APRA released the Quarterly Authorised Deposit-taking Institution (ADI) Performance and the Quarterly Authorised Deposit-taking Institution Property Exposures publications for the quarter ending December 2019. For further details, please click [here](#)

On 11 March 2020, due to the uncertain availability of international and interstate speakers and delegates and the evolving situation surrounding the novel coronavirus (COVID-19), ASIC announced that they have made the difficult decision to postpone the ASIC Annual Forum and Annual Dinner 2020. For further details, please click [here](#)

On 16 March 2020, a statement was released by the Council of Financial Regulators (CFR). CFR announced that as Australia's financial system adjusts to the coronavirus (COVID-19), financial regulators and the Australian Government are working closely together to help ensure that Australia's financial markets continue to operate effectively and that credit is available to households and businesses. For further details, please click [here](#)

On 16 March 2020, ASIC announced that as part of the Australian Government's response to the novel coronavirus (COVID-19), ASIC has taken steps to ensure Australian equity markets remain resilient. ASIC, along with the other Council of Financial Regulators agencies, have been closely monitoring financial markets to ensure they remain fair and orderly. For further details, please click [here](#)

On 20 March 2020, ASIC published news that the Coronavirus (COVID-19) may temporarily impact on companies' ability to hold an annual general meeting (AGM). This issue is most immediately relevant for listed and unlisted public companies with 31 December year end dates that are required to hold an AGM by 31 May 2020. For further details, please click [here](#)

On 23 March 2020, a Quarterly Statement was issued by the Council of Financial Regulators (CFR) for March 2020. The CFR met frequently in recent weeks and it held its regular quarterly meeting on Friday 20 March. The main topic of discussion was the coordinated response to the COVID-19 situation, APRA and ASIC indicated that they would shortly announce further plans to reprioritise their regulatory work and reduce the regulatory burden facing institutions in this difficult time. For further details, please click [here](#)

On 23 March 2020, ASIC announced that in coordination with the Council of Financial Regulators, ASIC will focus its regulatory efforts on challenges created by the COVID-19 pandemic. Until at least 30 September 2020, the other matters that ASIC will afford priority are where there is the risk of significant consumer harm, serious breaches of the law, risks to market integrity and time-critical matters. For further details, please click [here](#)

On 23 March 2020, APRA confirmed its regulatory approach to the COVID-19 support packages being offered by banks and other lenders to their borrowers in the current environment. Many banks have recently announced COVID-19 support packages that provide affected borrowers with an option to defer their repayments for a period of up to six months. These packages have mainly been offered to small business and home loan customers. For further details, please click [here](#)

On 23 March 2020, APRA suspended the majority of its planned policy and supervision initiatives in response to the impact of COVID-19. The decision is intended to allow APRA-regulated entities to dedicate time and resources to maintaining their operations and supporting customers, while enabling APRA to intensify its focus on monitoring and responding to the impact of a rapidly changing environment on entities' financial and operational capacity. For further details, please click [here](#)

On 26 March 2020, the Reserve Bank of Australia published news that in light of the current extraordinary circumstances associated with the impact of COVID-19, the Reserve Bank is putting on hold the Review of Retail Payments Regulation that was announced on 29 November 2019. For further details, please click [here](#)

On 30 March 2020, APRA announced it is deferring its scheduled implementation of the Basel III reforms in Australia by one year. APRA's decision further supports authorised deposit-taking institutions (ADIs) in dedicating time and resources to maintaining their operations and supporting customers in response to COVID-19. For further details, please click [here](#)

On 30 March, APRA confirmed its regulatory approach to the Term Funding Facility (TFF) announced by the Reserve Bank of Australia (RBA) on 19 March 2020. The RBA has established the TFF to reinforce the benefits to the economy of a lower cash rate, and encourage authorised deposit-taking institutions (ADIs) to support businesses over the period ahead. For further details, please click [here](#)

On 31 March 2020, ASIC issued an information sheet for providers of funeral expenses facilities. Recent changes to the Corporations Regulations mean that entities who sell funeral expenses facilities will generally be required to hold an Australian financial services licence from 1 April 2020. For further details, please click [here](#)

On 31 March 2020, ASIC announced it will help listed companies raise capital quickly by giving temporary relief to enable certain 'low doc' offers (including rights offers, placements and share purchase plans) to be made to investors, even if they do not meet all the normal requirements. This will assist companies that need to raise funds from investors urgently because of the impact of COVID-19. For further details, please click [here](#)

## Enforcement

On 2 March 2020, ASIC published news that charges were laid against a former credit representative in relation to breach of ASIC banning order. On 25 February 2020, the matter of Shiv Prakash Sahay was mentioned in the Downing Centre Local Court of NSW. Mr Sahay has been charged with breaching an ASIC banning order. For further details, please click [here](#)

On 4 March 2020, Mr Mark Damion Kawecki, of Frankston Victoria, appeared at the Melbourne Magistrates' Court and pleaded guilty to two counts of dishonest conduct in relation to attempts to satisfy the minimum spread requirement for companies seeking to be admitted to the ASX. This is the first prosecution of its kind. For further details, please click [here](#)

On 6 March 2020, Mr Adrian Maxwell Ballintine, 64, of Yaroomba, Queensland has been sentenced by the County Court of Victoria following his entering of a plea of guilty to one charge of authorising the making of false or misleading statements in documents required by, or for the purposes of, the Corporations Act. For further details, please click [here](#)

On 6 March 2020, Mr Jason Dermot Cullen, an Accountant, of Yarraville, Victoria was sentenced by the County Court of Victoria following his guilty plea to two charges of making a false or misleading statement in a document required by, or for the purposes of, the Corporations Act. The Court found that Mr Cullen raised two invoices for amounts of \$275,000 to be addressed to NewSat Limited (NewSat). The invoices were issued for purported financial and advisory services, however no such services were provided to NewSat. For further details, please click [here](#)

On 10 March 2020, ASIC permanently banned Mr. Mark Travis Goldenberg from engaging in any credit activities and from performing any function involved in the engaging in of credit activities (including as an officer, manager, employee and contractor or in some other capacity). ASIC found that Mr. Goldenberg contravened credit legislation and was involved in a contravention of credit legislation. ASIC also had reason to believe that Mr Goldenberg is not a fit and proper person to engage in credit activities. For further details, please click [here](#)

On 11 March 2020, the High Court of Australia published its reasons for judgment allowing ASIC's appeal from the Supreme Court of Queensland on the question of whether Michael Christodoulou King, the former CEO and executive director of MFS Ltd (also known as Octaviar Ltd), was an "officer" as defined in s 9 of the Corporations Act 2001 (Cth) of MFS Investment Management Pty Ltd (MFSIM). For further details, please click [here](#)

On 13 March 2020, Following an ASIC investigation Former Citation Resources Limited (Citation Resources) director Peter Neil Landau and former OKAP Ventures Pty Ltd (OKAP) company secretary Jane Rosemary Flegg was charged with 61 counts of stealing, one count of forgery and one count of uttering a forged document. For further details, please click [here](#)

On 16 March 2020, ASIC commenced proceedings in the Federal Court against Commonwealth Bank of Australia (CBA) for alleged breaches of the ASIC Act and Corporations Act for failures of their AgriAdvantage Plus Package (AA+ Package). For further details, please click [here](#)

On 16 March 2020, ASIC commenced proceedings in the Federal Court against Commonwealth Bank of Australia (CBA) for alleged contraventions of the responsible lending provisions of the National Consumer Credit Protection Act 2009 (National Credit Act). For further details, please click [here](#)

On 16 March 2020, ASIC commenced civil penalty proceedings in the Federal Court against Colonial First State Investments Limited (CFSIL) in its own capacity, and as the trustee for the Colonial First State FirstChoice Superannuation Trust (FirstChoice Fund). ASIC commenced proceedings for alleged breaches of the ASIC Act and the Corporations Act regarding alleged misleading or deceptive communications with members of the FirstChoice Fund. For further details, please click [here](#)

On 17 March 2020, AMP Life Limited (AMP Life) paid a penalty of \$275,500 and AMP Capital Investors Limited (AMP Capital) paid a penalty of \$250,500 to comply with infringement notices issued by ASIC. ASIC issued the infringement notices considering there were reasonable grounds to believe there were breaches in relation to trade reporting rules by AMP Life and AMP Capital. For further details, please click [here](#)

On 18 March 2020, ASIC published news that Societe Generale Securities Australia Pty Ltd (SGSAPL) appeared in the Downing Centre Local Court in Sydney on criminal charges, including two counts of failing to pay client money into segregated authorised bank accounts and two counts of failing to comply with requirements relating to a client money bank account. For further details, please click [here](#)

On 20 March 2020, ASIC suspended the Australian financial services (AFS) licence of Longhou Capital Markets Pty Ltd (Longhou), a Queensland-based financial services provider, for a period of three months, expiring 12 June 2020. This was following the appointment of Christopher Darin, of Worrells Solvency & Forensic Accountants, as voluntary administrator on 28 February 2020. For further details, please click [here](#)

On 24 March 2020, ASIC banned Kelmscott-based financial adviser Mr. Anthony Hilsley from providing financial services for four years after findings that Mr. Hilsley failed to comply with financial services laws, including failing to provide financial advice that was in the best interests of his clients. For further details, please click [here](#)

On 26 March 2020, Trevor William Martin, former Kiama financial advisor, was sentenced to three years' imprisonment to be served by way of Intensive Corrections Order (ICO), for dishonestly obtaining client funds under the NSW Crimes Act. Mr. Martin was ordered to serve 750 hours of supervised community service as part of the ICO. For further details, please click [here](#)

On 27 March 2020, the Full Federal Court confirmed that the directors of Storm Financial, Emmanuel and Julie Cassimatis, breached their duties as directors. These proceedings were an appeal by the Cassimatises against the original judgment handed down in August 2016. ASIC sought to dismiss the appeal with costs. In its 150-page judgment, the full Federal Court, by a majority of two to one, dismissed the appeal. For further details, please click [here](#)

## Cambodia



On 3 March 2020, the Securities and Exchange Commission of Cambodia published an announcement on the Public consultation on Draft Prakas on Financial Soundness of Central Counter Party and Derivative Broker. For further details, please click [here](#)

On 11 March 2020, the Securities and Exchange Commission of Cambodia announced that the 32nd ASEAN Capital Markets Forum (ACMF) Chairs' Meeting was held. During the meeting, ADB announced the approval of a new regional technical assistance (TA) programme to support ACMF initiatives in 2020 - 2022. Additionally, in light of the COVID-19 outbreak, the meeting also shared measures taken by regional securities regulators to better deal with its impact. For further details, please

click [here](#)

## Enforcement

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

## China



On 4 March 2020, SAFE issued a Q&A summarising issues of general concern to the 'Circular on Further Improving the Management of Foreign Exchange Risks of Foreign Institutional Investors in the Interbank Bond Market' which was issued earlier in January this year, with a view to providing further guidance to foreign institutional investors on foreign exchange risk management. The Q&A clarifies that the Circular applies to direct investment in the interbank bond market and investment in bonds transferred from QFII/RQFII to the China Interbank Bond Market Direct program through a non-trading transfer, but not to bond investments under QFII or RQFII. The Q&A also gives a clearer definition on prime brokerage and foreign exchange exposure and explains in detail on account opening, transfer of funds and change of foreign exchange hedging channels. For further details, please click [here](#) (Chinese

only)

On 6 March 2020, CBIRC issued the 'Guiding Opinions of Preventing Financial Crimes for Banking and Insurance Practitioners' in a bid to strengthen internal controls and corporate governance for these institutions. Banking and insurance practitioners should provide compliance training to different business lines on a regular basis to ensure managers with decision-making responsibilities understand the regulatory requirements and enhance their awareness of compliance and risk prevention. The Guiding Opinions focus on preventing financial crimes in areas such as information technology, asset disposal, cash management, asset management, insurance, AML&CFT. For further details, please click [here](#) (Chinese only)

On 12 March 2020, SAFE announced that the macro-prudential regulation parameter in full-covered cross-border financing will be adjusted from 1 to 1.25, in an attempt to facilitate cross-border financing for domestic institutions. For further details, please click [here](#) (Chinese only)

On 12 March 2020, AMAC issued the 'Detailed Implementing Rules for the Practice Integrity of Fund Institutions and Their Staff Members' to analyse the conflict of interests and moral hazard arising from fund activities and set out general provisions on internal control, practice integrity and self-regulation. Fund institutions and their staff are strictly prohibited from transferring improper benefits to public officials, clients or potential clients. It is a self-disciplinary rule in which applies to fund management companies and their domestic subsidiaries that carried out fund business, mutual fund managers and private fund managers. For further details, please click [here](#) (Chinese only)

On 12 March 2020, SAC issued the 'Detailed Implementing Rules for the Practice Integrity of Securities Institutions and Their Staff Members' to set out general provisions for securities firms and their domestic subsidiaries, securities investment consulting agencies, securities credit agencies and AMAC members that carried out securities business. Securities firms and their staff are prohibited from entering agreements that contains false content of services or false service providers, and pay consulting fees or service charges to third parties who did not acquire the professional capacities. For further details, please click [here](#) (Chinese only)

On 13 March 2020, CSRC announced that CSRC will scrap the restrictions on the foreign ownership proportion of securities companies from 1 April 2020. Eligible foreign investors may set up securities companies or file applications for the change the actual controller of securities company after CSRC reviewed and approved the applications. For further details, please click [here](#) (Chinese only)

On 20 March 2020, AMAC issued a Checklist for Registration of Private Investment Fund compatible with 'Registration Notes of Private Investment Fund' issued in December 2019. The Checklist lists out all the materials required for filing a private fund registration (securities and non-securities type) and material change and liquidation of a private fund. To file a private fund registration with AMAC, applicants must submit documents such as letter of undertaking for record-filing signed by the legal representative and Head of Compliance, a fund distribution agreement and a prospectus showing the grounds of and methods for the calculation of performance-based compensation. For further details, please click [here](#) (Chinese only)

On 25 March 2020, CBIRC promulgated the 'Interim Measures of Administration of Insurance Asset Management Products' which will take effect from 1 May 2020. Insurance asset management product can be a debt investment scheme, an equity investment scheme or portfolio insurance asset management product which should be offered to qualified investors only by private offering. The Measures clarify requirements and qualifications for private investors in insurance firms' asset management products and stipulate the scope of investment for insurance asset management products. For further details, please click [here](#) (Chinese only)

On 27 March 2020, CBIRC promulgated the 'Implementing Measures of the CBIRC for Administrative Licensing for Non-bank Institutions'. The Measures seek to simplify procedures for administrative licensing and remove the approval for non-bank institutional shareholders who initially hold less than 5% of shareholding or accumulatively increase in shareholding of less than 5%. The measures also stipulate that major shareholder shall not transfer equities held within 5 years from the date of obtaining the equities. For further details, please click [here](#) (Chinese only)

## Enforcement

On 11 March 2020, CSRC fined Yang Weidong, the then Director of Futures Investment of China United Gold Reserve (Shanghai) Investment & Management Co. Ltd, RMB 300,000 and banned him from re-entering the security market for 5 years for transfer of interests. Yang is also the investment manager of one of the funds under China United Gold Reserve. He traded between his own account and the futures account to make profit, leading the private fund lost more than RMB 1.1 million. For further details, please click [here](#) & [here](#) (Chinese only)

## Hong Kong



On 16 March 2020, the SFC and the Stock Exchange of Hong Kong Limited (the Exchange) released further guidance for listed issuers with 31 December financial year end on the publication of their annual reports. In view of the severity of the COVID-19 outbreak, it is necessary and appropriate to encourage market participants to accord priority to the health and safety of all concerned, including accounting and other personnel of listed issuers and auditors carrying out their work. Listed issuers should assess what is reasonable in fulfilling their reporting obligations in light of their individual circumstances and the SFC and the Exchange will strive to provide assistance as far as possible. For further details, please click [here](#)

On 27 March 2020, the SFC consider the volatility in local and international markets caused by the COVID-19 outbreak, Fund Managers are reminded to closely monitor the dealing and trading of the fund and their management, to ensure that all assets of the funds are fairly and accurately valued in good faith and in the best interests of investors. For further details, please click [here](#)

On 27 March 2020, the SFC issued a circular reminds licensed and registered persons of their obligations under the Code of Conduct when distributing investment products, such as funds and bonds, to their clients. In particular, these include (i) the suitability obligations when they make a solicitation or recommendation and (ii) the obligation to disseminate information in a timely manner where they hold an investment product directly or indirectly on behalf of their clients. For further details, please click [here](#)

On 27 March 2020, the HKMA and SFC issued a joint consultation on the annual update to the list of Financial Services Providers under the over-the-counter (OTC) derivatives clearing regime. Eight additional entities are proposed to be included on the list. For more details, please click [here](#)

On 30 March 2020, the SFC issued a circular providing more information about the annual licensing fee waiver applicable only to the period between 1 April 2020 and 31 March 2021. Accordingly, intermediaries, responsible officers and licensed representatives must still pay annual licensing fees incurred within the period between 1 April 2019 and 31 March 2020. For further details, please click [here](#)

On 31 March 2020, the SFC announced an extension of deadlines of three regulatory expectations due for implementation in 2020 by a further six months. In addition the announcement reminds intermediaries of the alternative order recording options under the existing regulatory framework that may be adopted during the pandemic. For further details, please click [here](#)

## Enforcement

On 19 March 2020, the SFC banned Ms Chan Tan Lo, a former relationship manager of BOCI Securities Limited (BOCIS), for 14 months from 19 March 2020 to 18 May 2021. An SFC investigation found that when Chan executed nine bond transactions for two clients in March 2016, she failed to disclose and/or provided them with inaccurate information about the final execution prices and/or the actual commission rates she charged them. She also overcharged them in these transactions. For further details, please click [here](#)

On 23 March 2020, the SFC banned Ms Mo Shau Wah, a former account executive of China Pacific Securities Limited (China Pacific), from re-entering the industry for life following her criminal conviction. In December 2018, the Court of First Instance found Mo guilty of stealing approximately \$110.2 million worth of shares from China Pacific's clients between January 2005 and October 2012, Mo also made unauthorised sales of the stolen shares in the open market through nominee client accounts held at China Pacific in the names of her relatives. For further details, please click [here](#)

On 25 March 2020, the Market Misconduct Tribunal (MMT) found Magic Holdings International Limited (Magic) and five of its directors culpable of the company's failure to disclose in a timely manner inside information on L'Oréal S.A.'s (L'Oréal) proposed acquisition of Magic in 2013, as required under the corporate disclosure requirements. It was found that the five directors failed to take all reasonable measures to ensure proper safeguards existed within Magic to prevent it from breaching its disclosure obligation. For further details, please click [here](#)

On 31 March 2020, the SFC banned Mr Sammy Shiu Kin Keung, former chief executive officer and responsible officer (RO) of China Rise Securities Asset Management Company Limited (China Rise), from re-entering the industry for 28 months from 30 March 2020 to 29 July 2022. The SFC's disciplinary action against Shiu follows his criminal conviction in 2017 for illegal short selling and the SFC's sanction against China Rise over its internal control failures and regulatory breaches related to short selling and cross trades between January and May 2014. For further details, please click [here](#)

## India

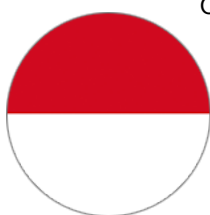


On 5 March 2020, SEBI launched a Mobile Application for the convenience of investors to lodge grievances in SEBI Complaints Redress System (SCORES). The App has all the features of SCORES which is presently available electronically where investors have to lodge their complaints by using internet medium. For further details, please click [here](#)

### Enforcement

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

## Indonesia



On 23 March 2020, the OJK and Financial Services Authority announced that together with Self-Regulatory Organisation (SRO) of the capital market in Indonesia, namely Indonesia Stock Exchange, Indonesia Clearing and Guarantee Corporation, and Indonesia Central Securities Depository will continue monitoring market developments and will proactively review a series of policies to keep the operations of Indonesia's capital markets as usual during the midst of market volatility. For further details, please click [here](#)

On 23 March 2020, The bank of Indonesia announced that in accordance with deliberations and decisions made at the recent RDG meeting in March 2020, they will expedite the implementation of domestic vostro rupiah accounts for foreign investors as underlying transactions for Domestic Non-Deliverable Forwards (DNDF). For further details, please click [here](#)

On 27 March 2020, The Bank of Indonesia announced Indonesia's International Investment Position (IIP) recorded a larger net liability at the end of Q4/2019, driven by an increase of Foreign Financial Liabilities (FFL). Indonesia's IIP registered a net liability total USD338.2 billion (30.2% of GDP), up from USD324.1 billion (29.7% of GDP) at the end of the previous period. For further details, please click [here](#)

On 31 March 2020, The Bank of Indonesia relaxed mandatory reporting for commercial banks and all other parties required to report to Bank Indonesia, as well as exporters of non-natural resources that are yet to meet the regulations concerning foreign exchange proceeds from exports of non-natural resources. For further details, please click [here](#)

### Enforcement

On 14 March 2020, The OJK announced that The Investment Alert Task Force (SWI) found a peer to peer lending fintech, investment entities and private liens without permits still in operation with the potential to be detrimental to the community. A total of 508 illegal fintech lending entities were found during Q1 of 2020. For further details, please click [here](#)

On 18 March 2020, The OJK announced that The Financial Services Authority (FSA) loosened the deadline for submitting reports and holding a General Meeting of Shareholders (GMS) for Capital Market Industry to adjust to the emergency conditions due to the Corona virus in Indonesia. For further details, please click [here](#)

## Japan



On March 4 2020, The FSA finalized the amendments to the "Comprehensive Guidelines for Supervision of Major Banks, etc." In response to the recent exponential development in information and communication technology, and to the amendments to the "Banking Act" made in May 2019, the amendments set forth focal points for financial institutions in regard to obtaining consent from financial services users prior to sharing personal information of those users with third parties. The amended Guidelines were enforced on March 4, 2020. For further details, please click [here](#) (Japanese only)

On March 13 2020, The FSA proposed the draft amendments to the "Comprehensive Guidelines for Supervision of Major Banks, etc." along with the draft regulatory notice designating documents to be submitted to the FSA and ways to utilize information and communications technology pursuant to the provisions of Article 349 of the "Cabinet Office Order on Financial Instruments Business, etc." Based on the fact that administrative procedures are now required to be implemented online in principle in order to improve administrative procedures utilizing information and communications technology and ensure simplification and efficiency of administrative operations, the proposal intends to expressly set forth in the Guidelines the specifics of administrative procedures through online application. For further details, please click [here](#) (Japanese only)

On March 24 2020, The Council of Experts on the Stewardship Code discussed the Second revision of “Principles for Responsible Institutional Investors «Japan’s Stewardship Code»” from October 2019. The Council then published the draft of the Second revised version of the Code and solicited comments between December 20, 2019 and January 31, 2020. For further details, please click [here](#)

On March 24 2020, The FSA announced the Statement by Minister for Financial Services, on ensuring sound market function and market fairness. The JFSA is determined to carefully monitor market developments with heightened alert, making sure that we prevent activities accelerating market instability and market abuse. The JFSA has already put in place permanent measures prohibiting naked short-selling and short selling at prices no higher than the immediate market price under severe downturn, and requirements on reporting and publishing short positions to ensure market fairness. While applying those measures appropriately, the JFSA will cooperate with the SESC and the stock exchanges to conduct a thorough monitoring of market manipulation and other market abuse, and to take rigorous actions against violations, including strict enforcement of restrictions on short selling. For further details, please click [here](#)

## Enforcement

On March 12 2020, The Kanto Local Finance Bureau took administrative actions against Fulham Co.,Ltd. and MLC investment Co.,Ltd., investment advisory and agency business operators, ordering the suspension of their business operations from March 12 to April 11, 2020 in terms of the solicitation for concluding new investment advisory contracts and any other activities that pertain to the conclusion of new investment advisory contracts, and thereby ordering the improvement of their business operations pursuant to the "Financial Instruments and Exchange Act." These administrative actions are based on a recommendation from the Securities and Exchange Surveillance Commission (SESC) as a result of its on-site inspection. For further details, please click [here](#) & [here](#) (Japanese only)

On March 19 2020, The Fukuoka Local Finance Branch Bureau took administrative actions against DTC Co., Ltd. and TRAFFIC TRADE Co., Ltd, ordering the revocation of the entities' registration and the improvement of their business operations pursuant to the "Financial Instruments and Exchange Act." These administrative actions are based on recommendations from the Securities and Exchange Surveillance Commission (SESC) as results of its on-site inspections. For further details, please click [here](#) (Japanese only)

## Korea



On 3 March 2020, FSC introduced revisions to the Financial Investment Services and Capital Markets Act (FSCMA) to enhance transparency and reduce systemic risks in OTC derivative markets by establishing statutory provisions for a trade repository, which will be introduced in October 2020. Going forward, Financial investment companies will be required to report transaction information of OTC derivatives to a trade repository and the violation of this reporting requirement will be subject to a fine of up to KRW 100 million. Trade repositories will be required to get authorisation for ‘trade repository business’ from the FSC and must obtain FSC’s approval for establishing or amending its operational rules. For further details, please click [here](#)

On 5 March 2020, FSC revealed its 2020 policy roadmap for capital markets, which aims to give capital markets a more active role in financing innovative companies. The policy plans involve providing funds tailored to company’s growth cycle, stimulating the IPO markets and securing a transparent and advanced infrastructure in capital markets. For further details, please click [here](#)

On 10 March 2020, FSC tightened regulations on short-selling for three months beginning on 10 March in response to the recent market volatility and decided to closely monitor market developments to take appropriate measures based on contingency plans. The measures include introducing a designation scheme for overheated short-selling stocks, which prohibits the short-selling of stocks with an abnormal increase in short-selling trading volume and a price falling rate, the next trading day. For further details, please click [here](#) & [here](#)

On 13 March 2020, FSC announced its plans to revise the regulations on overseas expansion of financial institutions for easing the regulatory burdens of operating overseas businesses. The amendments include streamlining the registration and reporting process and removing unnecessary requirements. For further details, please click [here](#)

On 17 March 2020, the Cabinet approved the revision to the Act on Reporting and Using Specified Financial Transaction Information, which aligns Korea’s legal framework on crypto assets with international standards set forth by the FATF and strengthens its AML/CFT regime. As such, crypto-asset business operators will be required to report their transactions to the Korea Financial Intelligence Unit (KoFIU), adhere to basic AML requirements such as CDD, suspicious transaction reporting etc and follow additional obligations such as keeping separate transaction details for users. For further details, please click [here](#)

On 17 March 2020, the Cabinet approved the new legislation on financial consumer protection, which will be effective one year after in March 2021. The new legislation closes regulatory loopholes and strengthen administrative measures. For further details, please click [here](#)



## Enforcement

On 4 March 2020, FSC decided to impose penalties on Hana bank and Woori bank for mis-selling of derivatives-linked funds. Both the banks will be suspended from selling private equity funds for six months and a fine of KRW16.78 billion and KRW19.71 billion will be imposed respectively on Hana bank and Woori bank. For further details, please click [here](#)

## Malaysia



On 3 March 2020, Bursa Malaysia in collaboration with SC Malaysia and key market stakeholders announced the target launch date of September 2020 for the physical settlement of MGS futures to further enhance the hedging platform for investors. For further details, please click [here](#)

On 6 March 2020, Bursa Malaysia issued a consultation paper on the proposed introduction of anti-corruption and whistle blowing measures in the LEAP Market Listing Requirements. Views and feedback from the public on the proposed approach is welcomed. For further details, please click [here](#)

On 9 March 2020, The 32nd ASEAN Capital Markets Forum (ACMF) charts path for the creation of a sustainable asset class in ASEAN to support ASEAN's sustainable development agenda for the next five years. The Roadmap sets out recommendations under four priority areas. ACMF has also made further progress on preparing the supplemental MoU on the admission of Philippines into the ASEAN CIS framework. For further details, please click [here](#)

On 20 March 2020, SC Malaysia announced that it will grant flexibilities for capital market participants in meeting selected regulatory requirements, in view of Covid-19 and implementation of Movement Control Order. The regulator is extending deadlines to comply with regulatory filings and submissions to the SC and in the fulfilment of training requirements. For further details, please click [here](#)

On 23 March 2020, SC Malaysia and Bursa Malaysia announced short-selling will be suspended until 30 April 2020 as part of the regulators' proactive measures to mitigate potential risks from heightened volatility and global uncertainties. The suspension does not apply to permitted short-selling. For further details, please click [here](#)

On 24 March 2020, SC Malaysia announced further relief measures for capital market entities. The SC has assured all market participants that the capital markets will continue to function to support the Malaysia economy. The SC and Bursa Malaysia previously agreed to waive all listing related fees for a period of 12 months for companies with market capitalization of less than RM500 million seeking listing on the main market, as well as companies seeking to list on the LEAP and ACE markets. For further details, please click [here](#)

On 26 March 2020, SC Malaysia announced that it has approved additional measures by Bursa Malaysia to assist market participants in this volatile and challenging market environment. For further details, please click [here](#)

## Enforcement

A media search did not find any enforcements for Malaysia during March.

## Mauritius



On 4 March 2020, the FSC Mauritius released a communique notifying corporations that Mauritius was placed on the list of Jurisdictions under Increased Monitoring by the FATF. To date, Mauritius has been able to address 53 of the 58 Recommended Actions identified in the Mutual Evaluation Report. The FATF does not call for application of enhanced due diligence to be applied to Mauritius but encourages its members to take into account the information present in analysis. For further details, please click [here](#)

On 27 March 2020, the FSC Mauritius released a communique announcing the temporary cessation of the operations of the Stock Exchange of Mauritius. The Stock Exchange of Mauritius will reopen on Friday, 3 April 2020. For further details, please click [here](#)

On 30 March 2020, the FSC Mauritius released a communique providing guidance during the COVID-19 curfew period. The FSC Mauritius expects filing and reporting obligations to be submitted through the Online Data Capture System, or through a dedicated email: [filing@fscmauritius.org](mailto:filing@fscmauritius.org). The FSC Mauritius will apply a flexible approach to filing and reporting obligations due by end March 2020 provided they are submitted by 30 June 2020. For further details, please click [here](#)

## Enforcement

## Myanmar



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

### Enforcement

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

## New Zealand



On 18 March 2020, the Reserve Bank of New Zealand published news that the Reserve Bank will delay or slow down most of its regulatory initiatives for an initial period of six months. This action is being taken to reduce the regulatory impost on financial institutions and free up Reserve Bank and industry resources to support our economy and tackle the challenges created by COVID-19. For further details, please click [here](#)

### Enforcement

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

## Philippines



On 13 March 2020, the SEC announced that is requiring publicly listed companies to apprise the investing public of the impact of the new coronavirus disease outbreak on their business operations and the risk mitigation actions they have taken. For further details, please click [here](#)

On 16 March 2020, the SEC announced that it is giving corporations affected by the outbreak of the new coronavirus disease more time to submit their annual and quarterly reports. For further details, please click [here](#)

On 17 March 2020, the SEC announced that it has approved the guidelines allowing participation in corporate meetings through teleconferencing, video conferencing and other remote or electronic means of communications, amid the outbreak of the new coronavirus disease, COVID-19. For further details, please click [here](#)

On 20 March 2020, the SEC announced that it is giving corporations the option to submit the General Information Sheet (GIS) or report the non-holding of elections through mail, courier and email while Luzon and other parts of the country are placed under enhanced community quarantine to contain the new coronavirus disease. For further details, please click [here](#)

On 26 March 2020, the SEC announced that it has started accrediting employees who comprise the skeleton staff of capital market institutions and participants during the new coronavirus pandemic. In a notice dated March 22, the Commission issued the guidelines for the issuance of accreditation IDs or the equivalent certifications for capital market participants, as required under Section A.2 of Resolution No. 13, Series of 2020, of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases. For further details, please click [here](#)

### Enforcement

On 30 March 2020, the SEC ordered Payasian Pte. Ltd. Corporation to stop enticing the public to invest supposedly in a cryptocurrency called Paya without the necessary license. The SEC also prohibited Payasian from transacting any business involving funds in its depository banks, and from transferring, disposing, or conveying in any manner all related assets for the benefit of the investors. For further details, please click [here](#)

## Russia



On 4 March 2020, the Bank of Russia announced the development of a draft ordinance on the requirements for identifying and managing the conflicts of interest of management companies (MCs) and specialised depositories. The new requirements stipulate that MCs and specialised depositories must prevent any conflicts of interest that could arise in the course of their licensed activity. It comes into force on 2 May 2020. For further details, please click [here](#)

On 10 March 2020, the Bank of Russia proposed that market participants consider the possibility of expanding the scope of specialised depositories' activity and modifying this institute. These initiatives are aimed at reducing market participants' and investors' costs, increasing competition, and improving the quality of services rendered by specialised depositories. For further details, please click [here](#)

On 16 March 2020, the Bank of Russia released draft regulations setting out the requirements for calculating operational risk to be included in capital adequacy ratios in accordance with the new standardised approach provided for in Basel III. For further details, please click [here](#)

On 20 March 2020, Bank of Russia implemented measures to help the financial sector maintain its capability to provide resources to the economy, including: support the financial sector's ability to provide resources to the economy, easing regulatory and supervisory burden for financial institutions, easing burden for Russian joint-stock companies. For further details, please click [here](#)

## Enforcement

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

## Singapore



On 23 March 2020, Singapore and Australia agreed to enhance data connectivity in the financial services between the two countries under the Singapore-Australia Digital Economy Agreement (DEA). This will enable financial institutions to move financial data across the two jurisdictions seamlessly to support the risk and business decisions. For further details, please click [here](#)

On 6 April 2020, MAS released an updated version of "FAQs on the Licensing and Registration of Fund Management Companies". No major changes or developments we're noted in the revised copy. Applicants applying for a licensing exemption as a Single Family Office (SFO) under s99(1)(h) of the SFA will now need to submit their application via [go.gov.sg/sfo](http://go.gov.sg/sfo). For further details, please click [here](#)

## Enforcement

On 19 March 2020, MAS imposed a composition penalty of \$400,000 on TMF Trustees Singapore Limited (TTSL) for failure to comply with MAS' AML/CFT requirements. This was uncovered during an inspection conducted by MAS in 2018 where TTSL did not exercise sufficient oversight to ensure effective AML/CFT controls, exposing themselves to the risk of being used as a conduit for ML/TF activities. For further details, please click [here](#)

On 19 March 2020, MAS issued prohibition orders against four former insurance agents and two bank employees following their convictions in the State Courts for offences involving fraud and dishonesty. Five individuals have abused the trust placed by their clients for own personal gains while one of them forged documents in order to evade tax. MAS reiterates that such behaviour is not tolerable in Singapore's financial industry. For further details, please click [here](#)

## Sri Lanka



On 30 March 2020, the Central Bank of Sri Lanka implemented several regulatory measures to provide flexibility to Licensed Commercial Banks and Licensed Specialized Banks in order to provide relief to businesses and individuals affected by COVID-19. These measures include, among others, lowering Capital Conservation Buffers, allowing banks to recover loans in rupees, grant 60-day extensions to borrowers with past due loans as of March 2020, defer capital requirements and extend deadline for submissions by two weeks. For further details, please click [here](#)

On 31 March 2020, the Central Bank of Sri Lanka implemented several measures to provide flexibility to Licensed Finance Companies and Specialized Leasing Companies. These measures include, among others, reduction of maintenance of liquid asset requirements, an extension of one year to comply with minimum core capital requirements, and deferring enhancements of these requirements to July 2021 and 2022. For further details, please click [here](#)

On 31 March 2020, the Central Bank of Sri Lanka established a Rs 50 billion, 6-month refinancing facility, and directed financial institutions to support COVID-19 hit businesses and individuals. A full list of these measures and further details can be found [here](#)

On 31 March 2020, the SEC Sri Lanka released a circular to all margin providers and licensed stock brokers granting their clients a moratorium from payment of interest on credit extended to them. They are directed to refrain from charging and recovering this interest until 30 June 2020. For more details, please click [here](#) and [here](#)

## Enforcement

A media search did not find any enforcements for Sri Lanka during March.

## Taiwan



On 17 March 2020, the FSC completed amendments made to Article 22 and 40 of the Regulations Governing the Preparation of Financial Reports by Securities Firms as well as Article 24 and 41 of the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants. It is clearly stated that listed securities dealers and futures dealers should disclose the name, shareholding amount and proportion of shareholders with an equity ratio of more than 5% in the quarterly financial report. The new requirements were applicable since the Q1 financial report 2020. For more details, please click [here](#) (Chinese only)

On 17 March 2020, the FSC published a consultation paper regarding the amendments made to Article 2-3 of the Standards Governing Eligibility of Securities for Margin Purchase and Short Sale. The intended amendments were made to relax the criteria for reviewing the qualifications for margin trading and securities lending. For more details, please click [here](#) (Chinese only)

## Enforcement

On 24 March 2020, Farglory Life Insurance Inc. was fined NT\$ 3.5 million for breaking the Article 149 and 171-1 of the Insurance Act and Article 7 of the Money Laundering Control Act when the company's compliance department failed to actually complete project audit and risk assessment. The company also failed to conduct reasonable CDD measures on the beneficial person of their insured clients. For more details, please click [here](#) (Chinese only)

## Thailand



On 2 March 2020, SEC informed the Audit Committee and auditor of Star Petroleum Refining Public Company Limited (SPRC) to provide additional information related to the business email compromise. For further details, please click [here](#)

On 13 March 2020, SEC announced the resolutions of CMSB, granting exemption for AGM holding and financial statements submission amid COVID-19 situation. For further details, please click [here](#)

On 19 March 2020, SEC announced that business operators should make necessary preparations to handle COVID-19 situation. SEC requests business operators to implement the BCP ensuring that it covers key work systems, including the trading system, the risk control system in compliance with the Net Capital Rules and the investment management system. For further details, please click [here](#)

On 19 March 2020, SEC announced cancellation of holidays for securities companies and derivatives business operators during 13-15 April 2020. For further details, please click [here](#)

On 24 March 2020, SEC allowed asset management companies to borrow money or enter into a repurchase transaction agreement for fixed income funds and mixed funds that primarily invest in debt securities, to support temporary liquidity management amid the spread of Covid-19. For further details, please click [here](#)

On 25 March 2020, SEC and business operators in capital market reaffirmed service continuity amid COVID-19 situation. For further details, please click [here](#)

On 30 March 2020, SEC announced that 7 super saving funds (SSF) established by 13 asset management companies to invest mainly in listed securities have been approved. For further details, please click [here](#)

## Enforcement

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

## Vietnam



On 4 March 2020, the State Bank of Vietnam (SBV) released an article outlining the enhanced measures the Banking sector have implemented to support Covid-19 affected customer. Several documents has been issued to instruct credit institutions to frequently review and assess the losses caused by Covid-19 in order to promptly conduct measures to remove the difficulties for their customer. For further details, please click [here](#)

On 18 March 2020, the State Bank of Vietnam (SBV) issued a circular to support customers affected by Covid-19 epidemic. Specifically, the Governor of the State Bank of Vietnam (SBV) issued Circular No. 01/2020/TT-NHNN directing credit institutions and foreign bank branches to restructure the repayment periods, waive and reduce interest and fees, maintain debt classifications in order to support those customers affected by Covid-19 epidemic (Circular 01) on March 13, 2020. For further details, please click [here](#)

On 26 March 2020, the State Bank of Vietnam (SBV) published an announcement that Governor Le Minh Hung of the State Bank of Vietnam (SBV) had a talk over the phone with Mr. Masatsugu Asakawa, President of the Asian Development Bank (ADB) to exchange information about the Covid-19 pandemic, as well as ADB's policies to support Vietnam's Covid-19 response. For further details, please click [here](#)

On 27 March 2020, the State Bank of Vietnam (SBV) published an announcement that G20 Finance Ministers and Central Bank Governors met virtually on Monday 23 March 2020, under the Saudi Arabia G20 Presidency, to discuss the impacts of the Covid-19 pandemic on the global economy and financial systems, as well as to coordinate their efforts in response to this global challenge, preparing for the coming G20 Leaders special summit on combating the global coronavirus pandemic. For further details, please click [here](#)

On 31 March 2020, the State Securities Commission of Vietnam (SSC) published Circular No. 14/2020/TT-BTC dated 18 March 2020 issued by the Ministry of Finance, announcing the reduction and waiver of fees for 15 types of securities services to support the securities market in response to Covid-19. For further details, please click [here](#)

On 31 March 2020, the State Securities Commission of Vietnam (SSC) announced that Mr. Nguyen Anh Tuan, Director of Price Management Department, Ministry of Finance discussed with journalists about the policy of price discounting and exemptions from fees of some securities services to support the securities market in the difficult situation due to Covid-19 epidemic. For further details, please click [here](#)

On 31 March 2020, the State Securities Commission of Vietnam (SSC) announced that certain measures to ensure compliance with the instructions of the Prime Minister as stated in the Instruction No.16/CT-TTg dated 31st March 2020 regarding drastic implementation for the Covid 19 disease prevention. For further details, please click [here](#)

## Enforcement

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

## 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.