



CA | ComplianceAsia

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Welcome to our Regulatory Newsletter for May 2020

Executive Summary

To continue its efforts to ease the compliance burden on financial institutions during the COVID-19 pandemic in **Korea**, the Korean Financial Services Commission (FSC) announced a one-year postponement of the implementation of margin requirements for non-centrally cleared OTC derivative transactions.

In **Hong Kong**, the Securities and Futures Commission (SFC) welcomed the re-appointment of Mr. Ashley Alder as its Chief Executive Officer for another three years. In addition, the SFC handed out a total of HK\$18.5 million worth of fines for a variety of internal control failures. Notable fines include Mega International Commercial Bank Co., Ltd. (MICBC) at HK\$7 million, as well as Convoy Asset Management Limited (CAML) at HK\$6.4 million.

It was a quieter month in **Singapore** with the Singaporean Exchange Regulation announcing the removal of the minimum trading price rule for mainboard issuers with effect from 1 June 2020.



CA Podcast
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COMPLIANCE IN ASIA

A Weekly Recap of Compliance Developments in Asia



Australia



On 6 May 2020, ASIC analysed the markets during the COVID-19 period and findings revealed a substantial increase in retail activity across the securities market, as well as greater exposure to risk. ASIC found that some retail investors are engaging in short-term trading strategies unsuccessfully attempting to time price trends. For further details, please click [here](#).

On 7 May 2020, ASIC warns consumers about investment advertising that compares fixed-term investment products to bank term deposits. A surge in such marketing of fixed-term investment products in recent months has prompted ASIC to caution consumers to take care when making investment decisions based on such advertising. For further details, please click [here](#).

On 11 May 2020, The Australian Prudential Regulation Authority (APRA) published news that its latest data on the temporary early release of superannuation schemes found trustees are processing 96% of payments within five business days. APRA's second weekly publication of industry-level data from its Early Release Initiative (ERI) data collection showed that, as of 3 May, superannuation funds had issued early release payments to 830,000 members worth a total of \$6.3 billion. For further details, please click [here](#).

On 13 May 2020, ASIC published news that it will extend the deadline for both listed and unlisted entities to lodge financial reports under Chapters 2M and 7 of the Corporations Act (the Act) by one month for certain balance dates up to and including 7 July 2020 balance dates. For further details, please click [here](#).

On 13 May 2020, ASIC announced the final tranche in over \$160 million in remediation for consumers sold junk consumer credit insurance (CCI). This follows ASIC's 2019 report (REP 622) on the sale of CCI by 11 major banks and lenders across eight years, which found that the design and sale of CCI had consistently failed consumers. For further details, please click [here](#).

On 14 May 2020, ASIC outlined its expectations for all market participants to act appropriately to ensure Australia's equity markets remain resilient. In a letter published on 14 May 2020, all equity market participants were requested to take reasonable steps to ensure the number of trades matched from their orders. For further details, please click [here](#).

On 28 May 2020, The Australian Prudential Regulation Authority (APRA) released its Quarterly General Insurance Performance Statistics and Quarterly General Insurance Institution Level Statistics publications for the March 2020 quarter. The Quarterly General Insurance Performance Statistics publication provides industry aggregate summaries of financial performance, financial position, capital adequacy and key ratios. For further details, please click [here](#).

On 28 May 2020, The Australian Prudential Regulation Authority (APRA) released its Quarterly Life Insurance Performance Statistics publication for the March 2020 quarter. The Quarterly Life Insurance Performance Statistics publication provides industry aggregate summaries of financial performance, financial position, capital adequacy and key ratios. For further details, please click [here](#).

On 29 May 2020, ASIC published news that the Federal Court of Australia has declared several terms within six small business contracts used by Bendigo and Adelaide Bank to be unfair. For further details, please click [here](#).

Enforcement

On 4 May 2020, ASIC cancelled the Australian Financial Services (AFS) license of Olive Financial Markets Pty Ltd (Olive) following concerns that it had not complied with its obligations as an AFS licensee and that it was likely that Olive would contravene its obligations in the future. For further details, please click [here](#).

On 6 May 2020, ASIC published news that a former director, Mr. Mark Edwin Armstrong, 59, of Dunsborough in Western Australia, was charged with making a false or misleading statement to ASIC. Mr. Armstrong was due to appear in the Perth Magistrates Court on 5 June 2020. For further details, please click [here](#).

On 6 May 2020, Mr. Craig Robert Dale, 52, of Karrinyup, Western Australia was charged with one count of dishonestly using his position as a director of Stellar Corporate Solutions Pty Ltd and seven counts of conducting transactions so as to avoid reporting requirements under the Anti-Money Laundering and Counter-Terrorism Financing Act (AML&CTF Act). For further details, please click [here](#).

On 6 May 2020, ASIC published news that Pershing Securities Australia Pty Ltd (PSAL) pleaded guilty at the Downing Centre Local Court in Sydney to mishandling client monies. PSAL is the first company in Australia to face criminal prosecution for breaching client money provisions, which are designed to protect the interests of AFS licensee clients by ensuring that client money is kept separate from licensee money. For further details, please click [here](#).

On 7 May 2020, ASIC disqualified Mr. Yahya Alameddine of Sydney, NSW, from managing companies for the maximum period of five years. Mr. Alameddine was disqualified for his failure in his role of four companies: KEM Group Pty Ltd, ABT Enterprises Pty Ltd, GYA Group Pty Ltd and World Co Pty Ltd. The companies were involved in labour hire and consultancy services. For further details, please click [here](#).

On 8 May 2020, ASIC commenced civil proceedings and obtained urgent interim orders in the Federal Court against Mudasir Mohammed Naseeruddin (commonly referred to as Naseer or Mudasir), Secure Investments Pty Ltd (Secure Investments) and Aquila Group Pty Ltd (Aquila) (the Defendants) due to concerns of misleading and deceptive conduct and the operation of an illegal managed investment scheme. For further details, please click [here](#).

On 11 May 2020, ASIC banned Adelaide-based financial adviser Christopher Norman Harris from providing financial services for ten years. From October 2008 to May 2017, Mr. Harris was an authorized representative of Millennium3 Financial Services Pty Ltd (Millennium3), which was owned by ANZ at the time. He was an authorized representative of Dover Financial Advisers Pty Ltd (Dover) from May 2017 to June 2018. For further details, please click [here](#).

On 13 May 2020, ASIC announced that the Queensland Court of Appeal dismissed an appeal by Bradley Keith Silver, former Gold Coast director and property developer, against the severity of his sentence for dishonesty offences totalling over \$4.7 million. For further details, please click [here](#).

On 18 May 2020, ASIC cancelled the Australian financial services (AFS) licence of NSW-based financial services provider Tailormade Financial Strategies Pty Ltd due to the Company being in liquidation. ASIC also revoked its suspension of Sydney-based responsible entity Ausfunds Management Limited's (Ausfunds) Australian financial services (AFS) licence due to breach of its AFS licence by failing to maintain sufficient financial resources. For further details, please click [here](#).

On 26 May 2020, ASIC banned Hunter Valley-based financial adviser Sean Philip Lewis from providing financial services for five years following an ASIC surveillance of Mr. Lewis' advice while he was an authorised representative of Spectrum Wealth Advisers. ASIC found that Mr. Lewis failed to comply with financial services laws by failing to provide advice that was in the best interests of his clients and advice that was appropriate for his clients' objectives. For further details, please click [here](#).

On 27 May 2020, Following an ASIC investigation, Bassem Fares of Sydney, New South Wales, was convicted of giving misleading information. Mr. Fares created misleading documents, which were then provided to financial institutions in support of loan applications. Mr. Fares, a former lending officer with Firstfolio Services Pty Ltd, appeared in the Downing Centre Local Court and pleaded guilty to five charges of giving misleading information in the course of engaging in a credit activity. For further details, please click [here](#).

On 28 May 2020, ASIC cancelled the Australian financial services (AFS) licence of Sydney-based financial services provider Squareknot Pty Ltd (Squareknot) after it found that Squareknot did not meet the base level financial requirements of its licence. ASIC also suspended the AFS licence of NSW-based financial services provider Forex Plus Australia Pty Ltd (Forex Plus) for six months, effective from 5 May 2020, after ASIC became aware that Forex Plus had not been providing financial services for some time. For further details, please click [here](#).

On 29 May 2020, ASIC banned Ian Williams, Peter Daly and Paul Raftery from providing any financial services for a period of five years each. They were all directors, and ASIC found that Mr. Williams, Mr. Daly and Mr. Raftery did not understand the importance of the duties of directors to protect members of the managed investment schemes and, as a result, their conduct put significant amounts of other people's money at risk. For further details, please click [here](#).

Cambodia



On 25 May 2020, the SECC announced that His Excellency SOU Socheat, the Director General of the Securities and Exchange Commission of Cambodia and his colleagues attended ACLEDA Bank Plc Equity Securities Listing Ceremony at CSX which presided by Dr. Aun Pornmoniroth, Deputy Prime Minister and Minister of Ministry of Economy and Finance. ACLEDA Bank Plc is the 6th listed company that has listed equity securities and 12th company that has been listed on CSX. For further details, please click [Here](#)

Enforcement

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

Mainland China



On 6 May 2020, CBIRC issued a 'Notice on Matters regarding Asset Investment Companies Undertaking Business of Asset Management'. Asset investment companies are now allowed to set up debt-to-equity swap plans to qualified investors through private fundraising. The plans may invest in market-oriented debt-to-equity swap assets including convertible bonds, ordinary shares, preferred shares and debt-to-equity special bonds. For further details, please click [here](#) (Chinese only)

On 7 May 2020, PBOC and SAFE jointly issued the 'Administrative Provisions on Funds for Domestic Securities and Futures Investment by Foreign Institutional Investors' that they will officially scrap the quota limits on QFII and RQFII. The restriction on number of custodians mandated by a foreign institution has also been removed, allowing a qualified foreign investor to entrust multiple domestic custodians to undertake registration procedures. Qualified foreign investors only need to submit a registration to SAFE in order to remit funds to other countries. For further details, please click [here](#) & [here](#) (Chinese only)

On 8 May 2020, CBIRC issued a consultation of 'Interim Measures for the Administration of Trust Capital of Trust Companies' to outline the duties and business rules of trust companies. It stipulates the need to perform procedures for determining qualified investors, who should have two or more years of investment experience. The total amount of loans provided to others or investment in other non-standardized debt assets by collective trust capital shall not exceed 50% of the total trusts received at any point in time. For further details, please click [here](#) (Chinese only)

On 9 May 2020, CSRC issued a consultation of 'Administrative Measures on Custody Business for Securities Investment Fund' to solicit public opinions. China branches of qualified foreign banks are allowed to apply for fund custody license if their parent company's net asset meet the RMB 20 billion requirement. The consultation also clarifies the access conditions for China branches of foreign banks and reiterates the responsibilities and regulatory arrangements for their parent company. For further details, please click [here](#) (Chinese only)

On 14 May 2020, PBOC, CBIRC, CSRC and SAFE jointly issued the 'Guidelines concerning Financial Support for Guangdong-Hong Kong-Macao Greater Bay Area' to open up the financial market for the Greater Bay Area. Under the guidelines, mainland citizens in the Greater Bay Area will be allowed to purchase financial products sold by Hong Kong and Macao banks, and vice versa. Hong Kong and Macao institutional investors will be allowed to invest in private equity funds and venture capital funds in the Greater Bay Area through Qualified Foreign Limited Partnership. For further details, please click [here](#) and [here](#) (Chinese only)

On 15 May 2020, Yi Huiman, chairman of the CSRC, delivered a speech at an event for the National Investor Protection Day. The speech covered topics such as capital market risk prevention, penalties for violations, investor protection and refinancing policy. Yi stressed that CSRC will conduct a thorough investigation into cases that undermined investor confidence and give 'zero tolerance' toward financial fraud, and he pledged to provide policy support and guidance for the industry to encourage commercial banks to set up fund management companies. For further details, please click [here](#) (Chinese only)

On 19 May 2020, CBIRC issued two notices which are the 'Notice on Carrying Out Principal Responsibility for Insurance Company and Strengthening the Administration of Insurance Sales Practitioners' and the 'Notice on Effectively Strengthening Administration of Practitioners of Insurance Intermediaries', to clarify the principal responsibility for insurance companies and insurance intermediaries. The two notices urge insurance firms to clarify the standard of employee entry and exit process and examine the education qualifications, work experience, knowledge in insurance products and integrity records of their staff. In particular, the second notice specifies the characteristics and market positioning of insurance intermediaries. For further details, please click [here](#) (Chinese only)

On 19 May 2020, CBIRC issued the 'Measures for the Supervision of Credit Insurance and Guarantee Insurance' to set out operational requirements on insurers' solvency margin ratios and risk control practices. To be qualified to provide credit guarantee insurance, insurance companies should have a core solvency ratio of at least 75% for two consecutive quarters and set up a department specifically for credit guarantee insurance. After the 6-month grace period has elapsed, insurance companies which do not conform the requirements under the Measures will not be allowed to provide financing credit insurance. For further details, please click [here](#) (Chinese only)

On 20 May 2020, PBOC and the State Administration for Market Regulation (SAMR) signed a 'Memorandum of Cooperation of Data Sharing' to strengthen cross-regional and cross-department circulation of data and promote finance digital transformation. For further details, please click [here](#)

On 27 May 2020, CBIRC issued a 'Notice on Issues Concerning the Investment of Insurance Funds in Banks' Capital Replenishment Bonds' to expand the range of issuers of capital replenishment bonds for investment by insurance funds and scrap the requirements on external credit rating for issuers. Additionally, the credit risk management

capacity of insurance institutions should reach the standards stipulated by CBIRC and that the solvency adequacy ratio of the insurance institutions for the end of last quarter shall not be less than 120%. For further details, please click [here](#) (Chinese only)

On 29 May 2020, CSRC issued the 'Decision to Amend the Provisions on the Subordinated Debts of Securities Companies' to better support the development of financial industry. The newly issued provisions allow securities companies to issue subordinated debts publicly and support them to issue write-down bonds and other varieties. Besides, the Provisions unify the scope of institutional investors in accordance with the 'Measures for the Suitability Management of Securities and Futures Investors'. For further details, please click [here](#) (Chinese only)

Enforcement

On 6 May 2020, AMAC revoked the registration of 28 Chinese private fund managers as they had failed to submit specific legal opinions to AMAC within the prescribed period as required. Those institutions are not allowed to carry out private fund business after being deregistered by AMAC. For further details, please click [here](#) (Chinese only)

On 9 May 2020, CSRC announced 20 typical illegal cases inspected by CSRC in 2019, which mainly includes due diligence failure, falsification of account, failing to disclose information, market manipulation and insider trading. For further details, please click [here](#) (Chinese only)

On 9 May 2020, CBIRC fined Bank of China Limited RMB 2.7 million for under-reporting the number of its wealth management products, transaction information and its trade finance. For further details, please click [here](#) (Chinese only)

On 9 May 2020, CBIRC fined Bank of Communications Co Ltd RMB 2.6 million for under-reporting of several issues, including the number of its wealth management products, transaction information and credit guarantee contracts. For further details, please click [here](#) (Chinese only)

On 14 May 2020, CSRC fined Kangmei Pharmaceutical Co. Ltd RMB 600,000 for inflating revenues and fabricating bank deposits and its financial reports from 2016 to 2018. CSRC found that Kangmei used fake bank deposit slips to inflate cash reserves. Six executives from Kangmei were banned from entering the securities market for periods ranging from 10 years to lifetime. For further details, please click [here](#) (Chinese only)

On 18 May 2020, CBIRC fined China Cinda Asset Management Co Ltd RMB 9.1 million for violating the prudent operation rules stipulated in the 'Banking Supervision Law of the PRC'. CBIRC found that China Cinda Asset Management acquired assets of non-financial institutions and concealed risks by internal transactions. For further details, please click [here](#) (Chinese only)

Hong Kong



On 7 May 2020, the Board of Directors ("Board") of Hong Kong Exchanges and Clearing Limited ("HKEX") today resolved to re-appoint Mrs Laura May-Lung Cha ("Mrs Cha") as the Chairman of the Board ("Chairman") for a term to be coterminous with her directorship.

On 18 May 2020, the SFC welcomes the re-appointment of Mr Ashley Alder as the Chief Executive Officer (CEO) for another three-year term, effective from 1 October 2020. For further details, please click [here](#).

On 27 May 2020, the Hong Kong Exchanges and Clearing Limited (HKEX) is today pleased to announce that its wholly owned subsidiary, Hong Kong Futures Exchange Limited, has signed a major licensing agreement with MSCI Inc. (NYSE: MSCI), a leading provider of mission critical decision support tools and services for the global investment community, to license a suite of MSCI indexes in Asia and Emerging Markets for the introduction of futures and options contracts in Hong Kong. For more details, please click [here](#)

Enforcement

On 7 May 2020, the SFC has reprimanded and fined Mega International Commercial Bank Co., Ltd. (MICBC) \$7 million over MICBC's internal system and control failures in relation to the sale of collective investment schemes. The SFC conducted an investigation which found that, in the course of selling CISs to clients between August 2014 and July 2015, MICBC had failed to implement adequate and effective systems and controls. For further details, please click [here](#).

On 11 May 2020, the SFC has obtained disqualification orders in the Court of First Instance against three former directors of EganaGoldpfeil (Holdings) Ltd (EHL) for their roles in the company's misapplication of funds. The Court found that the three former directors had approved transactions and signed cheques giving rise to the company's

doubtful receivables amounting to about \$2.55 billion, including payments to at least seven debtors which were in fact under the control of Mr David Wong Wai Kwong and the underlying transactions for the payments were in fact not genuine commercial transactions. For more details, please click [here](#).

On 18 May 2020, the SFC has reprimanded and fined Southwest Securities (HK) Brokerage Limited (SSBL) \$5 million for failures in complying with anti-money laundering and counter-terrorist financing (AML/CFT) regulatory requirements in 2016 who failed to implement adequate and effective policies and procedures to mitigate the risk of money laundering and terrorist financing associated with third party deposits; and establish proper internal systems and controls to monitor its clients' activities, and detect and report suspicious transactions to the Joint Financial Intelligence Unit (JFIU) in a timely manner. For more details, please click [here](#).

On 19 May 2020, the SFC has reprimanded and fined Convoy Asset Management Limited (CAML) \$6.4 million for control failures in solicitation and recommendation of bonds to clients. CAML failed to conduct proper and adequate product due diligence on these bonds before making recommendations or solicitation and did not maintain proper documentary records of the investment advice or recommendations given to its clients and provide each of them with a copy of the written advice. For more details, please click [here](#).

On 21 May 2020, the SFC has presented a petition to the Court of First Instance to wind up Combest Holdings Limited (Combest) and to disqualify the company's executive directors, Mr Liu Tin Lap and Mr Lee Man To, and a suspected shadow director, Mr Ng Kwok Fai under the Securities and Future Ordinance to protect the interest of Combest's shareholders, creditors and the investing public. For further details, please click [here](#).

On 28 May 2020, the SFC has banned Mr Kwok Chau Mo, a former fund manager of Guosen Securities (HK) Asset Management Company Limited (GSHKAM), for nine months from 28 May 2020 to 27 February 2021. The SFC considers that Kwok's conduct in circumventing the internal control policies of GSHKAM was dishonest and deliberate, calling into question his fitness and properness to be a licensed person. For further details, please click [here](#).

India



On 12 May 2020, SEBI issued a circular regarding e-KYC Aadhaar authentication which permits SEBI registered intermediaries and mutual fund distributors to undertake Aadhaar authentication services through KYC user agencies (KUA) that are registered with the Unique Identification Authority of India (UIDAI). For Aadhaar authentication through KUAs, intermediaries must enter into an agreement with the KUA and get themselves registered with UIDAI as sub-KUAs. For further details, please click [here](#)

Enforcement

On 7 May 2020, the SEBI has advised Franklin Templeton mutual fund (FT) to focus on returning money to investors. This regards their winding up of six of their debt schemes. For further details, please click [here](#).

Indonesia



A media search did not find any news for Indonesia during May.

Enforcement

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

Japan



On May 8, 2020, The FSA proposed the draft amendments to the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators." The proposal pertains to contemplated updates from the scheduled repeal of the "Inspection Manual for Financial Instruments Business Operators," which is under the purview of the SESC. For further details, please click [here](#)

On May 1, 2020, The FSA finalized the amendments to the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators." The amendments 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.". For further details, please click [here](#)

On May 1, 2020, The FSA announced that The Council of Experts Concerning the Japanese Version of the Stewardship Code published the Principles for Institutional Investors on February 26, 2014. For further details, please click [here](#)

On May 22, 2020, The FSA has published a survey report on impact investing activities in listed equity, which was outsourced to Nissay Asset Management Corporation for the purpose of clarifying the current status of efforts by institutional investors and obtaining insights into challenges for future development. For further details, please click [here](#)

Enforcement

A media search did not find any enforcements for Japan during May.

Korea



On 6 May 2020, FSC announced a one-year postponement of the implementation of margin requirements for non-centrally cleared OTC derivative transactions to help ease compliance burdens on financial institutions amid the COVID-19 crisis. For financial institutions with non-centrally cleared derivatives of KRW70 trillion or more, the implementation will be from 1 September 2021 and for financial institutions with non-centrally cleared derivatives of KRW10 trillion or more and less than KRW70 trillion, the implementation will be from 1 September 2022. For further details, please click [here](#)

On 13 May 2020, FSC decided to extend the reporting deadline until 31 August 2020 for financial companies' overseas branches that face compliance burdens due to COVID-19. As such, the financial companies' overseas branches are exempted from the fine of KRW7 million for failure to submit their annual performance report by the deadline. For further details, please click [here](#)

On 18 May 2020, FSC announced measures to improve ETF and ETN markets which intend to prevent indiscriminate investment behaviour in ETF and ETN markets by requiring minimum deposits and mandatory online education for retail investors. The measures also intend to improve brokerage firms' management of disparate ratios to minimize investor damages from speculative demand and creating an environment for the development of diverse investment products to break up excess demand on particular instruments. For further details, please click [here](#)

Enforcement

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

Malaysia



On 4 May 2020, The SC issued today new Guidelines on Advertising for Capital Market Products and Related Services to promote responsible advertising of capital markets products and services and encourage greater use of digital channels. For further details, please click [here](#)

On 5 May 2020, The SC announced today that it will facilitate the online distribution of capital market products such as unit trusts, through e-Services platforms like e-wallet or e-payment service providers. For further details, please click [here](#)

On 8 May 2020, The SC issued guidance today for capital market participants 1, outlining health and safety measures to be taken in planning and managing their return to operations at full capacity. For further details, please click [here](#)

On 29 May 2020, The SC today issued a warning to the investing public on the rise of clone firm scams where a fraudulent company will set itself up to look like a capital market intermediary that is licensed or registered with the SC, in order to deceive investors. For further details, please click [here](#)

Enforcement

On 10 May 2020, The Kuala Lumpur High Court had on 8 May 2020, granted an interim Order for the SC to freeze the assets of, among others, Wong Shee Kai, who is currently still at-large. The Order stems from the SC's suit

against the defendants in relation to securities fraud offences involving Bright Packaging Industry Berhad under Section 179 of the CMSAct 2007. For further details, please click [here](#)

On 16 May 2020, The SC had on 8 May 2020 filed a civil suit at the Kuala Lumpur High Court against five individuals, including former directors and remisiers for market manipulation offences involving RPB. For further details, please click [here](#)

Mauritius



On 9 May 2020, the FSC Mauritius released a communique announcing that it has taken note of being added to the List of High Risk Third Countries ("List") issued by the European Commission on 7 May 2020. The date of application of addition to the List is 1 October 2020. It reiterated its commitment to implementing the FATF action plan at the earliest and had already sent a first progress report to the FATF which has not yet been assessed due to the current situation. For more details please click [here](#), and to view the changes to the List click [here](#).

Enforcement

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

Myanmar



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

Enforcement

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

New Zealand



On 6 May 2020, The Financial Markets Authority (FMA) and External Reporting Board (XRB) released their second joint review of key audit matters, after audit reporting standards were lifted three years ago. Key audit matters (KAMs) were issues that, in the auditor's view, of most significance to the audit of a company's financial statements. For further details, please click [here](#).

On 13 May 2020, The Financial Markets Authority (FMA) and Commerce Commission launched a campaign to raise awareness of investment scams and pyramid schemes among Pacific communities in New Zealand. This follows concerns about scams targeting Pacific communities and also a rise in COVID-19 scams. For further details, please click [here](#).

On 14th May 2020, The Financial Markets Authority (FMA) announced that MBIE have published the outcome of the review of the FMA's funding and levies which took place earlier this year. For further details, please click [here](#).

On 18th May 2020, The Financial Markets Authority (FMA) announced that preparations for the new financial advice regime continue to progress despite the disruption caused by COVID-19. The regulator approved almost 800 transitional licence applications, representing around 5,500 financial advisers which is over half the estimated number of advisers in New Zealand. For further details, please click [here](#).

Enforcement

On 28 May 2020, The Financial Markets Authority (FMA) issued a formal warning to a financial adviser who made recommendations to clients that they must urgently move their investments to 'low risk' funds in the wake of COVID-19. The adviser failed to clarify that the advice may not be suitable for all clients. For further details, please click [here](#).

Philippines



On 26 May 2020, in view of the declaration of the Inter-Agency Task Force on Emerging Infectious Diseases of Code Red Sub-Level 2, thereby imposing community quarantine and stringent social distancing measures in the National Capital Region effective 15 March 2020, which discourage clients' visit to the Asset Management Department (AMD) of the Bangko Sentral Ng Pilipinas (BSP). For further details, please click [here](#).

On 28 May 2020, the BSP-registered foreign portfolio investments for April 2020 yielded net outflows of US\$660 million resulting from the US\$1.3 billion gross outflows and US\$627 million gross inflows for the month. This is lower than the recorded net outflows of US\$961 million in March. For further details, please click [here](#).

Enforcement

A media search did not find any enforcements for Philippines during May.

Russia



On 7 May 2020, in order to secure the rights and legitimate interests of corporate relationship participants, including minority shareholders, and to ensure the continuity of Sberbank's corporate governance and the pursuance of its priority activities, the Bank of Russia and the Government of the Russian Federation represented by the Russian Ministry of Finance signed a shareholder agreement on 30 April 2020. For further details, click [here](#)

On 13 May 2020, the Bank of Russia published news that information indispensable for investment decisions, which is disclosed at the time securities are issued and as part of regular reports, will now be presented through IFRS-based reporting. Any non-essential, redundant or duplicate data will remain unpublished. The new Bank of Russia regulation governing information disclosure by issuers sets out conditions enabling a transition to information disclosure by an issuer group on a consolidated basis. For further details, click [here](#)

On 18 May 2020, the Bank of Russia has established the Financial Market Infrastructure Department (FMID) and the Investment Finance Intermediation Department (IFID) to start their work on 1 June. For further details, click [here](#)

On 21 May 2020, the Bank of Russia has changed the requirements for investing non-governmental pension funds (NPF) pension savings and investment funds (IF) assets. The new requirements are aiming to expand investment opportunities for NPFs and IFs and to mitigate adverse consequences of the coronavirus pandemic for financial market participants. The regulator's instructions have been approved by Russia's Ministry of Justice and become effective on 21 May 2020. For further details, click [here](#)

On 29 May 2020, the Bank of Russia proposed common format for informing consumers about financial products. Consumers should receive the essential information on financial products in a common format and prior to signing relevant contracts. The Bank of Russia has prepared its consultation paper to discuss financial institutions' obligation to deliver the Key Information Document (KID) to their clients. For further details, click [here](#)

On 29 May 2020, the Bank of Russia was going to make it simpler for financial consumers, investors and general public to access information on financial institutions' ownership structures. Insurance, management and microfinance companies will be obliged to disclose information on their structures and shareholders, including persons controlling or materially influencing these organisations, on the Bank of Russia website. For further details, click [here](#)

Enforcement

A media search did not find any enforcement news for Russia during June.

Singapore



On 11 May 2020, The SGX RegCo is removing the minimum trading price, rule for Mainboard issuers with effect from 1 June 2020. Since the implementation of a series of anti-manipulation tools, the number of manipulation alerts triggered on our market has declined. For further details, please click [here](#)

Enforcement

On 8 May 2020, The MAS has issued POs against two former bank employees and two former insurance agents for fraudulent and dishonest conduct. For further details, please click [here](#)

Sri Lanka

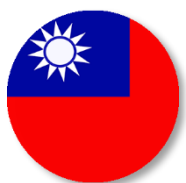


On 12 May 2020, the Central Bank of Sri Lanka announced that Sri Lanka has been delisted from the List of High-Risk 3rd Countries by the European Commission. Sri Lanka has effectively implemented the FATF Action Plan within the given time frame. For more details, please click [here](#).

Enforcement

On 22 May 2020, the Central Bank of Sri Lanka cancelled the license of “The Finance Company PLC” owing to failures of a number of financial institutions. Efforts made to revive the company, in identifying a credible investor, and restructuring were unsuccessful. For more details, please click [here](#).

Taiwan



On 19 May 2020, the FSC announced the amendments made to the Article 139 of the Insurance Act, the relevant regulation updates will come into effect on 1 July. With reference to the Regulations Governing Anti-Money Laundering of Financial Institutions, the amendments are made to incorporate the concept of substantial beneficiaries into the equity management of insurance companies and to improve the equity transparency. For detailed information please click [here](#). (Chinese only)

Enforcement

On 12 May 2020, Nan Shan Life Insurance Company, Ltd. was fined NT\$ 1.8 million for breaking the Article 149 and 171 of the Insurance Act. The company was found that it was not following its internal control system when selling investment insurance products to the public. For detailed information please click [here](#). (Chinese only)

On 19 May 2020, two insurance companies- BNP PARIBAS CARDIF, Chubb Tempest Life Reinsurance Ltd. and four banks- En Tie Bank, Bank SinoPac, KGI Bank, Far Eastern Int'l Bank, were fined for breaking the Insurance Act when they sold the investment insurance products to the public with misleading promotions. The four companies were fined from NT\$ 600 thousand to NT\$ 6 million in accordance with the seriousness of the cases. For detailed information please click [here](#). (Chinese only)

On 19 May 2020, Shin Kong Life Insurance Co., Ltd. was fined NT\$ 4 million for breaking the Article 60 of the Financial Holding Company Act. The company was found not submitted a severe resolution to the board of directors when it handled a real estate bidding case in which the stakeholders engaged in the transaction. For detailed information please click [here](#). (Chinese only)

On 19 May 2020, Taishin International Bank was fined NT\$ 8 million for breaking the Article 45 of the Banking Act of The Republic of China when it handled its housing loans business without well establishing the KYC (Know Your Client) system of the company. The company did not verify in advance to understand the purpose of the loan, nor to properly establish a post-loan tracking mechanism. For detailed information, please click [here](#). (Chinese only)

Thailand



On 7 May 2020, SEC warned the public to examine information carefully before deciding to invest with a company that claims it can offer shares for sale without approval requirement since such offering may not be in compliance with SEC regulations. For further details, please click [here](#).

On 8 May 2020, SEC introduced the standard single form to give investors more convenience in opening an account for investment in any type of product with any service provider in the capital market. The single form allows investors to fill in the required information for account opening only once and use the filled-in information for opening trading accounts with other service providers. The standard single form will be used officially as from 1 January 2021. For further details, please click [here](#).

On 11 May 2020, SEC the Bond Market Development Committee whose primary role is to lay out policies and directions for the bond market and improve the overall market ecosystem, effective since 7 May 2020. For further details, please click [here](#).

On 12 May 2020, SEC revised the licensing manual on digital asset businesses to provide more convenience for business operators and an inquiry channel for those wishing to apply for a digital asset business license, in compliance with the Licensing Facilitation Act B.E. 2558 (2015). For further details, please click [here](#).

On 19 May 2020, SEC announced that it is seeking public comments on the proposed regulations relating to net capital (NC) requirement for securities and derivatives business operators. The revision is intended to support the use of subordinated facility as a tool for immediate increase in transactions and the calculation of NC for digital asset businesses. For further details, please click [here](#).

Enforcement

On May 5 2020, SEC suspended the approval for a securities investment consultant named Ms. Jeeranan Thaudsena, an employee of Bangkok Bank Public Company Limited (BBL), for submitting false documents to the bank to help a client with the client's consent and without the intention to conceal or hide information. For further details, please click [here](#).

On May 5 2020, SEC revoked the approval for a securities investment consultant named Ms. Sunisa Yemsantea for 10 years, starting from 6 May 2020, on account of committing wrongful acts against investor's assets by concealing, dissembling, fabricating false evidence, misappropriating a client's money and using it for personal benefit at the approximate amount of 2.5 million baht. For further details, please click [here](#).

On 14 May 2020, SEC imposed civil sanction on two offenders, namely (1) Mr. Kitti Thanakitamnuy for disclosing inside information related to Noble Development Public Company Limited (NOBLE) to other persons, and (2) Mr. Kongpat Jiramaneekul for purchasing NOBLE shares while knowing or possessing inside information. The offenders are thus subject to civil penalty and compensation for the benefits received from committing the offenses, as well as reimbursement of the investigative expenses to SEC, at the total amount of 15,952,104 baht. In addition, the two persons are prohibited from holding the positions of director or executive of a securities issuing company or a securities company within a specified period of time. For further details, please click [here](#).

On 19 May 2020, SEC penalized a former investment consultant named Ms. Napasook Malakam by prohibiting her from performing duties as capital market personnel for 10 years on account of committing wrongful acts against investors' assets through misappropriation of several clients' money, causing an initial total damages of 74.8 million baht. At the time of the offense, Napasook was working at Land and Houses Bank Public Company Limited (LH). For further details, please click [here](#).

Vietnam



A media search did not find any news for Vietnam during May.

Enforcement

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

Suggestions

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