



# CA | ComplianceAsia

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Welcome to our Regulatory Newsletter for November 2020

CA | ComplianceAsia



## Compliance Service Provider of the Year

ComplianceAsia has won **Compliance Service Provider of the Year** in the *3<sup>rd</sup> Regulation Asia Awards for Excellence 2020* in an online ceremony on 15 December 2020.

The Regulation Asia Awards for Excellence recognises financial institutions, technology companies, legal and consulting firms, exchange and other players that have helped meet the challenges of the everchanging and increasingly complex regulatory landscape in Asia Pacific.

ComplianceAsia prides itself on providing comprehensive, high quality and transparent services. We strive to be a business partner, and not just a service provider to our clients.

For our full press release, please click [here](#).

## Executive Summary

Early in the month, the South Korean FSC issued a proposal on new AML rules and requirements that will apply to virtual assets and virtual asset service providers under the revised Act on Reporting and Using Specific Financial Transaction Information. A key update will require VASPs to use real-name accounts in their financial transactions with customers.

Over in Hong Kong, the SFC reprimanded and fined Credit Suisse Securities (Hong Kong) Limited HK\$2.1 million for failures of its electronic trading services resulting in breaches.

Meanwhile, the Japanese FSA announced its plans to start accepting application documents in English in 2021. In addition, the JFSA will allow licensed fund managers the choice to elect to deal with the JFSA in either Japanese or English for all supervision and inspection related matters.

In Singapore, the MAS published its enforcement report covering the period January 2019 to June 2020. The report details the various enforcement actions taken due to breaches of various MAS rules and regulations. The MAS made it clear they will continue to focus on early detection of market misconduct by working closely with various stakeholders.

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## Australia



On 17 November 2020, ASIC issued Consultation Paper 332 on promoting access to affordable advice for consumers. The consultation sought opinions on the barriers faced by those seeking to provide affordable personal advice, and the steps that can be taken to address this. For more details, please click [here](#).

On 19 November 2020, ASIC released a consultation paper on a new reference checking and information sharing protocol for financial advisers and mortgage brokers. The protocol provides intermediaries with a set of standardised reference checks to conduct when undertaking a review of an individual seeking to be employed or authorized as a financial adviser or mortgage broker. For more details, please click [here](#).

## Enforcement

On 2 November 2020, ASIC confirmed the banning of former director of Landlord Protection and Collection Pty Ltd (LPC) and Landlord Protection Group Pty Ltd (LPG), Tracey Joanne Burnell (Ms. Burnell). Ms Burnell was permanently banned by ASIC from providing financial services for insurance contracts were arranged by LPC and LPG between 2014 and 2017 without being licensed or authorized. For more details, please click [here](#)

On 4 November 2020, Mark Edwin Armstrong, (Mr. Armstrong), a former director of BAC Enterprises Pty Ltd (BAC), was convicted after pleading guilty to making a false or misleading statement to ASIC. Mr. Armstrong claimed that there were no outstanding liabilities when he deregistered, however, BAC Enterprises owed \$80,000 to a creditor. For more details, please click [here](#).

On 6 November 2020, Warren Scott Acworth (Mr. Acworth), formerly a financial adviser, was charged with 27 dishonesty offences from when he worked at Macquarie Equities Limited between December 2015 to May 2018. A decision on his sentence will be passed in late January 2021. For more details, please click [here](#).

On 6 November 2020, ASIC published news that a mortgage broker, Zhuo Wang (Mr. Wang) plead guilty to one count of knowingly making false statements in three credit license annual compliance certificates lodged with ASIC. Despite having his lender accreditation cancelled by ANZ in April 2016, Mr Wang made no such omission to ASIC on the three occasions. For more details, please click [here](#). On 18 November 2020, Mr Wang was sentenced to an 18 month good behaviour bond. For more details, please click [here](#).

On 10 November 2020, ASIC announced that a self-managed super fund advisor, Wayne Blazejczyk (Mr. Blazejczyk) had been banned by ASIC from providing financial services for five years, for failing to meet his obligation to operate in the best interests of his clients when providing advice to them. For more details, please click [here](#).

On 16 November 2020, ASIC published news that the sole director of Auto Way Car Sales Pty Ltd (Auto Way), Louis Farrugia (Mr. Farrugia) plead guilty to making a false or misleading statement to ASIC by falsely stating that Auto Way was not involved in any legal proceedings. However, in fact, Auto Way was involved in ongoing legal proceedings with a former customer. For more details, please click [here](#).

On 17 November 2020, the sole director of QWL Pty Ltd (QWL), Ross Andrew Hopkins (Mr. Hopkins) plead guilty to 15 offences under the Corporations Act, including making 167 unauthorised transactions from 13 customer accounts totalling AU\$2,938,750 between Oct 2016 and Oct 2019. Following a guilty plea, Mr. Hopkins will be sentenced on 18 December 2020. For more details, please click [here](#).

On 24 November 2020, Mr Zinan Ou (Mr. Ou), a former director of A-One Metal Services Pty Ltd (A-One), pled guilty to making a false or misleading statement to ASIC. Mr. Ou is alleged to have submitted a document with ASIC to voluntarily deregister A-One in May 2018, falsely claiming that A-One did not have any outstanding liabilities. Mr Ou was fined AU\$2,500 as a result. For more details, please click [here](#).

On 26 November 2020, Mr Daniel Clarkson (Mr. Clarkson), a former director of Bidding Buzz Pty Ltd (Bidding Buzz), plead guilty to making a false or misleading statement to ASIC. Mr. Clarkson lodged a document with ASIC to voluntarily deregister Bidding Buzz on 25 July 2019, falsely claiming that Bidding Buzz had no liabilities, despite it owing AU\$20,059 to a creditor. For more details, please click [here](#).

## Cambodia



A media search did not find any relevant articles for Cambodia during November.

### Enforcement

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

## Mainland China



On 2 November 2020, the CBIRC and the PBOC jointly issued a consultation on 'Provisional Measures on Online Micro Lending Operations'. The consultation stipulates that micro-lending companies should conduct business within the provincial region of the place of registration but should not engage in cross-provincial operations without the approval of the State Council. The business rules and conditions that should be met in relative to registered capital, controlling shareholders and internet platforms of micro-lending companies have also been set out in the draft measures. For more details, please click [here](#) (Chinese only).

On 2 November 2020, the PBOC, the CBIRC, the CSRC and the SAFE conducted a regulatory interview with Ant Group's 'actual controlling person' Jack Ma, Executive Chairman Eric Jing and CEO Simon Hu. For more details, please click [here](#) (Chinese only).

On 4 November 2020, the CSRC spokesman answered questions on Ant Group's listing suspension. The CSRC stated that it maintains its support for the SSE's decision to suspend Ant Group's listing on the STAR Market, and has been communicating and collaborating with the Securities and Futures Commission of Hong Kong and securities regulators in major overseas markets to jointly handle the follow-up work. For more details, please click [here](#) (Chinese only).

On 13 November 2020, the CBIRC issued the 'Notice on Issues Concerning Financial Equity Investment of Insurance Funds' to regulate the direct equity investment of insurance funds. Under this Notice, the restrictions on financial

equity investment of insurance funds were removed and the scope of equity investment of insurer's was expanded beyond the insurance industry, financial industry and other related business. However, insurance funds remain unable to directly invest in property development or sales. For more details, please click [here](#) (Chinese only).

From 16 to 17 November 2020, Chen Yulu, Deputy Governor of the PBOC, attended the 25th Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) Governors' Meeting (Part II) and the 9th Informal Meeting of EMEAP Governors and Heads of Supervisory Authorities (GHOS), held in the form of virtual conference. Attendees exchanged views on PBOC's digitalisation progress and banking sector issues stemming from COVID-19 and the role of banking sector in developing sustainable finance. For more details, please click [here](#) (Chinese only).

On 20 November 2020, the CSRC issued a consultation on 'Measures for the Supervision and Administration of the Directors, Supervisors and Senior Executives of Securities Companies and Public Offered Mutual Fund Management Companies'. The Consultation details revisions to the conditions and procedures appointments of directors, supervisors and senior executives and the introduces of a code of conduct alongside the management responsibilities for them. Under the draft rules, personnel who have certain relevant work or management experience are exempted from taking a proficiency test as a prerequisite. Appointments of the above senior officials shall be filed with the branches of the CSRC within 5 working days upon the appointment decision is made. For more details, please click [here](#) (Chinese only).

On 20 November 2020, CSRC officials were asked to comment on media reports about the SEC's proposed requirement for companies listed in the U.S. to get a second review of their books by an accounting firm from a country where the PCAOB can inspect. The CSRC responded that it looks forward to discussions with the U.S. regulators on accounting practices through the cooperation mechanism on cross-border oversight. For more details, please click [here](#) (Chinese only).

On 24 November 2020, the CBIRC issued the 'Implementation Measures for Administrative Licensing Issues concerning Trust Companies' which will take effect from 1 January 2021. The Measures enhance the requirements for setting up a trust company and tighten the qualifications of non-financial institutions investing in trust companies. The Measures scrap the previous requirement that foreign financial institutions must invest a minimum of US 1 billion in a trust company before becoming a shareholder. For more details, please click [here](#) (Chinese only).

## Enforcement

On 6 November 2020, the CSRC and the Supreme People's Procuratorate jointly announced a list of 12 cases of securities violations and crimes from the past seven years, intended to act as a deterrent to the public. Among them, 6 cases were related to violation of information disclosure, market manipulation and insider trading, while the other 6 cases were related to criminal offences which cover the most prevalent types of securities crimes.. For more details, please click [here](#) (Chinese only).

## Hong Kong



On 17 November 2020, the SFC entered into a cooperation agreement with the Israel Securities Authority (ISA) to establish a framework for cooperation on financial technology (Fintech). Going forward, the agreement enhances cooperation on information sharing, potential joint innovation projects and referrals of innovative firms seeking to enter one another's markets between the two regulators. For more details, please click [here](#).

On 27 November 2020, the SFC released consultation conclusions on proposals to provide Hong Kong Real Estate Investment Trusts (REITs) with more flexibility in making investments. The proposals, which received broad support, will be implemented with some modifications to clarify specific requirements such as those which apply to minority-owned properties. Please click [here](#) for a copy of the consultation conclusions.

## Enforcement

On 2 November 2020, the SFC has publicly censured and imposed an 18-month cold-shoulder order against Ngai Lai Ha (Ngai) for breaching the mandatory general offer obligation of the Takeovers Code. With the cold-shoulder



order, Ngai will be denied direct or indirect access to the Hong Kong securities market commencing on 2 November 2020 to 1 May 2022. Ngai, the chairperson and executive director of International Housewares Retail Company Limited, on 6 March 2019, purchased 170,000 of the company's shares. As a result, the shareholding of Ngai and her concert parties (Group) in the company reached 50.50%, over 2% greater than the Group's lowest collective percentage of shareholding in the prior 12 months, thus denying the other shareholders their right to receive a general offer. Ngai went on to make 12 additional purchases in the company's shares during the period from March to May 2019, crossing the 2% creper each time. For more details, please click [here](#).

On 9 November 2020, the SFC reprimanded Credit Suisse Securities (Hong Kong) Limited (CSSHK) and fined it \$2.1 million for regulatory breaches related to failures in its electronic trading systems. Following an investigation, the SFC found that on 28 February 2019, CSSHK submitted 16,935 incorrect market making quotes to the market, resulting in 8,042 stock options trades being executed at prices significantly different from the actual market price. A logic error in the symbol mapping programme used by CSSHK resulted in the erroneous trades. The SFC stated that CSSHK's internal controls and tests were insufficient to prevent or promptly detect the incident. This shortcoming subsequently constitutes a breach of the electronic trading requirements under the Code of Conduct. For more details, please click [here](#).

On 11 November 2020, Zeng Lingxi pleaded not guilty at the Eastern Magistrates' Court to two charges of obstructing SFC officers during the execution of a search warrant on May 2020. The warrant was issued in relation to an investigation on possible market manipulation of the shares in a Hong Kong-listed company. A two-day trial is expected to commence on 1 February 2021. For more details, please click [here](#).

On 25 November 2020, the SFC has banned Ms Chan Shun King, a former account executive of Sun Hung Kai Investment Services Limited (SHKIS), from re-entering the industry for 24 months from 25 November for breaches of the SFC's Code of Conduct. Chan was found to have effected transactions in two clients' accounts on a discretionary basis without obtaining approval from the client or SHKIS's senior management between October 2008 and August 2015. In doing so, Ms King not only breached the regulatory requirements on the authorization and operation of discretionary accounts under the Code of Conduct, but also SHKIS's policies and procedures for discretionary accounts. For more details, please click [here](#).

On 25 November 2020, the SFC has banned Mr Pang Hon Pan, formerly a private banking relationship manager of Standard Chartered Bank (Hong Kong) Limited (SCBHK) and a senior relationship manager of Bank of Singapore Limited (BOS), for 21 months from 25 November 2020. The case was referred to the SFC by the HKMA. Initially self-reported by SCBHK, the HKMA began an investigation into alleged breaches of SCBHK's internal policies from 17 April 2010 to 31 March 2017 by Mr Pan. Allegations against Mr Pan include: failing to disclose to his then employer SCBHK the existence 3 external personal securities accounts; executing 48 securities transactions through these accounts without seeking pre-clearance from SCBHK, or reporting them to SCBHK post-execution; and falsely declaring to SCBHK on seven occasions that he had no existing securities account. For more details, please click [here](#).

On 30 November 2020, the SFC announced it was pursuing disqualification orders against the former chairman and executive director of New Ray Medicine International Holding Limited (New Ray), Mr Zhou Ling, and the company's former chief executive officer and executive director, Mr Dai Haidong in the Court of First Instance. The defendants are alleged to have fraudulently gained HK\$ 26 million through executing significant false transactions on behalf of New Ray. The case was brought forward by the SFC following an investigation into suspicious payments and undisclosed arrangements between New Ray's senior executives and the counterparties of transactions involving New Ray between 2015 and 2017. For more details, please click [here](#).

## India



On 6 November 2020, the Reserve Bank of India (RBI) issued a public release of the Financial Action Task Force's (FATF) latest publication of 'High-Risk Jurisdictions subject to a Call for Action', dated 23 October 2020. The RBI instructed all members and jurisdictions to ensure the implementation of sufficient policies to observe the requirements. For further details, please click [here](#).

On 25 November 2020, the RBI issued a press release announcing that the Government of India had approved the amalgamation of the Lakshmi Vilas Bank Ltd. and DBS Bank India Ltd. The amalgamation came into force on 27 November 2020. In a press release on 17 November 2020, the RBI noted that it had placed the Lakshmi

Vilas Bank Ltd. under moratorium as the bank had faced continuous losses over the prior three years, eroding its net-worth. For further details, please click [here](#).

On 25 November 2020, the Securities and Exchange Board of India (SEBI) issued a press release under which SEBI chairman launched Securities Market Trainers (SMARTs) Program for enhancing Investor Education activities. The First round of SMARTs includes 40 individuals across 16 States and Union Territories covering 31 Districts across India. The selected persons underwent four days training at the National Institute of Securities Market (NISM). The SMARTs will return to their areas where they will conduct investor education programmes. For further details, please click [here](#).

## Enforcement

On 28 October 2020, the RBI imposed a fine of ₹ 22 lakh on DCB Bank Ltd. for non-compliance with requirements of the circular on “Marketing/distribution of mutual fund/insurance etc., products by banks” dated November 16, 2009. For more details, please click [here](#).

On 28 October 2020, the RBI imposed a fine of ₹ 1 crore on Jio Payments Bank Limited for failure to apply to the RBI for the reappoint of the Managing Director and Chief Executive Officer at least 4 months prior to the date of expiry of their term. The fine was imposed by the RBI under the provisions of section 47A (1)(c) and section 46(4)(i) of the Banking Regulation Act, 1949. For more details, please click [here](#).

On 29 October 2020, the RBI cancelled the Certificate of Registration of seven Non-Banking Financial Institutions under Section 45-IA (6) of the Reserve Bank of India Act, 1934. For more details, please click [here](#).

## Indonesia



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

### Enforcement

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

## Japan



On 6 November 2020, The FSA announced that it had launched a public consultation on a Cabinet Office Order to partially amend a previous Cabinet Office Order on Financial Instruments Business, etc., which, in turn, partially amends the Ordinance on Financial Services Providers' Deposit for Operation and Regulatory Notices. The proposal allows foreign asset management firms and other eligible financial business operators to complete the registration process in English for designated types of business under the Financial Instruments and Exchange Act. For more details, please click [here](#).

On 6 November 2020, the FSA announced Promoting the Use of English and Establishing a Single Point of Contact for Foreign Asset Management Firms. The entry of foreign asset management firms into Japanese markets is important for that purpose, thus, the FSA and LFBs will establish the “Financial Market Entry Office” to handle pre-application consultation, registration, and supervision for new asset management firms as a single point of contact with all the communications available in English. For more details, please click [here](#).

On 6 November 2020, the FSA published the main issues raised at various opinion exchange meetings with trade associations. Issues discussed included Covid-19 and LIBOR. For more details, please click [here](#).

## Enforcement

On 5 November 2020, the FSA announced that it had issued an order to impose an administrative penalty charge against an individual for committing insider trading regarding stocks of KITAGAWA INDUSTRIES CO.,LTD. by using non-public information obtained from an employee of a contractor of the said entity. For more details, please click [here](#).

On 16 November 2020, the FSA announced that the Kanto Local Finance Bureau took administrative action against Abitora System Kabushiki Kaisha, a notifier of specially permitted business for qualified institutional investors (SPBQII), ordering the improvement of its operations under the "Financial Instruments and Exchange Act." The administrative action was based on the findings from a report that the entity filed in response to the FSA's enquiry into its conduct. The contents of the report provided was subsequently deemed problematic from an investor protection perspective. For more details, please click [here](#)

On 27 November 2020, The FSA announced that the Kanto Local Finance Bureau had taken administrative action against Createjapan Co.,Ltd., ordering the improvement of its business operations pursuant to the "Financial Instruments and Exchange Act." This administrative action is based on a recommendation from the Securities and Exchange Surveillance Commission (SESC) as a result of its on-site inspection. For more details, please click [here](#)

On 27 November 2020, the FSA announced that it had ordered a five-month suspension of Otemon Audit Corporation's auditing and accounting business operations (except for clearing/liquidation operations) from 30 November 2020, to 29 April 2021. This order was based on a recommendation from the Certified Public Accountants and Auditing Oversight Board as a result of their on-site monitoring, in which problematic conduct by two employees (certified public accountants CPAs) was identified. For more details, please click [here](#)

## Korea



On 3 November 2020, the FSC issued a proposal on new AML rules and requirements on virtual assets under the revised Act on Reporting and Using Specified Financial Transaction Information. The key provisions include the scope of virtual asset service providers, scope of virtual assets, requirements for real-time accounts and 'travel rule' for virtual assets. The proposal will be opened to public notice and comment from 3 November to 14 December 2020 and are scheduled to go into effect on 25 March 2021. For more details, please click [here](#).

On 18 November 2020, the FSC enacted an enforcement decree and a supervisory regulation to provide more details on the Financial Benchmark Act regarding the management of financial benchmarks. The key provisions include the establishment of a review committee, operational rule on calculation, establishment of a critical benchmark management committee, obligations of administrators, types of financial contracts required to provide to consumers. The review committee meeting will be held by the FSC before the end 2020 and the procedures will start in the first half of 2021. For more details, please click [here](#).

## Enforcement

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

## Malaysia



On 3 November 2020, Bursa Malaysia Berhad ("Bursa Malaysia") in partnership with the Shenzhen Stock Exchange ("SZSE") and the Stock Exchange of Thailand, hosted the "ASEAN Capital Market Cooperation Seminar (Manufacturing Session)" on 30 October 2020. The event was billed in the name of promoting and creating awareness of joint market promotions, information sharing, business development and investment opportunities. Speakers at the event included members of various industries including leading manufacturing companies and industry experts from the three respective exchanges, with the aim of marketing towards Chinese and ASEAN investors and corporations. For more details, please click [here](#)

On 5 November 2020, the Securities Commission Malaysia (SC) cautioned the public on the sharp increase of clone firm scams this year. Specific industries targeted by the scams include medical equipment providers and the property sector. Quite often, the impersonation takes place over social media. For more details, please click [here](#).

On 9 November 2020, the Securities Commission Malaysia (SC) warned the public of a fake donation appeal fraudulently claiming to be from “Badan Kebajikan Thalassaemia Malaysia (944520K)”, falsely naming the SC Chairman as its advisor. For more details, please click [here](#).

On 10 November 2020, the Securities Commission Malaysia (SC) and Bursa Malaysia announced a temporary relief measure allowing eligible listed issuers to obtain mandated shareholder approval at a general meeting to undertake rights issue exercises. For more details, please click [here](#).

On 11 November 2020, the Securities Commission Malaysia (SC) announced it was seeking feedback from the public on its proposed amendments to the Guidelines on Unit Trust Funds (Unit Trust Guidelines). The two-month consultation process forms part of the SC's efforts to enhance market competitiveness and maintain the development of the Malaysian unit trust industry. For more details, please click [here](#).

On 12 November 2020, the Securities Commission Malaysia (SC) launched a new framework to facilitate the offering of Islamic funds with *waqf* features to enable the growth of Islamic social finance. *Waqf* refers to an Islamic endowment instrument traditionally linked with social development and charitable objectives. The Waqf-Featured Fund Framework (framework) is expected to broaden the range of Islamic capital market products and provide the public access to Islamic funds that contribute whole or part of the fund's returns towards social objectives. For more details, please click [here](#).

On 16 November 2020, Bursa Malaysia addressed a recent sharp rise in the price of GETS shares and to the Company's responses to the latest two Unusual Market Activity (UMA) queries issued by Bursa Malaysia Securities. For more details, please click [here](#).

## Enforcement

On 24 November 2020, Bursa Malaysia Securities publicly reprimanded Pasdec Holdings Berhad (PASDEC) and its former Group Managing Director, Dato' Sri Tew Kim Thin (Dato' Sri Tew) for breaches of the Bursa Malaysia Securities Main Market Listing Requirements. It was announced that Dato' Sri Tew had been fined RM12,500 for knowingly allowing the breach to occur. For more details, please click [here](#).

## Mauritius



A media search did not find any relevant articles for November.

### Enforcement

A media search did not find any relevant articles for November.

## Myanmar



A media search did not find any relevant articles for November.

### Enforcement

A media search did not find any enforcements for November.



## New Zealand



A media search did not find any relevant articles for New Zealand during November.

### Enforcement

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

## Philippines



On 12 November 2020, the Securities and Exchange Commission (SEC) announced that due to community quarantine, the Commission would forgive any violations incurred and grant a waiver of fines / penalties for non-filing of Corporate documents, late notifications or submissions includes audited financial statements and relevant reporting applied to the period 14 September 2020 to 19 December 2020. For more details, please click [here](#).

On 16 November 2020, the Bangko Sentral ng Pilipinas (“BSP”) and Monetary Authority of Singapore (“MAS”) announced a jointly created Data-Connectivity Program to allow banks and non-bank financial institutions falling within the jurisdiction of either BSP or MAS. This program will allow intermediaries to transfer data freely and efficiently with the aim of enhancing cybersecurity and operational risk management whilst adopting easier ways to detect cross-border money laundering or terrorist financing patterns and defend against cyberattacks. BSP and MAS are encouraging other countries to join the data connect program to achieve greater data mobility in financial services. For more details, please click [here](#).

### Enforcement

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

## Russia



On 13 November 2020, the Bank of Russia announced amendments to the shareholding regulations governing systematically important banks. Henceforth, it will no longer be allowed for one systematically important bank to hold more than 9% of shares in another systematically important bank which has a different controlling shareholder. The regulation was brought into force following the purchase of VTB Bank shares by Bank Otkritie Financial Corporation. For more details, please click [here](#).

### Enforcement

On 13 November 2020, the Bank of Russia revoked the banking license of International Commercial Bank (JSC) (Reg#2524) (“ICB”) for ICB’s failure to maintain a healthy balance sheet. At the time of revocation, ICB’s loan portfolio comprised of over 70% of low-quality loans. Further, it is alleged that ICB exaggerated the value of its assets in order to hide the weaknesses of its financial position. For more details, please click [here](#).

## Singapore



On 4 November 2020, the MAS published its Enforcement Report covering the period January 2019 to June 2020 of which the regulator detailed various enforcement actions taken for breaches of MAS regulations, in particular against financial institutions and individuals for market abuse, financial misconduct and control breaches related to money laundering. The MAS noted that it plans to continue to step up its focus on early detection of market misconduct by working closely with various stakeholders, including the Accounting and Corporate Regulatory Authority and the Singapore Exchange. For more details, please click [here](#).

On 9 November 2020, the MAS announced the launch of a S\$35 million “Productivity Solutions Grant” to help smaller financial institutions to adopt digital solutions for more streamlined data reporting to the regulator. The grant is applicable to banks and will subsequently be expanded to include insurers and capital market intermediaries. It is intended that the grant would provide for the adoption of technology to facilitate efficient processes for the preparation and submission of data, in line with regulatory requirements. For more details, please click [here](#).

On 10 November 2020, the MAS reiterated a stance taken by the Cyber Security Advisory Panel in relation to the need for financial institutions to review their security controls given the heightened technological risks arising from remote working and safe management measures due to the Covid-19 pandemic. Key recommendations include: 1) the review of risk profiles and adequacy of risk mitigating measures; 2) maintaining oversight of third-party vendors and their controls; and 3) strengthening governance over the use of open-source software. For more details, please click [here](#).

On 10 November 2020, the MAS issued a consultation paper relating to the strengthening of financial institutions’ identity verification processes. The proposed, heightened requirements relate to types of information required for non-face-to-face verification of an individual’s identity. The proposed notice would require financial institutions to use at least one of the following methods for non-face-to-face verification prior to undertaking transactions/requests from an individual: 1) information that only the individual knows (i.e. password/PIN); 2) information that only the individual has (i.e. one time password generated by a token); 3) information that uniquely identifies the individual (i.e. biometrics); or 4) information known only between the financial institution and individual (i.e. account transaction information). For more details, please click [here](#).

On 23 November 2020, the MAS announced the release of RMB 25 billion funding to banks to increase the liquidity of the currency in the marketplace and to allow banks to facilitate the growing business needs for the currency. Subsequently, the MAS announced that it would discontinue the RMB 5 billion MAS Overnight RMB Liquidity Facility from 23 November 2020. For more details, please click [here](#).

On 26 November 2020, the MAS and the Institute of Banking and Finance announced additional measures to support and strengthen the development of workers in the financial sector by enhancing the job readiness and job retention within the industry. As part of the measures, the MAS will be launching a “Work-Study Support Programme” to develop job-ready graduates and extend the “Training Allowance Grant” for company-sponsored trainees by 6 months from 31 December 2020 to 30 June 2021. For more details, please click [here](#).

## Enforcement

On 30 November 2020 the MAS announced that it has directed DBS Trustee Limited to remove Eagle Hospitality REIT management Pte Ltd. (Eagle Hospitality) as the manager of the REIT and to appoint a new manager as soon as practicable. The direction from the regulator follows the initial Notice of Intention published by the regulator on 26 October 2020 to remove Eagle Hospitality. The MAS enforced the change as a result of Eagle Hospitality’s failure to adhere to the Securities and Futures Act on several occasions, including breaching capital and financial requirements. For more details, please click [here](#).

## Sri Lanka



On 6 November 2020, the Central Bank of Sri Lanka announced that it would extend the grace period applicable for loans registered under its Saubagya COVID-19 Renaissance Facility by an additional 3 months upon written request of borrowers. For more details, please click [here](#).

On 11 November 2020, the Central Bank of Sri Lanka announced that it would require licensed banks to extend a debt moratorium to COVID-19 affected businesses and individuals for a maximum of 6 months upon request on or before 30 November 2020. For more details, please click [here](#).

## Enforcement

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

## Taiwan



On 17 November 2020, the FSC announced that investment and credit companies are allowed to relax the decentralized management measures placed on ETF investors in order to continue to promote the development of the country's ETF market. The maximum holding percentage that a single investor's shareholding of an ETF was relaxed from 30% to 50%. For more details, please click [here](#). (Chinese only)

## Enforcement

On 5 November 2020, HOTAI INSURANCE CO., LTD. was fined NTD\$ 11.4 million for breaching Article 168 and 171 of the Insurance Act. The Company made operations and personnel appointments based on its parent company's decisions, thus, violating its internal operating standards. In all occasions legal, compliance and auditing units failed to perform their functions properly. The Company was required to provide a remediation plan within 3 months demonstrating better internal controls. For further details, please click [here](#). (Chinese only)

On 24 November 2020, BNP Paribas Cardif TCB Life (BNP) was fined NTD\$ 3 million for breaching Article 171 of the Insurance Act. The Company failed to verify the source of insurance premiums of its clients. Further, BNP's sales personnel failed to confirm whether the policyholders were fully aware of the relevant risks, and whether the policyholder's insurance needs and product suitability had been properly evaluated. For further details, please click [here](#). (Chinese only)

On 24 November 2020, E.SUN Bank and TAICHUNG COMMERCIAL BANK were fine NTD\$ 20 million and 4 million respectively for breaching Article 61 and 129 of the Banking Act of the Republic of China. The two aforementioned banks, after receiving customer reports of abnormal accounting affairs, discovered that their wealth management specialists were involved in embezzlement of customer funds and had conducted abnormal fund transactions with other customers. Furthermore, the FSC considered the internal control system of these banks to be unsuitable for confirming customer identities before the execution of transactions. For further details, please click [here](#). (Chinese only)

## Thailand



On 11 November 2020, the SEC issued a proposal on an amendment to the rules on renewal of approval for personnel in capital market businesses whereby an Environmental, Social and Governance (ESG) training course would be compulsory for investment consultants, investment planners, investment analysts, agricultural commodity trading management officials, fund managers and derivatives investment managers. SEC is calling for stakeholders and interested parties to give comments and suggestions via its website or by email. The ability for the public to make comments will end on 11 December 2020. For more details, please click [here](#).

On 17 November 2020, the BOT has released additional measures to the Thai foreign exchange market, including allowing residents to freely deposit funds in Foreign Currency Deposit, relaxing regulations regarding investment in foreign securities, requiring a Bond Pre-Trade Registration. For more details, please click [here](#).

On 17 November 2020, the BOT and the Steering Committee on Commercial Banks' Preparedness for LIBOR Cessation have jointly agreed that all financial institutions will stop offering new loans and debt securities (including structured notes) which reference the Thai Baht Interest Rate Fixing (THBFIX), starting from 1 July 2021 onwards. The BOT will publish Fallback Rate to be used for THBFIX legacy contracts when THBFIX is discontinued. For more details, please click [here](#).

On 19 November 2020, the SEC proposed amendments to the takeover regulations to increase flexibility in making a tender offer for all securities of a business, that include cancelling hardcopy document submission, and supporting data storage in a machine readable format. The consultation is available on SEC's website and the SEC is welcoming stakeholders and interested parties to give comments and suggestions via its website or by email. The comments period will end on 18 December 2020. For more details, please click [here](#).

On 20 November 2020, the SEC published a consultation on the proposed amendments and new regulations related to issuance and offer for sale of a Sustainability-linked Bond (SLB). The bond is noted to be in accordance with international practices and also adheres to conventional debt securities regulations and internationally-recognized standards. The new regulations include additional disclosure requirements, and an obligation for issuers to appoint an external review provider to comment on issuers' sustainability performance against predefined sustainability/ESG KPIs and targets. The consultation is available on SEC's website and the SEC welcomes stakeholders and interested parties to give comments and suggestions via its website or by email. The period for public comments will end on 21 December 2020. For more details, please click [here](#).

## Enforcement

On 9 November 2020, a former Vice Chairperson of the Borads and Director of Ichitan Group Public Company Limited, Mrs Eng Passakornnatee, agreed to pay a fine of 1,000,000 Baht for committing insider trading. Additionally, she was barred from serving as a director or executive in a securities issuing company/securities company for 12 months; and was made to pay 105,225.66 Baht towards the investigation fees.

On 16 November 2020, a former Assistant Managing Director Accounting and Finance of Ichitan Group Public Company Limited, Mr Apichart Sukajirawat, agreed to forfeit 3,579,660 Baht of profit made from insider dealing. Additionally, as a result of his conviction, Mr Sukajirawat was fined 4,116,609 Baht; barred from serving as a director or executive in a securities issuing company/securities company for 12 months; and was made to reimburse the investigative expenses totalling 105,225.66 Baht.

On 18 November 2020, the SEC imposed a fine of 1,140,000 Baht on AEC Securities Public Company Limited for failing to maintain a sufficient and effective systems related to its program trading in accordance with the 113 / SEC Act.

On 18 November 2020, the SEC imposed a fine of 198,150 Baht on Mr Banterng Tantivit, the former chairman of the executive committee of MBK Public Company Limited, for his failure to prepare and disclose all reports (Form 59-2) on changes to the securities holdings of his spouse to the SEC Office within the period specified in the notification.

On 18 November 2020, the SEC imposed a fine of 56,400 Baht on securities issuer Three Sixty Five Public Company Limited and its Chief Executive Officer Mr Polsak Charoensiri for the failure to prepare and submit the reviewed financial statements for Q1/2017 within the period specified by the Capital Market Supervisory Board.

For more details on Thailand's enforcement, please click [here](#).

## Vietnam



A media search did not find any relevant articles for Vietnam during November.

### Enforcement

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

## 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.