



# CA | ComplianceAsia

## Contents

Executive Summary	1
Australia	2
Cambodia	2
Mainland China	3
Hong Kong	4
India	4
Indonesia	6
Japan	6
Korea	7
Malaysia	8
Mauritius	8
Myanmar	8
New Zealand	8
Philippines	9
Russia	9
Singapore	10
Sri Lanka	11
Taiwan	11
Thailand	12
Vietnam	13
Suggestions	13

## Contact Details

### Hong Kong Office

Tel: +852 2868 9070

### Singapore Office

Tel: +65 6533 8834

### Mainland China Office

Tel: +86 147 1431 1859

### Japan Office

Tel: +81 3 6837 5483

### London Office

Tel: +44 (0) 20 7236 0921

### Philippa Allen

Group CEO

philippa.allen@complianceasia.com

### Alex Duperouzel

Managing Director

alex.duperouzel@complianceasia.com

## Welcome to our Regulatory Newsletter for May 2021

### Executive Summary

The COVID-19 pandemic is still having a considerable impact across the APAC region. Thailand for example, is currently experiencing a third wave of the COVID-19 outbreak. This has weakened the Thai economy by impacting domestic spending and the tourism industry. With this in mind, some countries are implementing financial measures such as distributing liquidity to additional businesses and households impacted by the outbreak, extending timelines on regulatory filings, and allowing flexibility in document submissions by using online means, to better support their economic recovery.

Over in Mainland China, the PBOC, CBIRC and CSRC, jointly issued a consultation on 'Detailed Rules of Implementing Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area', which encourages transactions between northbound and southbound directions in the GBA.

Meanwhile, countries such as South Korea and Japan are making a positive move towards ESG in the APAC region, with the FSA publishing and finalizing "Basic Guidelines for Climate Transition Finance" in Japan, and the South Korean FSC and FSS making an application to become members of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).



Here to assist you with  
the latest ESG rules  
and regulations  
in the Asia Pacific region



## Australia



On 5 May 2021, ASIC released an information sheet for providers of debt management services explaining their new regulatory obligations, including the requirement to be licensed. For more information, please click [here](#).

On 6 May 2021, ASIC released its first quarterly update report, covering the period from 1 January – 31 March 2021. Highlighting ASIC's continued support for Australia's economic recovery from the COVID-19 pandemic as well as its progress related to Government reforms. For more information, please click [here](#).

## Enforcement

On 6 May 2021, ASIC banned a former Sydney-based adviser from providing financial services for eight years for not acting honestly and with integrity in their dealings. For more information, please click [here](#).

On 14 May 2021, ASIC banned the former Managing Director of the responsible entity of Sterling Income Trust, from providing any financial services (in any capacity) for four years. This ban was due to contraventions of the Corporations Act stemming from the issue of defective Product Disclosure Statements (PSDs). For more information, please click [here](#).

On 18 May 2021, Macquarie Securities (Australia) Limited paid a penalty of AU\$126,000 to comply with an infringement notice given by the Markets Disciplinary Panel. For more information, please click [here](#).

On 18 May 2021, Regional Express Holdings Limited (REX) paid a penalty of AU\$66,000 after ASIC issued an infringement notice alleging it had not complied with its continuous disclosure obligations. For more information, please click [here](#).

On 18 May 2021, the former CFO of Traditional Therapy Clinics Limited (TTC) was sentenced to one year and ten months imprisonment after pleading guilty to market manipulation. For more information, please click [here](#).

On 21 May 2021, the former executive of Health Care Australia Pty Limited pleaded guilty to insider trading. For more information, please click [here](#).

On 24 May 2021, ASIC cancelled the Australian Financial services license (AFSL) and Australian credit license (ACL) of Direct My Wealth Pty Ltd because Direct My Wealth failed to lodge its 2020 audited financial accounts and its annual compliance certificate within 45 days of the annual compliance date. For more information, please click [here](#).

On 25 May 2021, a former Sydney financial adviser was sentenced to six years imprisonment. Following an ASIC investigation, the adviser was convicted of 15 dishonesty offences under the Corporations Act. For more information, please click [here](#).

On 27 May 2021, ASIC commenced civil penalty proceedings against 5 companies that are, or were, part of the AMP Limited group for charging deceased customers. For more information, please click [here](#).

On 27 May 2021, criminal charges were filed against Member Equity Bank Limited (ME Bank), following an ASIC investigation. These charges relate to alleged contraventions for a number of sections of the Australian Securities and Investments Commission Act 2001. For more information, please click [here](#).

On 28 May 2021, the Australian Securities and Investments Commission (ASIC) banned the director of Global Merces Funds Management Limited (Global Merces), for a period of six months. This was due to Global Merces' failure to comply with its Australian Financial Services (AFS) license conditions, in which they failed to replace key persons named on their license. For more information, please click [here](#).

## Cambodia



On May 2021, the SECC signed an MOU on Consultation and Technical Support on the Drafting Regulation and Technical Testing on Sandbox in Securities Sector. For more information please click [here](#).

## Enforcement

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



## Mainland China

On 6 May 2021, PBOC, CBIRC, CSRC jointly issued a consultation on 'Detailed Rules of Implementing Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area'. The regulators set net cash flows of RMB150 million for transactions under the pilot scheme in northbound or southbound direction while the individual investment quota was set at RMB1 million. Cross-boundary remittance under the pilot scheme will be conducted in a closed-loop system through the bundling of designated remittance and investment accounts to ensure that the relevant funds will only be used to invest in eligible investment products. The draft rules stipulate the qualifications or requirements for products, investors and banks that join the pilot scheme. For more information, please click [here](#) (Chinese only).

On 7 May 2021, CBIRC issued 'Measures on Administration for Licence of Banking and Insurance Institutions', implementing a new licensing system to unify the licensing process, effective from 1 July 2021. Licence for financial institutions will be consolidated into 3 categories – financial, insurance and insurance intermediary. When a new or renewed licence is issued, banks and insurance firms should disclose it publicly within 30 days in newspapers or on their official websites, while online banks and insurance platforms must display their licences clearly on their websites. Penalties will be imposed on banking and insurance firms who damage or fail to renew their licence, or those who transfer, lend or borrow licence to others, as well as failure to display their licence as required. For more information, please click [here](#) (Chinese only).

On 18 May 2021, the National Internet Finance Association of China, the China Banking Association and the Payments and Clearing Association of China jointly issued the "Notice on the Prevention of Speculative Risk in Relation to Virtual Currency Transactions", highlighting the risks of virtual currency trading. The three financial industry associations reminded consumers that virtual currencies are not issued by monetary authorities and have no fiscal attributes such as legal compensation, thus it should not circulate as a real currency in the market. According to the Notice, financial institutions and payments institutions who are members of these associations are not permitted to directly or indirectly provide services relating to virtual currency to customers, such as registration, trading, clearing and settlement, or services involving the conversion of virtual currency into RMB or foreign currency, and they should not use virtual currency to price products or services. For more information, please click [here](#) (Chinese only).

On 27 May 2021, CBIRC issued the 'Interim Measures on Sales of Wealth Management Products by Wealth Management Companies' which will come into effect on 27 June 2021, with a 6-month transitional period. The rules outline requirements on sale of wealth management products for both sales organizations and sales staff. Wealth management companies are prohibited from misleading investors, using or highlighting absolute values or interval values to compare performance benchmarks among wealth management products or marketing products that can guarantee returns. Additionally, non-financial institutions and individuals are not allowed to sell wealth management products unless they are permitted by China's financial regulatory authorities. For more information, please click [here](#) (Chinese only).

On 31 May 2021, CBIRC issued the 'Pilot Measures for the Evaluation of the Performance of Directors and Supervisors of Banking and Insurance Institutions' which will take effect on 1 July 2021. The pilot measures sort out general duties and specific obligations of directors and supervisors of banking and insurance institutions, requiring that the performance evaluation should be based on at least five aspects including duty of fidelity and duty of diligence. The results of performance evaluation will be divided into three categories – competent, basically competent and incompetent. Directors or supervisors who conceal major violations of laws and regulations by their institutions and staff should be rated as incompetent. For more information, please click [here](#) (Chinese only).

## Enforcement

On 21 May 2021, CBIRC fined Huaxia Bank, China Bohai Bank, Bank of China, China Merchants Bank and Bank of East Asia's China branch a combined amount of RMB366 million for various violations, including granting illegal loans for mergers and acquisitions and offering collective investment trust schemes to individual customers. Huaxia Bank was fined RMB98.3 million for inadequate information disclosure of wealth management products and issuing a list of wealth management investment that do not reflect the facts or do not fully reflect the risks. One of the relevant officials of Huaxia Bank received a warning and was fined RMB50,000. For more information, please click [here](#) (Chinese only).

## Hong Kong



On 31 May 2021, the SFC announced that it will offer two days of vaccination leave to all staff in full support of the government's early vaccination campaign. It will also reimburse those staff who wish to have a medical health check before the vaccination. For more information, please click [here](#).

On 28 May 2021, the Chief Secretary for Administration of the Hong Kong Special Administrative Region (HKSAR) Government has designated certain categories of persons in the financial services sector to be exempted from the compulsory quarantine arrangements in Hong Kong under Cap. 599C and Cap. 599E (Exemption Scheme). Senior executives of licensed corporations or their overseas affiliates who are fully vaccinated and meet the eligibility criteria may apply for exemption from the compulsory quarantine arrangements when they return or travel to Hong Kong. The circular explains the eligibility criteria for senior executives to qualify for the exemption, the application procedures and the requirements that they have to meet in Hong Kong. For more information, please click [here](#).

On 26 May 2021, the SFC welcomed the appointments and re-appointments by the Financial Secretary of members to the SFC Advisory Committee for two years from 1 June 2021 to 31 May 2023. For more information, please click [here](#).

On 24 May 2021, the SFC concluded an online campaign which simulated the experience of being drawn into an investment scam. The campaign is part of the SFC's ongoing efforts to alert the public about the use of online platforms to defraud investors. For more information, please click [here](#).

On 20 May 2021, the SFC, in collaboration with the Stock Exchange of Hong Kong Limited (SEHK) announced plans to intensify its efforts to tackle misconduct and improper behaviour related to new listings. An SFC-SEHK joint statement released notes about some problematic issues in recent initial public offerings (IPOs) which suggest the lack of genuine investor interest and call into doubt the existence of an open, orderly and fair market in the shares. For more information, please click [here](#).

On 10 May 2021, the SFC announced the implementation of the Government's grant scheme to subsidise the setting up of open-ended fund companies (OFCs) and real estate investment trusts (REITs) in Hong Kong. For more information, please click [here](#).

## Enforcement

On 12 May 2021, the Market Misconduct Tribunal (MMT) fined China Medical & HealthCare Group Limited, formerly known as COL Capital Limited (COL), and six of its former and current directors a total of HK\$4.2 million for failing to disclose inside information as soon as reasonably practicable following proceedings brought by the SFC. For more information, please click [here](#).

On 27 May 2021, the SFC reprimanded and fined Ewarton Securities Limited (Ewarton) HK\$1.5 million for internal control failings and breaches of the SFC's Code of Conduct. The disciplinary action follows the SFC's sanctions against Mr Mung Wai Sun, a former licensed representative of Ewarton, for effecting transactions in a client's account on a discretionary basis without obtaining the client's prior written authorization and failing to ensure transactions undertaken on behalf of the client were given priority over orders for his own account between May 2017 and March 2018. For more information, please click [here](#).

## India



On 5 May 2021, the Reserve Bank of India (RBI) issued a notification advising Regulated Entities not to restrict the operation of an account where periodic updating of KYC is due and pending. This will be imposed until 31 December 2021. These measures were taken by the RBI keeping in view the current COVID-19 related restrictions in various parts of the country. For more information, please click [here](#).

On 10 May 2021, the Securities and Exchange Board of India (SEBI) issued a circular introducing new reporting requirements on ESG (Environment, Social and Governance) parameters called the Business Responsibility and Sustainability Report (BRSR) for listed entities. For more information, please click [here](#).

On 12 May 2021, SEBI issued a circular where it provided procedures for seeking prior approval for change in control of SEBI registered Portfolio Managers (PM). The prior approval shall be valid for a period of six months from the date of such approval and applications for fresh registration have to be made within six months from the date of prior approval. For more information, please click [here](#).



On 14 May 2021, SEBI issued a circular extending the timelines for various regulatory filings and compliance for InvITs and REITs for the period ending 31 March 2021 due to the COVID-19 pandemic and restrictions imposed by various state governments. For more information, please click [here](#).

On 21 May 2021, SEBI issued a circular informing that SEBI registered Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) are now permitted to invest overseas with an overall limit of USD1,500 million as opposed to the previous prescribed limit of USD750 million. For more information, please click [here](#).

## Enforcement

On 3 May 2021, RBI imposed a monetary penalty of ₹3 Crore on ICICI Bank Ltd. for contravention of certain directions issued by RBI contained in Master Circular on 'Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks' dated 01 July, 2015. For more information, please click [here](#).

On 3 May 2021, RBI imposed a penalty of ₹25.50 lakh on Jumbo Finvest (India) Limited, Jaipur. The statutory inspection of the company revealed that it was in non-compliance with certain provisions of the directions issued by RBI contained in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016' and 'Reserve Bank of India, Know Your Customer (KYC) Directions, 2016. For more information, please click [here](#).

On 4 May 2021, RBI imposed a penalty of ₹9.50 lakh on Balaji Instalments Limited, Pilibhit for contravention of or non-compliance with the directions issued by RBI under 'Non-Banking Financial Company - Returns (Reserve Bank) Directions, 2016' and 'Non-Banking Financial Companies – Acceptance of Public Deposits (Reserve Bank) Directions, 1998 (as amended vide Notification No. DNBR.010/CGM (CDS)-2015 dated March 27, 2015). For more information, please click [here](#).

On 11 May 2021, RBI imposed a penalty of ₹3.50 lakh on Siddheshwar Sahakari Bank Ltd., Latur, Maharashtra. The inspection report revealed that the bank contravened the directions issued by RBI on Exposure Norms and Statutory/Other Restrictions and IRAC norms. For more information, please click [here](#).

On 11 May 2021, RBI imposed a penalty of ₹1 lakh on Shankar Nagari Sahakari Bank Limited, Nanded, Maharashtra. The statutory inspection revealed that the bank was in non-compliance with regulatory directions issued under Exposure Norms. For more information, please click [here](#).

On 13 May 2021, RBI cancelled the licence of United Co-operative Bank Ltd., Bagnan, West Bengal. The licence was cancelled mainly due to the reasons that the bank did not have adequate capital and earning prospects, bank failed to comply with the requirements of section 22(3) (a), 22 (3) (b), 22(3)(c), 22(3) (d) and 22(3)(e) read with section 56 of the Banking Regulation Act, 1949, the continuance of the bank was prejudicial to the interests of its depositors, the bank with its present financial position would be unable to pay its present depositors in full and public interest would be adversely affected if the bank was allowed to carry on its banking business any further. For more information, please click [here](#).

On 18 May 2021, RBI imposed a penalty of ₹1 lakh on Priyadarshini Mahila Nagari Sahakari Bank Limited, Beed, Maharashtra. The inspection report of the bank revealed non-adherence or violation of Supervisory Action Framework. For more information, please click [here](#).

On 20 May 2021, RBI imposed a penalty of ₹1 Crore on City Union Bank Limited. The statutory inspection with reference to its financial position as on March 31, 2019 and the Risk Assessment Report revealed non-compliance with Reserve Bank of India (Lending to Micro, Small & Medium Enterprises (MSME) Sector) Directions, 2017 and the circulars on Educational Loan Scheme and Credit Flow to Agriculture – Agricultural Loans – Waiver of Margin/Security Requirements. For more information, please click [here](#).

On 20 May 2021, RBI imposed a penalty of ₹90 lakh on Nutan Nagarik Sahakari Bank Ltd., Ahmedabad. The statutory inspection with reference to its financial position as on March 31, 2019 and the Inspection Report revealed non-compliance with Master Directions on Interest Rate on Deposits, Know Your Customer (KYC) and Circular on Frauds Monitoring and Reporting Mechanism. For more information, please click [here](#).

On 20 May 2021, RBI imposed a penalty of ₹1 Crore on Tamilnad Mercantile Bank Ltd. for non-compliance with the directions issued under "Cyber Security Framework in Banks" dated June 2, 2016. For more information, please click [here](#).

On 20 May 2021, RBI imposed a penalty of ₹10 lakh on Daimler Financial Services India Private Limited, Pune. The statutory inspection of the company revealed non-compliance with 'Reserve Bank Commercial Paper Directions 2017' and 'Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016'. For more information, please click [here](#).

On 21 May 2021, RBI imposed a penalty of ₹5 lakh on Babaji Date Mahila Sahakari Bank Limited, Yavatmal, Maharashtra for contravening with the directions issued under Urban Cooperative Banks on Income Recognition and Asset Classification (IRAC), Know Your Customer (KYC) and Frauds - Classification and Reporting. For more information, please click [here](#).

On 28 May 2021, RBI imposed penalty of ₹10 Crore on HDFC Bank Limited. An examination of the documents in the matter of marketing and sale of third-party non-financial products to the bank's customers, arising from a whistle blower complaint to RBI regarding irregularities in the auto loan portfolio of the bank, revealed, inter alia, contravention of provisions of section 6(2) and section 8 of the Banking Regulation Act, 1949. For more information, please click [here](#).

## Indonesia



On 11 May 2021, the Indonesian Financial Services Authority (also known as Otoritas Jasa Keuangan, OJK) introduced the Guidelines for the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Programs for Microfinance Institutions. Some Clauses include implementation of risk-based AML and CFT programs, risk-based approach measures, identification and verification of prospective customers or customers, identification and verification of beneficial owners, and so on. For more information, please click [here](#) (Bahasa only).

On 13 May 2021, OJK reiterated the importance in regards to the application of implementing Risk Management for Non-Bank Financial Services Institutions. For more information, please click [here](#) (Bahasa only).

## Enforcement

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

## Japan



On 7 May 2021, the FSA published the finalized "Basic Guidelines for Climate Transition Finance." The Basic Guidelines were formulated by the "Study Group on Environmental Improvement for Effective Transition-Finance" (provisional English title), a tri-party collaborative study group comprised of representatives from the FSA, the METI (Ministry of Economy, Trade and Industry), and the MoE (Ministry of the Environment) to formulate basic principles for transition-finance in Japan, particularly in terms of raising funds through transition bonds, loans, etc. The finalized Basic Guidelines expressly set forth the significance of promoting transition-finance initiatives in tandem with the initiatives to realize a decarbonized society based on the global objective of "carbon neutrality 2050." The finalized Basic Guidelines took effect on 7 May 2021. For more information, please click [here](#).

On 7 May 2021, the FSA established the "Working Group on Integration of Taxation on Financial Income and Gains" (provisional English title). The integration of financial income taxation has been discussed from the perspective of achieving fairness and neutrality in taxation among financial instruments, thereby realizing a simplified and easy-to-understand tax system for investors, particularly in terms of investments in diversified financial products. The Working Group is aimed at further seeking a way forward for the integration of financial income taxation and identifying issues to be addressed in the future by gaining a wide range of insights from stakeholders, including experts, professionals, and practitioners from the sectors of industry, finance, and academia. The FSA serves as the secretariat of the Working Group. For more information, please click [here](#)

On 10 May 2021, the FSA announced "Lessons from the Japanese banking crisis" – a presentation by HIMINO Ryozi, Commissioner, Financial Services Agency of Japan, at an online seminar hosted by the Financial Stability Institute of the Bank for International Settlements. For more information, please click [here \(Japanese only\)](#)

On 11 May 2021, the FSA published the English translation of the monthly magazine, Access FSA No.212. For more information, please click [here](#)

On 12 May 2021, the FSA has published a guide for financial business operators to prepare and use the "Key Information Sheet," which provides financial business operators with some insights and perspectives that may be helpful for preparing and using "Key Information Sheets," as well as examples of best practices that may be considered to be adopted in the future. The guide will be updated as necessary based on the progress in the use of the "Key Information Sheet." For more information, please click [here \(Japanese only\)](#)

On 24 May 2021, the FSA announced Basic Guidelines on Climate Transition Finance. Between April 5 (Monday) and April 16 (Friday) 2021, where public comments were called for regarding the "(Draft) Basic Guidelines on Climate Transition Finance" which was compiled by the Taskforce. At the same time, opinions were also sought from the International Capital Market Association (ICMA), which is developing international principles regarding matters including transition finance. In addition to compiling the results of the public comments, etc., a third review meeting was held, and the "Basic Guidelines on Climate Transition Finance" were compiled in light of the opinions received. For more information, please click [here](#)

On 25 May 2021, the FSA published the agenda and handouts of the 10th meeting of the "Working Group on Capital Market Regulations" (provisional English title) of the Financial System Council, which was held on May 25, 2021. For more information, please click [here \(Japanese only\)](#)

On 26 May 2021, the FSA announced that 307 institutional investors have signed up to the Principles for Responsible Institutional Investors as of April 30, 2021. The FSA publishes the list of institutional investors who have notified the FSA of their intention to accept the Code. The FSA will update the list any time when it receives the notification of acceptance of the Code from institutional investors. For more information, please click [here](#)

On 27 May 2021, the FSA announced NGFS (Financial Authority Network on Climate Change Risk) has posted its "Activity Progress Report for Closing Data Gap". For more information, please click [here](#)

## Enforcement

On 19 May 2021, the Director of the Kanto Finance Bureau announced that KBF proceeded with an administrative punishment for MP Japan Co., Ltd. (Chuo-ku, Tokyo, corporation number 9010001137807) due to non-submitted reports and materials for orders based on Article 63-6 of the Financial Instruments and Exchange Act, which is applied by Article 2, Paragraph 2 of the Supplementary Provisions of the Act for Partial Amendment of the Financial Instruments and Exchange Act. For more information, please click [here \(Japanese only\)](#)

On 21 May 2021, the FSA issued an order to impose an administrative penalty charge against J-Holdings Corp. for making false statements in its securities reports. For more information, please click [here \(Japanese only\)](#)

On 21 May 2021, the FSA announced a partial rescission of the FSA's order to impose an administrative penalty charge against Nice Corporation for making false statements in its securities reports. The decision has become final and binding. For more information, please click [here \(Japanese only\)](#)

## Korea



On 06 May 2021, the Financial Services Commission (FSC) introduced measures to improve the rules on the suspension of licensing review process for financial institutions, intending to increase predictability and minimize legal uncertainties for businesses. For more information, please click [here](#).

On 10 May 2021, the FSC has applied enhanced investor protection measures on highly complex investment products starting from 10 May 2021. This will now require financial institutions to record the sales process when selling such products to investors. This is to strengthen the protection among investors with high-risk investment products. For more information, please click [here](#).

On 20 May 2021, the FSC and the Financial Supervisory Service (FSS) has made an application for the membership to the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). Joining the NGFS would enable the FSC and FSS to actively participate in and contribute to global discussions on green finance, enhancing the policy alignment of Korea's green finance strategies, in line with global standards. For more information, please click [here](#).

## Enforcement

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

## Malaysia



On 10 May 2021, the Securities Commission Malaysia (SC), MAS, and SEC Thailand, signed a supplemental Memorandum of Understanding (Supplemental MoU) with the Securities and Exchange Commission Philippines (SEC Philippines) to admit SEC Philippines as a new signatory to the ASEAN Collective Investment Schemes (CIS) Framework. For more information, please click [here](#).

On 27 May 2021, the Bursa Malaysia Berhad announced that Bursa Malaysia will launch a Pilot Market Making Program (PMMP) on 1 June 2021. The PMMP aims to increase the liquidity and price efficiency of selected mid to large-cap stocks with low velocity. For more information, please click [here](#).

On 31 May 2021, SC affirmed that the capital market will continue to remain open and operate as usual within normal business hours throughout the total lockdown period. For more information, please click [here](#).

## Enforcement

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

## Mauritius



On 13 May 2021, FSC Mauritius released “Guidelines for Mortgage Underwriting Practices and Procedures”. These guidelines provide a regulatory framework for supervision of mortgage insurers. For the relevant circular, please click [here](#), and for the Guidelines, please click [here](#).

## Enforcement

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

## Myanmar



On 14 May 2021, the Central Bank of Myanmar (CBM) is struggling to keep commercial banks adequately supplied with cash as Myanmar’s depositors continue to remove funds from commercial banks due to the widespread protests against the armed forces. For more information, please click [here](#).

On 18 May 2021, the governor of CBM, Than Nyein has been imposed sanctions by the US Treasury as a set of punitive measures taken against the military regime that took power in Myanmar at the start of February 2021. For more information, please click [here](#).

## Enforcement

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

## New Zealand



On 6 May 2021, new laws to regulate and supervise payment and settlement systems were been passed by Parliament. For more information, please click [here](#).

## Enforcement

On 6 May 2021, CLSA Premium New Zealand Limited (CLSAP NZ) admitted to breaches of the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act, following proceedings brought by the Financial Markets Authority. For more information, please click [here](#).

On 27 May 2021, the Reserve Bank of New Zealand filed a statement of claim in the High Court against TSB Bank Limited for acknowledged breaches of the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009. For more information, please click [here](#).



## Philippines



On 12 May 2021, the Securities and Exchange Commission, Philippines (SEC) revised the Guidelines on the submission of documents, issuance of payment assessment form, among other requests and compliance-related matters. Considering the evolving COVID-19 situation, the SEC advises all investment companies, registered issuers of proprietary and non-proprietary shares/timeshares, public companies, financing companies, lending companies, foundations, accredited microfinance NGOs, corporate governance institutional training providers and publicly-listed companies under the supervision of the Corporate Governance and Finance department (CGFD) to follow the guidelines which are submitting the documents via email and the Online Submission Tool (OST). For more information, please click [here](#).

On 25 May 2021, the Bangko Sentral ng Pilipinas (BSP) Issues Guidelines on the Management of Liquidity Risk by Islamic Banks (IBs) and Islamic Banking Units (IBUs). The regulatory issuance is basically anchored on the existing liquidity risk management framework for conventional banks with additional provisions to cover the specificities of Islamic banking. The aim is to create an enabling environment that will allow Islamic banks to operate alongside the conventional banks under the same regulatory approach, taking into consideration the unique features of Islamic financial activities/transactions. In particular, the Guidelines emphasize Shari'ah compliance in liquidity risk management including the choice of instruments/tools to mitigate liquidity risk. It also provides guidance on the treatment of Islamic banking accounts such as profit and loss sharing investment accounts. For more information please click [here](#).

On 28 May 2021, the BSP will engage banks in discussions during the three-year transitory period before the full implementation of Circular No. 1085 on the Sustainable Finance Framework. Within that period, BSP Governor Benjamin E. Diokno said banks are expected to identify and execute specific actions on the implementation of board-approved strategies and policies on the integration of sustainability principles into their strategic objectives, corporate governance, risk management systems, and operations. For more information please click [here](#).

## Enforcement

The Securities and Exchange Commission (SEC) has secured a fifth conviction under Republic Act No. 8799, or the Securities Regulation Code (SRC), after a regional trial court ruled that the president of a brokerage firm manipulated the market in illegal trade transactions involving stocks of the listed firm, Best World Resources Corporation (BW). In a decision dated May 7, the Pasig City Regional Trial Court Branch 67 found Johnny S. Yap of Solar Securities Inc. guilty beyond reasonable doubt of violation of Section 26(a)(1)(1) of the Revised Securities Act, now Section 24.1(a)(i) of the SRC. The court sentenced Yap to a penalty of imprisonment of 14 years and a fine of P1 million. It also ordered the issuance of a warrant of arrest against Yap. For more information please click [here](#).

## Russia



On 6 May 2021, The Bank of Russia (BoR) published its annual report for 2020. For more information, please click [here](#)

On 13 May 2021, BoR suggested to expand the list of actions recognized as market manipulation. The expansion will include actions that significantly affect trading parameters or disrupt their natural market fluctuations, which can include both disseminating information about assets and companies and conducting transactions (e.g., when a person places buy or sell orders without an intention to fulfil them but rather to achieve a better price or other trading parameters of opposite-side orders (spoofing or layering)). Market manipulation may also include calls to perform such actions or their coordination. For more information, please click [here](#)

On 17 May 2021, BoR announced that the Russian Government and BoR has approved the Action Plan (roadmap) for allocating available funds for investment projects. In particular, this roadmap will promote the development of long-term finance instruments. The roadmap provides opening and expanding opportunities for using the existing equity, debt and hybrid financial instruments. Specifically, this action plan suggests the introduction of multiple-voting preferred shares, an increase in the portion of preferred shares in joint-stock companies' equity, the development of shareholders' agreements and the SPAC mechanism in accordance with Russian laws, and the promotion of financing of small and medium-sized businesses, including through digital factoring. For more information, please click [here](#)

On 18 May 2021, BoR announced a mechanism allowing individuals or companies facing administrative proceedings based on market manipulation or insider trading facts initiated by BoR to reach a settlement agreement with the regulator, in exchange of being released from liability. For more information, please click [here](#).

## Enforcement

On 14 May 2021, BoR revoked the banking licence of JSC Texbank following the request that the credit institution was submitted to the BoR after the decision of the general shareholders' meeting on its voluntary liquidation. For more information, please click [here](#).

On 21 May 2021, BoR revoked the banking licence of OOO NKO Krasnoyarsk Territorial Settlement Center for conducting large-scale non-transparent transactions for payments between individuals and illegal online casinos and bookmakers. For more information, please click [here](#).

On 28 May 2021, BoR revoked the banking licence of JSC Sauber Bank for performing dubious large-volume transactions with individuals to sell foreign cash currency, as well as high-risk dubious transit operations. For more information, please click [here](#).

On 28 May 2021, BoR revoked the banking licence of IRS-BANK for understating the amount of loan loss provisions to be set up and overstating the value of assets to artificially improve its financial indicators and conceal its actual financial standing, as well as violating federal banking laws and BoR regulations, making the regulator repeatedly apply supervisory measures over the last 12 months. For more information, please click [here](#).

On 28 May 2021, BoR revoked the banking licence of SNBCO JSC for conducting non-transparent transactions for payments between individuals and illegal online casinos and bookmakers, including using P2P transfers, as well as dubious transit operations. For more information, please click [here](#).

## Singapore



On 3 May 2021, the 24th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting (AFMGM+3) was convened. Views were exchanged on the current developments and the outlook for the global and regional economies, as well as policy responses to risks and challenges. The ASEAN+3 members agreed to continue working together to enhance regional financial cooperation, including the Chiang Mai Initiative Multilateralisation (CMIM), AMRO, Asian Bond Markets Initiative (ABMI) and Strategic Directions of the ASEAN+3 Finance Process. For more information, please click [here](#).

On 6 May 2021, the Monetary Authority of Singapore (MAS) announced the launch of the 6th edition of the Global FinTech Hackcelerator, with the theme "Harnessing Technology to Power Green Finance". Up to 15 finalists will be shortlisted for a virtual programme where they will be paired with a Corporate Champion to develop customized prototypes on the API Exchange (APIX). Each finalist will also receive a S\$20,000 cash stipend and be eligible for a fast-tracked application for the MAS Financial Sector Technology and Innovation Scheme Proof-of-Concept Grant of up to S\$200,000. Up to three winners will be selected, with each receiving S\$50,000 in prize money. For more information, please click [here](#).

On 19 May 2021, a financial industry taskforce convened by the MAS launched several initiatives to accelerate green finance in Singapore through improving disclosures and fostering green solutions. The Green Finance Industry Taskforce (GFIT) issued a detailed implementation guide for climate-related disclosures by financial institutions; a framework to help banks assess eligible green trade finance transactions; and a whitepaper on scaling green finance in the real estate, infrastructure, fund management and transition sectors. GFIT will launch a series of workshops and e-learning modules from May 2021 to April 2022 for FIs and corporates. For more information, please click [here](#).

On 21 May 2021, the Bank of Japan, acting as agent for the Minister of Finance of Japan, and the MAS renewed the existing Bilateral Swap Arrangement (BSA) between the two countries. Under the terms of the arrangement, Singapore can swap Singapore dollars for up to US\$3 billion or its equivalent in Japanese yen from Japan. Japan can swap Japanese yen for up to US\$1 billion from Singapore. For more information, please click [here](#).

On 26 May 2021, Monetary Authority of Singapore (MAS) joined the Mojaloop Foundation as a Sponsor-level member to collaborate on providing the underserved access to affordable financial services through digital currency-based settlement systems and foundational digital infrastructure. MAS is the first central bank to join the Mojaloop Foundation. The partnership between MAS and Mojaloop's open-source community aims to bring together MAS' policy development perspectives and Mojaloop's digital payments capability to advance financial inclusion in emerging economies. The collaboration will also provide new opportunities for the FinTech ecosystems in Singapore and Asia-Pacific. For more information, please click [here](#).

On 26 May 2021, the Asian Monetary Policy Forum (AMPF) was convened. MAS and the Bank for International Settlements (BIS) have organised a conference for the Special Edition of the AMPF and MAS-BIS Conference on "Macro-Financial Stability Policy in a Globalised World: Lessons from International Experience". The Forum, held virtually from 26 to 28 May 2021, focuses on macro-financial stability frameworks and features advanced and emerging market economies' experiences with monetary, macroprudential, exchange rate and capital flow management policies. For more information, please click [here](#).

## Enforcement

On 5 May 2021, the MAS issued a 2-year prohibition order (PO) against Mr Lim Chew Keat, a former insurance agent of Synergy Financial Advisers Pte Ltd (Synergy FA) for making false and misleading statements to his client. Mr. Lim is prohibited from providing any financial advisory service, or from taking part in the management, acting as a director or becoming a substantial shareholder of any financial advisory firm under the Financial Advisers Act 1. The order took effect from 4 May 2021. For more information, please click [here](#).

On 7 May 2021, the MAS issued a 10-year prohibition order against Mr. Ahmadnawar Bin Abd Karim, following his conviction in the State Courts for conducting regulated activities without a licence and cheating. Mr. Ahmadnawar is prohibited from performing any regulated activity under the Securities and Futures Act (SFA). He is also prohibited from taking part in the management, acting as a director or becoming a substantial shareholder of any capital market services firm under the SFA. The order took effect from 6 May 2021. For more information, please click [here](#).

## Sri Lanka



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

### Enforcement

A media search did not find any relevant enforcement news for Sri Lanka during May.

## Taiwan



On 4 May 2021, several recent cyber-attack cases revealed that the cyber attackers intended to send spoofed text message to trick investors to login to the fake websites of securities firms so as to steal sensitive personal data. The Financial Supervisory Commission (FSC) advises the investing public to be on heightened alert to such phishing scams and not to click on the web link from a text message of unknown sources. For more information, please click [here](#).

On 20 May 2021, the FSC published its "Measures for Public Companies to Postpone Shareholders' Meetings for Pandemic Prevention". For more information, please click [here](#).

On 20 May 2021, the FSC stated that the amendments to "The Act Governing Electronic Payment Institutions" (hereinafter referred to as the "Act") were promulgated by the President on December 7, 2020, and the scheduled effective date of the Act set on July 1, 2021 was approved. The amendment to the Act is not only aimed at the goal of creating a payments ecosystem but also allows cross-institutional money transfer services through the establishment of an "inter-institutional electronic payment institutions platform". In response to the amendment, a total of 18 sub-regulations, ordinances, or administrative rules should be amended or enacted accordingly, of which 16 are governed by the FSC, one by the Central Bank, and one by the Ministry of Finance thereof. For more information, please click [here](#).

## Enforcement

On 6 May 2021, the Responsible Person of GTIC Gold Refinery (S) Co., Ltd was given an administrative fine of NT\$720,000, in accordance with Paragraphs 1&2 of Article 36, Paragraph 1(4) of Article 178 and Article 179 of the Securities and Exchange Act, as GTIC Gold Refinery (S) Co., Ltd due to failing to complete the Q2&Q4 2020 financial statement in accordance with Paragraph 1&2 of Article 36 of the Securities and Exchange Act. For more information, please click [here](#).

On 6 May 2021, the Responsible Person of Unity Opto Technology Co., Ltd. was given an administrative fine of NT\$720,000, in accordance with Paragraphs 1 & 2 of Article 36, Paragraph 1 (4) of Article 178 and Article 179 of the Securities and Exchange Act, as Entery Industrial Co., Ltd. for failing to complete the regulatory filing of the financial statement for Q4 2019 , Q1& Q2 2020 and Q4 2020 in accordance with Paragraph 1 & 2 of Article 36 of the Securities and Exchange Act. For more information, please click [here](#).

On 7 May 2021, Time Security Investment Consultant Co., Ltd. had been fined NT\$500,000 due to the Disciplinary Action for Violating the Money Laundering Prevention Provisions. Time Security Investment Consultant had cash transaction entries of more than NT\$500,000 for providing securities investment consulting services on January 18, 2019, but had not report the transaction to the Investigation Bureau, Ministry of Justice within five business days after the completion of transaction. For more information, please click [here](#).

On 12 May 2021, Mega Securities Corporation and employees were punished for violation of securities laws. Taiwan Stock Exchange Corporation conducted an examination on Zhongxiao Branch of Mega Securities in the period of 24 June 2020 to 17 July 2020, and discovered that the sales agent of the company enticed two customers to invest in stocks as the pretext, but lured the customers to directly remit the fund for investment into his personal bank account and never delivered the shares or returned the fund in full amount to the customers. For more information, please click [here](#).

On 13 May 2021, the FSC imposed penalties against Citibank Taiwan Limited (Citibank) and DBS Bank (Taiwan) Ltd. (DBS Bank) for AML/CFT breaches of laws and regulations. According to a targeted examination for "Trade finance related AML/CFT and Counter Proliferation Financing (CPF) mechanism" and a full-scope examination of Citibank conducted by the FSC, as well as a full-scope examination of DBS Bank, it was found that Citibank and DBS Bank had failed to properly establish or sufficiently implement its internal AML/CFT control mechanism and process during the period from 2017 to 2019 and the period from 2017 to 2018 respectively, in violation of Paragraph 1 of Article 45-1 of the Banking Act of the Republic of China. Therefore, the FSC fined Citibank NT\$10 million and DBS Bank NT\$6 million respectively. For more information, please click [here](#).

On 28 May 2021, the Responsible Person of Collamatrix Co., Ltd. received an administrative fine of NT\$240,000, in accordance with Paragraph 1(2) of Article 178 and 179 of the Securities and Exchange Act. The financial statement for 2020 Q4 presented upon regulatory filing by Collamatrix Co., Ltd. was not signed or sealed by the accounting manager required under Article 3 of the Regulations Governing the Qualification Requirements and Professional Development of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges, pursuant to Paragraph 3 of Article 14 of the Securities and Exchange Act. For more information, please click [here](#).

On 31 May 2021, the Former responsible person of Enterex International Limited was sentenced to a fine amounting to NT\$240,000 pursuant to Subparagraph 4 of Paragraph 1 under Article 178 and Article 179 of the Securities and Exchange Act. The manufacturing facility of Yang Zhou Enterex Auto Parts Industrial Co., Ltd., a key subsidiary company, was seized by the authorities on 4 January 2021. The bank deposits of this firm were also frozen in the period of June to December of 2020 for reason of indebtedness to the suppliers. The aforementioned legal proceedings of the subsidiary inflicted significant influence on the continuing operation of Enterex. Yet, Enterex did not disclose these incidents at MOPS as information on materiality until 11 March 2021, 16 March 2021 and 18 March 2021, which was a violation of Article 165-1 of the Securities and Exchange Act where Subparagraph 2 of Paragraph 3 under Article 36 and Subparagraph 9 under Article 7 of the enforcement rules of the same law shall govern. For more information, please click [here](#).

## Thailand



On 5 May 2021, the Secretary of the Monetary Policy Committee (MPC) assessed that the Thai economy would expand at a much lower rate due to the third wave of the COVID-19 outbreak which affected domestic spending and the recovery of foreign tourist figures. The Committee viewed that procurement and distribution of vaccines in an adequate and timely manner was the most important issue for the Thai economy at present. Regarding financial measures, the most important one would be the distribution of liquidity to the businesses and households additionally affected by the new outbreak. In particularly, credit measures and expedited debt restructuring would reduce financial burden in a more targeted manner than cutting the policy rate, which was already at a low level and remained supportive of economic recovery. The Committee thus voted to maintain the policy rate at this meeting to preserve the limited policy space to act at the appropriate and most effective timing. For more information, please click [here](#).

On 6 May 2021, the Bank of Thailand concluded that the overall economic activities in the Southern region in the first quarter of 2021 remained contract but improved slightly from last quarter. The spread of the COVID-19 in the second wave caused household purchasing power to remain fragile, partially reflected by the continuing contraction of number of labours under the social security system, together with a deceleration of farm income. Then, private consumption still contracted at a similar rate as the previous quarter, where government's stimulus measures supported the private consumption partially. Domestic tourism was affected, especially at the beginning of the quarter. Also, international travel restrictions remained in place. Thus, the tourism sector continued to contract. Nevertheless, foreign demand recovered more clearly, following the recovery trend of global economy, led the value of merchandise exports to expand at a higher rate than last quarter, and manufacturing production turned to expand slightly. Meanwhile, private investment indicators improved slightly. However, government's capital spending slowed down. For more information, please click [here](#).

On 10 May 2021, the SEC issued regulations on the establishment and management of high-yield bond funds, which have been effective since 1 August 2021. The regulations aim to provide bridge financing for high-yield bond issuers to have liquidity to support business continuity. Now, the SEC is proposing to issue regulations on establishment and management of distressed bond funds to support the high-yield bond funds wherein high-yield bonds subsequently become distressed bonds, and to provide liquidity for the holders of distressed bonds. The distressed bond fund would be set up as a non-redeemable fund with a maturity period prescribed in the disclosure document. Automatic redemption would require pre-specified terms and conditions, and investment would be limited to institutional and ultra-high-net-worth investors. For more information, please click [here](#).

On 17 May 2021, Ms. Suwannee Jatsadasak, Senior Director, Bank of Thailand, reported on the Thai banking system's performance in the first quarter of 2021, and said that the Thai banking system remained resilient with high levels of capital fund, loan loss provision and liquidity to accommodate loan demand and weather increasing economic uncertainties arising from the new wave of COVID-19. Credit assistance measures, coupled with revisions to rules on loan classification and provisioning helped alleviate the deterioration of bank loan quality. Meanwhile, the banking system's profitability declined from the same period last year as a result of lower interest income from loans. For more information, please click [here](#).

On 31 May 2021, the Bank of Thailand concluded that the overall economic activities in the Southern region was set back in April 2021 due to the resurgence of the third wave of COVID-19 infections and the disruption in economic activity in particular, after the Songkran Festival, that domestic tourism significantly dropped. The decline in private consumption reflected weak households' purchasing power despite fiscal stimulus packages and higher farm income. Manufacturing production slowed down from the previous month as a result of freight rates hike amid the container shortage. However, export value continued to rise partly due to higher export prices in rubber products. Private investment accelerated. For more information, please click [here](#).

On 31 May 2021, the Bank of Thailand indicated that the Thai economy began to be affected by the third wave of the COVID-19 outbreak. Private consumption indicators declined from the previous month in all spending categories. Private investment indicators dropped from the machinery and equipment category. Meanwhile, the tourism sector has not recovered as international travel restrictions remained. However, merchandise exports continued to improve in line with trading partners' demand which subsequently supported production in the manufacturing sector. Public spending continued to play a role in supporting the economy. For more information, please click [here](#).

## Enforcement

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

## Vietnam



A media search did not find any relevant articles 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](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.