



CA | ComplianceAsia

Contents

Executive Summary	1
Australia	2
Cambodia	3
Mainland China	3
Hong Kong	4
India	5
Indonesia	6
Japan	7
Korea	8
Malaysia	8
Mauritius	9
Myanmar	9
New Zealand	9
Philippines	10
Russia	10
Singapore	11
Sri Lanka	12
Taiwan	12
Thailand	13
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 June 2021

Executive Summary

In Thailand, the Thai SEC announced that it is supporting AIMC's Three year Sustainable Roadmap, to strengthen fund managers' capabilities to drive the Thai capital market towards sustainability. The Thai SEC has commissioned Morgan Stanley Capital International to conduct a study and develop a data framework that is suitable for the context of Thailand and in line with International ESG Standards.

Over in Taiwan, the FSC has approved the first South Korean Bank to establish a branch in Taiwan, solidifying the close economic and trade relations between Taiwan and South Korea.

Meanwhile in Australia, ASIC has announced that they will be extending its transitional relief for the need for foreign financial services providers to hold an Australian Financial Services License until 31 March 2023.



Listen to Compliance in Asia

A weekly recap of compliance developments in Asia

Available on [iTunes](#), [Google Podcasts](#), and [Spotify](#)



Australia



On 2 June 2021, the Financial Stability Board (FSB) announced that all new use of the London Interbank Offered Rate (LIBOR) benchmarks should cease as soon as practicable and no later than the timelines set out by home authorities and/or national working groups in the relevant currencies. For more information, please click [here](#).

On 11 June 2021, ASIC announced that it is extending, for 12 months – to 31 March 2023 – its transitional relief for foreign financial services providers (FFSPs) from the requirement to hold an Australian financial services (AFS) licence, pending the outcome of the Australian Government's consultation about the regulation of FFSPs. For more information, please click [here](#).

On 16 June 2021, ASIC announced that they have made new market integrity rules for capital, providing important protections for investors and the integrity of the market, whilst simplifying the capital framework for market participants. The ASIC Market Integrity Rules (Capital) 2021 (Capital Rules) will replace the existing separate rule books for securities market participants and futures market participants. For more information, please click [here](#).

Enforcement

On 1 June 2021, ASIC banned a director and former responsible manager of Union Standard International Group Pty Ltd (Union Standard), from providing financial services for ten years and from managing corporations for five years. This is due to the failure to implement and enforce compliance policies and procedures. For more information, please click [here](#).

On 2 June 2021, the Federal court ordered Forex Capital Trading Pty Ltd (Forex CT) to pay a AU\$20 million penalty for engaging in systemic unconscionable conduct, paying conflicted remuneration to its team leaders and account managers and failing to act in the best interests of its clients. The company's sole director has been ordered to pay a AU\$400,000 penalty and has been disqualified from managing corporations for eight years for breaching his duties as director. For more information, please click [here](#).

On 3 June 2021, ASIC banned a Brisbane-based former financial advisor from providing financial services for three years because of his failure to provide financial advice that was appropriate and in the best interests of his clients. For more information, please click [here](#).

On 4 June 2021, ASIC disqualified a NSW-based director from managing companies for two years for his role in the failure of three companies and trading whilst insolvent. For more information, please click [here](#).

On 7 June 2021, Advanced Choice Finance Pty Ltd (ACF), a former Melbourne based mortgage Brokerage Company, was convicted and fined AU\$4,000 for knowingly making a false statement in a credit licence annual compliance certificate lodged with ASIC. For more information, please click [here](#).

On 8 June 2021, ASIC permanently banned a Sydney-based financial advisor from providing any financial services, controlling a financial services business or performing any function involved in carrying on of a financial services business. The ban is due to the misuse of his position for personal gain and as a consequence, deprived clients and others of their funds. For more information, please click [here](#).

On 8 June 2021, the former director of Bauen Concrete Pty Ltd (Bauen) was convicted of fraud and sentenced to four years imprisonment. The former director fraudulently used a credit card issued to Bauen to access AU\$3,131,718.82 to wager bets through a digital gambling account. For more information, please click [here](#).

On 11 June 2021, ASIC permanently banned the former director of Australian Reliance and Reliance Franchise Partners from providing financial services, controlling an entity that carries on a financial services business and from performing any function involved in the carrying on of a financial services business. ASIC believed that he was not a fit and proper person to provide financial services or control a financial services business and would be likely to contravene financial services law if he continued doing so. For more information, please click [here](#).

On 15 June 2021, a Victorian director was disqualified from managing companies for two years, after his involvement in two failed companies. For more information, please click [here](#).

On 17 June, ASIC disqualified a NSW-based director from managing companies for three years. This is for his role in the failure of two companies. For more information, please click [here](#).

On 18 June 2021, a former Gold Coast director has been found guilty of three counts of fraud and sentenced to imprisonment. An ASIC investigation found that, the director, on three separate occasions, dishonestly withdrew a total of AU\$256,000. For more information, please click [here](#).

On 25 June 2021, ASIC banned a Hobart-based financial adviser from providing financial services, carrying on a financial services business and controlling an entity that carries on a financial services business for four years. This is due to the failure to act in the best interests of her clients by providing advice that was inappropriate in light of her clients' relevant personal circumstances. For more information, please click [here](#).

Cambodia



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

Enforcement

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

Mainland China



On 1 June 2021, PBOC issued a revised draft of 'Anti-money Laundering Law'. Financial institutions may receive a fine ranging from RMB200,000 to RMB2 million due to failure of conducting internal or independent audit, AML training or due diligence on clients. In particular, if financial institutions violate this AML law such that proceeds of crimes are concealed or their actions lead to the consequence of terrorist financing, the maximum fine will be RMB10 million. Additionally, the revised draft rules tighten international cooperation, stipulating that if a foreign authority does not comply with the principle of reciprocity or reach consent with Mainland China, Chinese financial institutions should not be subject to foreign orders to share onshore information or seize, freeze or transfer onshore assets. For more information, please click [here](#) (Chinese only).

On 8 June 2021, CBIRC issued the 'Code of Corporate Governance of Banking and Insurance Institutions' with immediate effect. The Code incorporates for the first time the integration of "Leadership by the Party" and corporate governance into the regulatory regime, stipulating material operational management issues of state-owned banking and insurance institutions must be researched and discussed by the Party Committee before decisions are made by the Board of Directors or senior management. For more information, please click [here](#) (Chinese only).

On 11 June 2021, CBIRC and PBOC jointly issued the 'Notice on Regulating Cash Management Type Wealth Management Products', with a transitional period until the end of 2022. "Cash management type WMPs" are wealth management products by banks or wealth management companies in China that are only permitted to invest in money market instruments. The Notice stipulates that cash management type WMPs can invest in cash, bank deposits, bond repos or central bank bills with a term of up to one year, however they are not allowed to invest in stocks, convertible bonds, floating rate note or bonds with credit ratings below AA+. For more information, please click [here](#) (Chinese only).

On 17 June 2021, CBIRC issued a consultation of 'Measures for Regulation of the Behaviours of Substantial Shareholders of Banking and Insurance Institutions'. The draft rules define substantial shareholders as shareholders with a 15% stake or more in a financial institution, or those with the largest stake or control in a banking and insurance institution. The draft rules also tighten the regulation on substantial shareholders' behaviours, clarifying that substantial shareholder should be prohibited from improperly interfering with the normal operation of the banking and insurance institutions, conducting improper publicity in the name of a licensed institution, delegating others or being delegated to participate in the general meeting of shareholders or using their equity to provide guarantee for the debts of non-related parties. For more information, please click [here](#) (Chinese only).

On 18 June 2021, CSRC amended the 'Provisions on Prohibition of Securities Market Entry'. The new provisions further divide 'securities market entry ban' into two types, (1) identity ban – prohibiting from engaging in securities business or securities services business and depriving from taking director, supervisor or senior management position and (2) trading ban – prohibiting from trading in stock exchange or other national securities trading venue established with the approval of the State Council. Additionally, the duration of the prohibition on trading in stock exchange should not be longer than five years. For more information, please click [here](#) (Chinese only).

Enforcement

On 21 June 2021, People's Bank of China held regulatory talks with some banks and payment platforms including the Industrial and Commercial Bank of China, the Agricultural Bank of China, the China Construction Bank, the Postal Savings Bank of China, the Industrial Bank Co Ltd and Alipay (China) Network Technology Co Ltd and warned them against providing any services to cryptocurrency related activities. They are required to fulfil their obligations of client identification, and not to provide products or services regarding account opening, registration, transaction, clearing and settlement for related activities. For more information, please click [here](#) (Chinese only).

On 23 June 2021, Sichuan Office of CBIRC announced Mr. Chen Jun, former president of Sichuan Trust Co. Ltd, was banned from entering the banking industry for eight years as he violated Article 48 of the 'Banking Supervision Law of the PRC' regarding prudent operating. For more information, please click [here](#) (Chinese only).

Hong Kong



On 1 June 2021, the SFC issued a circular urging licensed corporations to review their business continuity plan and consider Covid-19 vaccination as a critical part of operational risk management. In this connection, they should identify functions that are critical to their business operations and client interests and to encourage staff performing such critical functions to get vaccinated. For more information, please click [here](#).

On 17 June 2021, the SFC and the Securities and Exchange Commission of Thailand (SEC) announced that the implementation of the Mutual Recognition of Funds scheme (MRF) has come into effect. Further details of the MRF are set out in the "SFC circular" and the "SEC circular" issued on 20 January 2021. For more information, please click [here](#).

On 18 June 2021, the SFC released consultation conclusions on proposals to update its entry requirements for licence applicants and its ongoing competency standards for corporations and individual practitioners. The industry generally welcomed the proposals which included raising the minimum academic qualification requirements for individuals, broadening the scope of recognised academic qualifications, clarifying the management experience requirements for responsible officers (ROs) and enhancing the competence requirements for individuals advising on matters in relation to the Codes on Takeovers. For more information, please click [here](#).

On 24 June 2021, the HKMA and the SFC issued the joint consultation conclusion on the annual update to the list of Financial Services Providers (FSP List) under the over-the-counter (OTC) derivatives clearing regime. Having considered the market feedback, the HKMA and the SFC will proceed with the proposed changes to the FSP List as set out in the joint consultation paper. For more information, please click [here](#).

On 29 June 2021, the SFC issued a circular to provide guidance to management companies of SFC-authorized unit trusts and mutual funds on enhanced disclosures for funds which incorporate environmental, social and governance (ESG) factors as a key investment focus (ESG funds). The circular, which supersedes a previous version issued in 2019, includes a new requirement for ESG funds to conduct and disclose periodic assessments of how they incorporate ESG factors and also provides additional guidance for ESG funds with a climate-related focus. For more information, please click [here](#).

On 30 June 2021, the SFC published its 2020-21 Annual Report, setting out its priorities for maintaining Hong Kong's status as a leading international financial centre and preserving the overall integrity and stability of the financial system. For more information, please click [here](#).

Enforcement

On 3 June 2021, the Court of First Instance granted orders sought by the Securities and Futures Commission (SFC) against boiler room fraudsters to compensate 75 investors who fell victim to the scams following legal proceedings under section 213 of the Securities and Futures Ordinance (SFO). The boiler room scams involved three unlicensed entities purportedly based in and operating from Hong Kong. They are: (i) Broadspan Securities (Broadspan) using the website www.broadspansecurities.com; (ii) Shepherds Hill Partners, Hong Kong (Shepherds Hill) using the website www.shepherdshillhk.com; and (iii) Rich Futures (HK) Limited (Rich Futures) using the website www.richfutureshk.com. For more information, please click [here](#).

On 10 June 2021, the SFC suspended the licence of Mr. Lun Sheung Nim, a responsible officer (RO) of GEO Securities Limited (GEO), for 7.2 months from 10 June 2021 to 16 January 2021. The disciplinary action follows the SFC's sanctions against GEO for breaches of its licensing conditions and failures related to its sale of unlisted bonds between 1 July 2014 and 16 November 2015. The SFC found that GEO's breaches and failures during the material period were attributable to Lun's failure to discharge his duties as an RO and a member of GEO's senior management. For more information, please click [here](#).

On 11 June 2021, the Market Misconduct Tribunal (MMT) banned Mr. Cheng Chak Ngok, former executive director, chief financial officer and company secretary of ENN Energy Holdings Limited, from dealing in securities in Hong Kong for 54 months after finding him culpable of engaging in insider dealing in the shares of China Gas Holdings Limited (China Gas) in 2011 following a retrial. For more information, please click [here](#).

On 24 June 2021, the SFC reprimanded Deutsche Securities Asia Limited (DSAL) and fined it HK\$2.45 million for issuing incorrect statements to its prime brokerage (PB) clients and delaying reporting its failures to the SFC. The SFC found that between 2006 and October 2018, due to a design defect of its front office system, DSAL issued incorrect periodic statements to its PB clients when they were holding positions regarding their entitlements to bonus shares of listed companies that had not yet become tradable by the clients. For more information, please click [here](#).

On 29 June 2021, the SFC obtained compensation orders under the Securities and Futures Ordinance (SFO) from the Court of Appeal against three former directors of EganaGoldpfeil (Holdings) Ltd (EHL) following an appeal against the lower court's decision (Notes 1 to 5). The three former EHL directors, namely, Mr. David Wong Wai Kwong, Mr. Peter Lee Ka Yue, and Mr. Chik Ho Yin, were ordered to pay, jointly and severally, HK\$622 million as compensation to EHL for the company's loss of funds as a result of their misconduct and their failure to act in the best interest of EHL. For more information, please click [here](#).

India



click [here](#).

On 14 June 2021, the Securities and Exchange Board of India (SEBI) provided a revised framework for regulatory sandbox. All entities registered with SEBI under section 12 of the SEBI Act 1992, shall be eligible for testing in the regulatory sandbox. The entity may apply either on its own or in partnership with any other entity. In either scenarios, the registered market participant shall be treated as the principal applicant, and shall be solely responsible for the testing of the solution. The details are mentioned under Annexure A. For more information, please

Enforcement

On 7 June 2021, the Reserve Bank of India (RBI) imposed a monetary penalty of ₹4 Crore on Bank of India for non-compliance with the "Master Circular on KYC norms/AML standards/ CFT / Obligation of banks under PMLA, 2002" dated July 1, 2014, circular on "The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949 - Operational Guidelines" dated May 27, 2014, "Master Circular on Frauds - Classification and Reporting" dated July 02, 2012 and circular on "Sale of Financial Assets of Doubtful Standard / Fraudulent Origin to Securitization Company (SC) / Reconstruction Company (RC) - Reporting Requirements" dated April 5, 2011. For more information, please click [here](#).

On 7 June 2021, the RBI imposed a penalty of ₹2 Crore on Punjab National Bank. The examination of the risk assessment reports pertaining to ISE 2018 and 2019 revealed non-compliance with/contravention of the aforesaid directions, viz., delay in reporting of frauds and not ensuring data accuracy and integrity while submitting data on CRILC platform/ to RBI. For more information, please click [here](#).

On 8 June 2021, the RBI imposed a penalty of ₹2 lakh on The Dhrangadhra People's Co-operative Bank Ltd., Dhrangadhra, Dist. Surendranagar, Gujarat non-compliance with RBI directions on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)' and 'Depositor Education and Awareness Fund Scheme, 2014'. For more information, please click [here](#).

On 15 June 2021, the RBI imposed a penalty of ₹5 lakh on National Urban Co-operative Bank Limited, New Delhi. The inspection report revealed that the bank contravened the directions issued by RBI under section 36 (1) read with section 56 of the Banking Regulation Act. For more information, please click [here](#).

On 15 June 2021, the RBI imposed a penalty of ₹6 lakh on the Bijnor Urban Co-operative Bank Limited, Bijnor. The inspection report revealed that the bank was in non-compliance with regulatory directions issued under sections 20 and 35A read with section 56 of the Banking Regulation Act, 1949 and regulations on 'Guarantees, co-acceptances and letters of credit'. For more information, please click [here](#).

On 18 June 2021, the RBI imposed a penalty of ₹2 lakh on Municipal Co-operative Bank Limited, Mumbai. The inspection report of the bank revealed non-compliance with the directions issued by RBI on Maintenance of Deposit Accounts- Primary (Urban) Co-operative Banks. For more information, please click [here](#).

On 18 June 2021, the RBI imposed a penalty of ₹3 lakh on Aman Sahakari Bank Ltd., Ichalkaranji. The inspection report of the bank based on its financial position as on March 31, 2019, revealed that the bank had declared and paid dividend for the year 2018-19 without prior permission of RBI, in contravention of the Supervisory Action Framework instructions. For more information, please click [here](#).

On 18 June 2021, the RBI imposed a penalty of ₹6 lakh on the Parwanoo Urban Co-operative Bank Limited, Parwanoo. The statutory inspection with reference to its financial position as on March 31, 2019 revealed non-compliance with Master Circular DCBR.BPD.(PCB) MC No.12/09.14.000/2015-16 dated July 01, 2015 on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs' and the Master Circular DCBR.CO.BPD.(PCB) MC No.13/13.05.000/2015-16 dated July 01, 2015 on 'Exposure Norms and Statutory / Other Restrictions – UCBs'. For more information, please click [here](#).

On 21 2021, the RBI imposed a penalty of ₹1 lakh on The Baramati Sahakari Bank Limited, Baramati for contravention with the directions issued under Exposure Norms and Statutory/Other Restrictions – UCBs. For more information, please click [here](#).

On 21 June 2021, the RBI imposed a penalty of ₹12 lakh on Mogaveera Co-operative Bank Limited, Mumbai. The inspection report revealed that the bank had (i) not fully transferred unclaimed deposits to Depositor Education and Awareness (DEA) Fund (ii) not conducted annual review of inoperative accounts (iii) no system of periodic review of risk categorization of accounts and (iv) customers with multiple Unique Customer Identification Codes (UCICs) for multiple accounts and also multiple customers with same UCICs. For more information, please click [here](#).

On 21 June 2021, the RBI imposed a penalty of ₹10 lakh on Indapur Urban Cooperative Bank Ltd., Indapur for contravening with the directions issued on Exposure Norms and Statutory / Other Restrictions – UCBs and Know Your Customer (KYC) Directions. For more information, please click [here](#).

On 23 June 2021, the RBI imposed a penalty of ₹4 lakh on Excellent Co-operative Bank Ltd., Mumbai. for contravention of the directions issued on 'Maintenance of Deposit Accounts' and 'Know Your Customer (KYC)'. For more information, please click [here](#).

On 23 June 2021, the RBI imposed a penalty of ₹2 lakh on The Ajara Urban Co-operative Bank Ltd., Ajara, Kolhapur for contravention of the directions issued on 'Maintenance of Deposit Accounts'. For more information, please click [here](#).

On 23 June 2021, the RBI imposed a penalty of ₹2 lakh on Janseva Sahakari Bank Limited, Pune for contravention of the directions issued on 'Know Your Customer (KYC)'. For more information, please click [here](#).

On 29 June 2021, the RBI imposed a penalty of ₹25 lakh on Saraswat Co-operative Bank Ltd., Mumbai. The statutory inspection with reference to its financial position as on March 31, 2019 revealed non-compliance with directions contained in Master Directions on 'Interest Rate on Deposits' and Master Circular on 'Maintenance of Deposit Accounts'. For more information, please click [here](#).

On 29 June 2021, the RBI imposed a penalty of ₹37.50 lakh on SVC Co-operative Bank Ltd., Mumbai (the bank) for non-compliance with directions issued by RBI contained in Master Directions on 'Interest Rate on Deposits' and Circular on 'Frauds Monitoring and Reporting Mechanism'. For more information, please click [here](#).

On 29 June 2021, the RBI imposed a penalty of ₹112.50 lakh on Andhra Pradesh Mahesh Co-operative Urban Bank Ltd., Hyderabad for non-compliance with directions issued by RBI contained in Master Directions on 'Interest Rate on Deposits' and 'Know Your Customer'. For more information, please click [here](#).

On 29 June 2021, the RBI imposed a penalty of ₹62.50 lakh on The Ahmedabad Mercantile Co-operative Bank Ltd., Ahmedabad for non-compliance with directions issued by RBI contained in Master Directions on 'Interest Rate on Deposits'. For more information, please click [here](#).

Indonesia



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

Enforcement

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

Japan



On 2 June 2021, the FSA published the finalized "Cabinet Orders, Cabinet Office Orders and Others Pertaining to the 2020 Revision of the Act on Sales, etc. of Financial Instruments". The Orders introduce the regulatory framework for financial services intermediary business and will be enforced on November 1, 2021. For more information, please click [here \(Japanese only\)](#).

On 2 June 2021, the FSA published the report of the discussions of its Financial System Council Task Force on "Optimal Ways to Ensure Best Execution". For more information, please click [here \(Japanese only\)](#).

On 3 June 2021, the FSA published an English translation of its monthly magazine, "Access FSA No.213". For more information, please click [here](#).

On 4 June 2021, the FSA announced several measures it would take to promote innovation. In order to create highly convenient services through digital innovations, the FSA identified regulatory and technological issues that could be addressed in an integrated manner through FinTech Innovation Hub. Specific attention was paid to "FIN/SUM", a global symposium on FinTech, the contributions to the Blockchain Governance Initiative Network (BGIN), and efforts on governance issues in decentralized financial systems through the Blockchain Multilateral Joint Research Project. For more information, please click [here](#).

On 4 June 2021, the FSA published the agenda and related handouts of the first meeting of the "Working Group on Integration of Taxation on Financial Income and Gains" (provisional English title) which was held on 10 May 2021. For more information, please click [here \(Japanese only\)](#).

On 7 June 2021, the FSA finalized the amendments to the regulatory notice concerning the "designated IFRSs" stipulated in the "Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements". The amendments primarily define the international accounting standards that were published on 31 May 2021, by the IASB (International Accounting Standards Board). The amendments took effect on 7 June 2021. For more information, please click [here \(Japanese only\)](#).

On 7 June 2021, the FSA and the Bank of Japan (BOJ) held their first meeting of the Financial Monitoring Council (FMC). For more information, please click [here](#).

On 7 June 2021, the FSA shared on its website the "Bank of Japan (BOJ) Review" regarding the development and utilization of OTC derivatives transaction data, which summarizes the collaborative efforts of the FSA and the BOJ on the matter. For more information, please click [here \(Japanese only\)](#).

On 11 June 2021, The FSA has finalized the amendments to the "Basic Procedures for On-Site Inspections" (provisional English title). The amendments mainly reflect recommendations from the "Collaborative Task Force to Further Strengthen the Linkage Between the FSA's Inspections Function and the BOJ's On-Site Examination Function" (established in November 2020), in terms of alleviating the monitoring/examination-related burden on financial institutions and implementing higher-quality monitoring. The amendments took effect on 11 June, 2021. For more information, please click [here \(Japanese\)](#).

On June 11 2021, the FSA announced that the Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code (Chairperson: Hideki Kanda, Professor of Gakushuin University Law School) (hereafter, the "Council") published the proposal "Revisions of Japan's Corporate Governance Code and Guidelines for Investor and Company Engagement" this April. The Council proposed to revise the Corporate Governance Code and the Guidelines for Investor and Company Engagement (hereafter, the "Engagement Guidelines") that provide agenda items for engagement. For more information, please click [here](#).

On 18 June 2021, the EPSF published "Report by the Expert Panel on Sustainable Finance" which is a set of recommendations for FSA. The FSA established the Expert Panel on Sustainable Finance (EPSF) in December 2020. The EPSF is composed of business, financial, and academic experts with observers of officials from pertinent ministries and agencies. For more information, please click [here](#).

Enforcement

On 8 June 2021, the Kanto Local Finance Bureau took administrative action against SBI Social Lending Co., Ltd., a Type II financial instruments business operator, ordering the suspension of the entity's entire business operations from 8 June 2021 to 7 July 2021. The FSA also ordered the improvement of its business operations pursuant to the "Financial Instruments and Exchange Act" before the suspension would be lifted. This action was based on the findings from reports filed by the entity in response to the Bureau's investigation into its business conduct. For more information, please click [here \(Japanese\)](#).

On 16 June 2021, The FSA granted a license to Zenkankyo Small Amount and Short-Term Insurance Holdings, Ltd. to conduct non-life insurance business pursuant to the "Insurance Business Act." For more information, please click [here \(Japanese\)](#).

Korea



On 2 June 2021, the Financial Services Commission (FSC) introduced new guidelines on the suitability and appropriateness test for investors which financial institutions are required to complete as part of their sales process. Key constituents of the guidelines include providing the consumer with an explanation of the purpose of the suitability test; ensuring consistency across tests conducted; archiving test results and details; and restrictions on the reevaluation of customers. For more information, please click [here](#).

On 9 June 2021, the FSC announced that it was increasing its AML monitoring of virtual asset service providers (VASP) as the deadline of their required registration approached. The FSC noted that it had observed increased account openings with smaller financial institutions and increased use of false name accounts in the buildup to the registration deadline. For more information, please click [here](#).

On 9 June 2021, the FSC approved Toss Bank as a digital banking provider, the third of its kind in the country. For more information, please click [here](#).

On 15 June 2021, the FSC announced that it had made amendments to the Enforcement Decree of the Financial Investment Services and Capital Markets Act. The amendments include preventing retail investors from applying for multiple subscriptions for IPO shares, increasing the annual cap on issuing securities through crowdfunding processes, and the introduction of restrictions on the provision of credit to overseas branches. For more information, please click [here](#).

On 17 June 2021, the FSC proposed the imposition of additional AML requirements on VASP's including the prevention of cross-trades, requiring risk assessments of all clients, and the confirmation of certain details of corporate clients. For more information, please click [here](#).

On 22 June 2021, the Korean Government approved the proposal to revise the Enforcement Decree of the Act on the Structural Improvement of the Financial Industry. The proposed changes include requiring structurally important financial institutions (SIFI) to develop recovery and resolution plans on an annual basis for approval by the FSC. For more information, please click [here](#).

On 23 June 2021, the FSC announced that it was revising the Financial Investment Services and Capital Markets Act (FSCMA) ahead of the implementation of the reformed FSCMA in October 2021. The revisions include the introducing improved safeguards for qualified retail investors, and the integration of the rules on "general PEFs" and "institution-only PEFs" into one framework. For more information, please click [here](#).

Enforcement

On 26 June 2021, the FSC extended the suspension of Optimus Asset Management for a further 6 months to allow for further investor protections to be implemented by the fund management company. For more information, please click [here](#).

Malaysia



On 16 June 2021, Bursa Malaysia Berhad ("Bursa Malaysia" or the "Exchange") announced additional relief measures to assist listed issuers amid the Covid-19 pandemic. For more information, please click [here](#).

On 18 June 2021, Bank Negara Malaysia (BNM) and the Bank of Thailand (BOT) launched a cross-border QR payment linkage between Malaysia and Thailand. Under this linkage, consumers and merchants in both countries will be able to make and receive instant cross-border QR code payments. For more information, please click [here](#).

Enforcement

On 1 June 2021, Bursa Malaysia Securities Berhad publicly reprimanded Asia Media Group Berhad (AMEDIA) and 4 of its former directors for breaches of the Bursa Malaysia Securities Main Market Listing Requirements. In addition, the 4 former directors of AMEDIA were imposed total fines of RM78,400. For more information, please click [here](#).

On 24 June 2021, Bursa Malaysia Securities Berhad publicly reprimanded Xin Hwa Holdings Berhad (XINHWA) and 2 of its directors for breaches of the Bursa Malaysia Securities Main Market Listing Requirements. In addition, the 2 directors of XINHWA were imposed total fines of RM150,000. For more information, please click [here](#).

Mauritius



On 7 June 2021, the Bank of Mauritius released a Guide for the Issue of Sustainable Bonds in Mauritius. This guide has been designed to accompany and encourage issuers, investors and intermediaries in establishing a domestic sustainable bonds market and provides an overview of the requirements and process for the issuance of Sustainable Bonds and the listing of these bonds on Exchanges licensed in Mauritius. For the Guide, please click [here](#).

On 21 June 2021, the Bank of Mauritius established the National Payment Systems (Authorisation and Licensing) Regulations 2021 under the National Payment Systems Act 2018 (NPS Act). The NPS Act provides for the regulation, oversight and supervision of the national payment systems and payment systems being operated in Mauritius and designates the Bank of Mauritius as the authority. For more information, please click [here](#).

On 25 June 2021, the FSC Mauritius announced that, in relation to Mauritius' progress to exit the FATF's "grey list", the FATF in its June 2021 Plenary made the "the initial determination that Mauritius has substantially completed its Action Plan and warrants an on-site assessment to verify that the implementation of Mauritius's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future." The FATF will decide at its next Plenary scheduled for October 2021. For more information, please click [here](#).

On 30 June 2021, the FSC Mauritius announced it had extended certain filing deadlines to 30 September 2021 and 31 December 2021, respectively. For a full list of affected documents and the relevant communique, please click [here](#).

Enforcement

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

Myanmar



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

Enforcement

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

New Zealand



On 28 June 2021, The Financial Markets Authority (FMA) released a guide to talking about money online, following concerns some social media influencers and bloggers may be straying into regulated financial advice. For more information, please click [here](#).

On 17 June 2021, the Reserve Bank of New Zealand published the finalised bank capital adequacy requirements, outlined in the new Banking Prudential Requirements (BPR) documents. The new framework increases the amount of capital banks must have, which will make the banking system safer for all New Zealanders. For more information, please click [here](#).

Enforcement

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

Philippines



On 11 June 2021, the Monetary Board (MB) approved the amendments to the regulations on securities custodianship and securities registry operations, which aim to simplify the licensing process and expand both the client base and the number of financial institutions offering said services. The said amendments are part of the commitment of the Bangko Sentral to contribute to the development of the domestic capital market and strengthen investor protection. For more information, please click [here](#).

On 18 June 2021, the Bangko Sentral ng Pilipinas (BSP) launched a program that aims to strengthen the rural banking industry in recognition of its critical role in providing financial services in rural and agricultural communities. For more information, please click [here](#).

On 19 June 2021, the MB approved the guidelines on Open Finance Framework which is seen as a key enabler for digital transformation and financial inclusion. The Open Finance Framework recognizes that advances in technology will facilitate the development of bespoke products and services for every Filipino using their own consumer data. For more information, please click [here](#).

Enforcement

On 9 June 2021, the MB disqualified the LM's Money Changer and/or LM's Money Changing Services, Adahn Money Changer, Mudzmar Money Changing Services, Zhenrihada Money Changing Services, any sole proprietorship owned and/or controlled by their respective owners/operators from registering with the Bangko Sentral ng Pilipinas (BSP), and/or obtaining a license with the BSP to engage in any activity that is authorized or supervised by the BSP. The said Money Service Businesses (MSBs) were found operating without BSP registration in violation of BSP rules and regulations governing operations and reporting obligations of non-bank entities engaged in remittance and money changing and/or foreign exchange dealing. The above disqualification is part of the BSP's efforts to crack down on illegally operating MSBs. For more information, please click [here](#).

The Securities and Exchange Commission (SEC) revoked the license of Venture Securities, Inc. (VSI) and fined the company 32 million Philippine pesos due to fraudulent transfer of client's shares from R&L Investments, Inc. For more information, please click [here](#) and [here](#).

The SEC revoked R&L Investments, Inc.'s license and fined the company as well as its officers 25 million Philippine pesos due to the fraudulent scheme that led to the collapse of one of the country's oldest stock brokerages. For more information, please click [here](#).

Russia



On 1 June 2021, The Bank of Russia (BoR) published a list of companies with signs of illegal activity. The list includes over 1,800 organisations and internet projects where the Bank of Russia has identified signs of a financial pyramid, an illegal creditor or a professional securities market participant. For more information, please click [here](#).

On 2 June 2021, BoR published a consultation paper to discuss the steps needed for systemically important credit institutions (SICIs) to consistently apply the internal ratings-based (IRB) approach for credit risk assessment. For more information, please click [here](#).

On 2 June 2021, BoR proposed to incorporate criminal liability and higher fee into the punishment for illegal lenders for the issuance of consumer loans and mortgage loans which was approved by the Federation Council on 2 June 2021. For more information, please click [here](#).

On 9 June 2021, BoR prepared amendments to securities issuance standards for Green and social bonds. According to the standards of issuance currently in place, Russian green bonds must comply with international principles and standards in the field of ecology and sustainable financing, such as the International Capital Market Association principles or the Green Bond Principles. Proposed amendments will also allow issuers to mark their bonds as green if they are aimed at financing projects which are green according to the Russian taxonomy. For more information, please click [here](#).

On 16 June 2021, BoR published its first quarterly analytical review Banking Sector in addition to the monthly information and analytical commentary Russian Banking Sector Developments. The new publication provides more detailed information on key developments over a quarter impacting the financial situation in the banking sector. For more information, please click [here](#).

On 23 June 2021, BoR published its consultation paper on the regulation of ecosystem banks. The regulator suggests a flexible approach in the regulation of ecosystem banks, which will enable credit institutions and their clients to benefit from the development of ecosystems. According to the consultation paper, it is necessary to fine-tune the regulation of credit institutions' investments in assets that have no requirements for repayment and are only liquid to a limited extent (the so-called immobilised assets). This limit is to be set as a percentage of capital – where a bank exceeds this limit, its capital should fully cover 'excess' immobilised assets. Furthermore, it is necessary to provide for a reliable assessment of ecosystem-related risks (including operational risks, step-in risk) in banks' internal capital adequacy assessment procedures (ICAAP). Where a capital adequacy ratio is low according to ICAAP, the Bank of Russia will be entitled to set additional (from 1 to 3 pp) capital adequacy requirements. For more information, please click [here](#).

Enforcement

On 25 June 2021, BoR revoked the banking licence of Saransk-based JSC AKTIV BANK based on the facts that AKTIV BANK understated the value of required provisions for possible losses on loan and similar debts and overstated the value of its assets to artificially improve its financial performance and conceal its actual financial standing; violated federal banking laws and Bank of Russia regulations, due to which the regulator repeatedly applied supervisory measures against it over the last 12 months, including restrictions on a number of banking operations and failed to comply with the anti-money laundering and counter-terrorist financing laws. For more information, please click [here](#).

Singapore



On 17 June 2021, the Monetary Authority of Singapore (MAS) announced the further extension of the US\$60 billion swap arrangement with the US Federal Reserve through 31 December 2021. The MAS USD Facility will also be extended to 31 December 2021, offering up to US\$60 billion of backstop funding to banks to support USD lending to businesses in Singapore and the region. For more information, please click [here](#).

On 22 June 2021, the MAS released the findings of its third mystery shopping exercise (MSE). The exercise was conducted on 500 FA representatives from 12 insurers and licensed financial advisers from mid-2018 to end-2019. Compared to the last MSE conducted in 2011, the percentage of suitable product recommendations improved from 70% to 88%. For more information, please click [here](#).

On 24 June 2021, the MAS, together with the Association of Banks in Singapore (ABS) and the Finance Houses Association of Singapore (FHAS) announced an extension of the existing industry-wide support measures for individuals and Small and Medium-sized Enterprises (SMEs) in Tier 1 and 2 sectors that continue to face financial difficulties due to the Covid-19 pandemic. This is expected to be the final extension of the industry-wide support measures. For more information, please click [here](#).

On 25 June 2021, the MAS and the Institute of Banking and Finance (IBF) announced extensions to the enhanced training support measures to build capabilities and strengthen employability of the local workforce. These extended measures will be progressively reduced and cease on 1 July 2022. For more information, please click [here](#).

On 28 June 2021, the MAS announced the launch of a global challenge for retail Central Bank Digital Currency (CBDC) solutions (Global CBDC Challenge). Launched in partnership with the International Monetary Fund, World Bank, Asian Development Bank, United Nations Capital Development Fund, United Nations High Commission for Refugees, United Nations Development Programme, and the Organisation for Economic Co-operation and Development, the Global CBDC Challenge seeks innovative retail CBDC solutions to enhance payment efficiencies and promote financial inclusion. Interested parties are encouraged to submit their applications for the Global CBDC Challenge by 23 July 2021. For more information, please click [here](#).

On 29 June 2021, the MAS, the Securities Industry Council (SIC) and the Singapore Exchange Regulation (SGX RegCo) wish to announce that listed issuers and parties involved in rights issues and take-over or merger transactions will continue to have the option to electronically disseminate Offer Documents through publication on SGXNET and their corporate websites, beyond 30 June 2021. The temporary measure will be in place until revoked or amended by MAS, SIC and SGX RegCo. To provide certainty to listed issuers and relevant parties, at least six months' advance notice will be given before the temporary measure ceases to be available. For more information, please click [here](#).

On 30 June 2021, the UK and Singapore announced the launch of a new Financial Partnership at the sixth UK-Singapore Financial Dialogue that was held virtually. Under the Partnership, the UK and Singapore will explore opportunities for greater financial cooperation, including enhanced information sharing, closer cooperation in

international fora, as well as regulatory deference, to drive new and broader opportunities for financial services trade and cooperation. The two countries also announced an MoU to enhance bilateral cyber security cooperation, including the sharing of cyber-related information and supervisory best practices. The Financial Dialogue also discussed and agreed on the areas of joint interest – a. Regulatory cooperation, b. Green finance and carbon markets and c. FinTech and stablecoins. For more information, please click [here](#).

Enforcement

On 3 June 2021, the MAS issued five-year prohibition orders (POs) against Mr. Younis Adnan Mohammed, following his convictions in the State Courts for offences involving fraud or dishonesty, namely forgery and providing false information to a public servant. Under the POs, which will take effect from 2 June 2021, Mr. Younis is prohibited from providing any financial advisory services, taking part in the management, acting as a director, or becoming a substantial shareholder of any financial advisory firm under the Financial Advisers Act. He is also prohibited from performing any regulated activity and from taking part in the management, acting as a director, or becoming a substantial shareholder of any capital markets services firm under the Securities and Futures Act. For more information, please click [here](#).

On 15 June 2021, the MAS reprimanded AIA Financial Advisers Private Limited (AIA FA), Prudential Assurance Company Singapore (Pte) Limited (Prudential), Aviva Ltd (Aviva) and Aviva Financial Advisers Pte Ltd (Aviva FA) for breaches of requirements relating to risk management arrangements and the remuneration of supervisors. MAS also reprimanded Mr. Peter Tan Shou Yi, a consultant engaged by Aviva, for accepting remuneration in breach of regulatory requirements, and Aviva FA's CEO and Director, Mr. Chee Boon Chai Lionel, for his failure to discharge the duties of his office. For more information, please click [here](#).

Sri Lanka



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

Enforcement

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

Taiwan



On 10 June 2021, the Financial Supervisory Commission (FSC) provided the results of the “2021 Supervisory Stress Test” on domestic banks. The FSC previously requested 36 domestic banks to conduct the test to understand the impact of the low interest rate environment, and what impact the pandemic had on the capital adequacy of domestic banks. For more information, please click [here](#).

On 15 June 2021, the FSC announced that it has affiliated itself with the Joint Credit Information Center (JCIC), the Financial Information Service Co., Ltd. (FISC) and financial institutions, which includes banks, insurance companies and financial holding companies, to form the “Financial FIDO Alliance”. This is to accelerate the development of a standardized mobile identity verification mechanism for financial services. For more information, please click [here](#).

On 17 June 2021, the FSC approved the first Korean Bank, KEB Hana Bank (Korea), to establish a branch in Taiwan. This move helps to maintain close economic and trade relations between Taiwan and Korea, with Taiwan being one of the top ten trading partners of Korea. For more information, please click [here](#).

Enforcement

On 17 June 2021, the FSC fined NT\$240,000 the former responsible person of Enterex International Limited for violating Article 165-1 of the Securities and Exchange Act. For more information, please click [here](#).

On 18 June 2021, the FSC fined NT\$240,000 the President Securities Corporation for violating the securities management laws and regulations. For more information, please click [here](#).

Thailand



On 9 June 2021, SEC supported AIMC's Three-Year Sustainable Roadmap, strengthening fund managers' capability to drive the Thai capital market towards sustainability. The enhancement of fund managers' duty performance in accordance with I-Code (an investment governance code for institutional institutions), will be supported by Thailand ESG Data Framework – an initiative under the AIMC Three-Year Sustainable Roadmap. The Capital Market Development Fund (CMDf) renders financial support to this initiative. Morgan Stanley Capital International (MSCI), an international consultant, is commissioned to study and develop a data framework that is suitable for the context of Thailand and in line with international standards. The ESG data framework will provide investors with information related to listed companies' Environment, Social and Governance (ESG) efforts that supports investors in their investment decision making. For more information, please click [here](#).

On 12 June 2021, the SEC passed a resolution approving the Notification of the Securities and Exchange Commission No. Kor Thor. 18/2564 Re: Rules, Conditions and Procedures for Undertaking Digital Asset Businesses (No. 11). After releasing a publication in the Government Gazette, the Notification become effective from 11 June 2021 onwards without retrospective effect. For more information, please click [here](#).

On 17 June 2021, the SEC and the Securities and Futures Commission of Hong Kong (SFC) signed a Memorandum of Understanding concerning the Mutual Recognition of Funds between Hong Kong Special Administrative Region of the People's Republic of China and Thailand to facilitate cross-border offerings of funds between Hong Kong and Thailand for asset management companies by recognizing each other's fund standards. In this connection, the SEC issued regulations for such cross-border offerings of funds under HK-TH MRF. Essentially, a fund to be offered to retail investors in the host country through local licensed intermediaries in the host country must be authorized or approved for establishment and offering for sale to the public in the home country and must have the characteristics in accordance with the relevant regulations of the home country and additional requirements specified in the MoU. For more information, please click [here](#).

Enforcement

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

Vietnam



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

Enforcement

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

Suggestions

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