



# CA | ComplianceAsia

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## Welcome to our Regulatory Newsletter for July 2021

### Executive Summary

Several countries are experiencing a surge of fraudulent activities in the financial market, with the Bank of Russia revealing 1.5 times increase on a year-on-year basis of financial pyramid schemes, aimed at exploiting those with insufficient financial literacy. To combat this, countries such as Mainland China are issuing notices to crackdown illegal activities to better protect the market from such schemes.

Separately, more countries are moving towards sustainable investing, with Hong Kong aiming to bolster its position as a leader in ESG with the country's Green and Sustainable Finance Cross-Agency Steering Group focusing on climate-related disclosures and sustainability reporting, carbon market opportunities and the launch of a new Centre for Green and Sustainable Finance.

In Mainland China, 22 internet companies have been fined, with some being owned by internet powerhouses such as Alibaba, Tencent and Suning, for acquiring stakes in companies which might bolster their market power.

## Australia



From 1 July 2021, providers of debt management services (including firms offering 'debt negotiation' or 'credit repair' services) are regulated under the *National Consumer Credit Protection Act 2009* (National Credit Act). This means providers of these services must hold a credit licence with authorisation that covers those services or be operating in accordance with the transitional arrangements. For more information, please click [here](#).

On 2 July 2021, Westpac committed to remediating the concerns of customers whose financial advisers may have failed to notify them of corporate actions between 2005 and 2019. Westpac estimates approximately AUD87m will be paid in compensation to affected customers who are former clients of its advice businesses and held ASX-listed securities through platforms. For more information, please click [here](#).

On 12 July 2021, OnePath Life Pty Ltd (OnePath) announced it was refunding up to AUD35 million to over 40,000 customers who were sold life insurance policies over the phone between 2010 and 2016. This remediation follows ASIC's intervention and action over the past three years to stem and remediate harms caused by OnePath's poor telephone sales practices. For more information, please click [here](#).

On 26 July 2021, ASIC cancelled the Australian financial services (AFS) license of Queensland based financial services provider Fentborough Pty Ltd (Fentborough). ASIC found that Fentborough failed to lodge its annual accounts and compliance certificates for the financial years ended 30 June 2019 and 30 June 2020 and failed to maintain membership with the Australian Financial Complaints Authority (AFCA). For more information, please click [here](#).

On 30 July 2021, ASIC assisted employees to gain access to the Fair Entitlements Guarantee scheme (FEG) by exercising its wind-up powers and appointing liquidators to 19 abandoned companies. For more information, please click [here](#).

## Enforcement

On 1 July 2021, former Quantum Resources Ltd (Quantum) CEO and Director, Avrohom Mordechai Kimelman, pled guilty to one charge of conspiracy to manipulate the market in Quantum shares and one rolled up charge of procuring the acquisition of shares in Quantum while in possession of inside information. For more information, please click [here](#).

On 1 July 2021, Joanne Jennifer Pellew, of Western Australia was charged with breaching her directors' duties, for making a false or misleading statement to ASIC and managing a corporation while disqualified. For more information, please click [here](#).

On 1 July 2021, Black Collections Pty Ltd (Black Collections) pled guilty and was convicted of engaging in unlicensed credit activities and holding out that it held a licence that would authorise it to collect on consumer debts when it did not. An ASIC investigation found that between about 5 October 2016 and about 12 March 2018, Black Collections collected consumer credit debts without holding an Australian credit licence (ACL). For more information, please click [here](#).

On 2 July 2021, Mr. Gabriel Govinda of Melbourne, received 23 charges of market manipulation and 19 charges of illegal dissemination of information relating to the manipulation. The allegations relate to trading in 20 different securities quoted on the ASX between September 2014 and July 2015. For more information, please click [here](#).

On 6 July 2021, EC Audit Pty Ltd (EC Audit), an authorised audit company, entered guilty pleas to three charges relating to alleged failure to conduct audits in accordance with auditing standards. Mr. Robert James Evett, director of EC Audit and a registered auditor, also entered pleas of guilty to three charges relating to alleged failure to ensure the audits were conducted in accordance with auditing standards. EC Audit and Mr. Evett are the first auditors in Australia to face criminal prosecution for an alleged failure to comply with auditing standards. For more information, please click [here](#).

On 8 July 2021, William James McDonald of Queensland, was disqualified from managing corporations for two years after his involvement in six failed companies. For more information, please click [here](#).

On 12 July 2021, a former director of Nexus Financial Planning Pty Ltd, Mr. Wael Kourieh, pled guilty to one count of making false documents and one count of using false documents under the *Crimes Act 1900* (NSW) in the Parramatta Local Court of NSW. For more information, please click [here](#).

On 14 July 2021, Vito Peter Pennimpede of NSW, was disqualified from managing corporations for four years after his involvement in four failed companies. For more information, please click [here](#).

On 19 July 2021, Daniel Zeidan of Victoria, was disqualified from managing companies for four years due to his involvement in the failure of three companies. Mr. Zeidan was a director of three hospitality companies that went into liquidation between August 2018 and December 2019. For more information, please click [here](#).

On 20 July 2021, Dr. Roger Munro pled guilty to three counts of fraud under s408C of the Queensland Criminal Code. Dr Munro received funds from investors for a trading fund which he referred to as the TradeStation Futures Trading Fund (TradeStation). However, Dr Munro did not invest these funds into TradeStation as promised. Instead, Dr. Munro dishonestly applied those funds for personal use. For more information, please click [here](#).

On 21 July 2021, ASIC banned former financial adviser Adam John Bevan for five years from providing financial services, controlling a financial services business, or performing any function in relation to carrying on a financial services business. ASIC found that Mr. Bevan failed to act in the best interests of three Trade Wind FS clients when he failed to make reasonable enquiries about their existing superannuation funds. ASIC has also cancelled the AFSL of Trade Wind FS, effective 26 May 2021. ASIC took this action due to a failure by Trade Wind FS to co-operate with the Australian Financial Complaints Authority (AFCA) and pay two AFCA determinations on time. For more information, please click [here](#).

On 26 July 2021, The Federal Court imposed civil penalties totalling AUD3 million against BT Funds Management Limited (BT) (AUD1.5m) and Asgard Capital Management Limited (Asgard)(AUD1.5m) for charging fees for no service and making misleading statements. For more information, please click [here](#).

## Cambodia

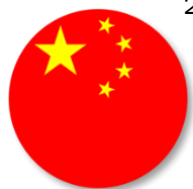


A media search did not find any relevant articles for Cambodia during July.

### Enforcement

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

## Mainland China



On 1 July 2021, CBIRC announced that its new licensing system has officially commenced. Starting from 1 July 2021, CBIRC will only issue three types of permits – financial permit, insurance permit and insurance intermediary permit, with one year transitional and exchange period. A financial permit will be provided to banking institutions and certain non-bank financial institutions. The insurance permit will be provided to insurance companies and insurance asset management companies, while the insurance intermediary permit will be issued to insurance agency groups and insurance brokerage groups. For further details, please click [here](#) (Chinese only).

On 6 July 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued a 'Notice on Opinions Concerning Crackdown on Illegal Activities in Securities Market'. The Opinions is comprised of 30 rules and aims to improve the legal liability system for capital market violations, improve enforcement and judicial system to crack down on illegal securities activities, further improve cross-border enforcement collaboration in data flows and data security, and tighten punishment for major securities offences including fraudulent securities, market manipulation and insider trading. For more information, please click [here](#) (Chinese only).

On 9 July 2021, CSRC issued 'Guiding Opinions on Supervising Securities Companies to Engage in Investment Banking Business under the Registration System' to tighten regulation on sponsorship and underwriting, financial advisory and other investment banking business under the registration-based initial public offering system and urge securities companies to perform due diligence and act as a gatekeeper to intermediary agencies. The Guiding Opinions further clarify the responsibilities by intermediaries such as securities companies, audit firms and law firms, and establish an evaluation mechanism against operational staff by the internal control department. Salary of operational staff is not allowed to link directly to project revenue. For more information, please click [here](#) (Chinese only).

On 19 July 2021, CBIRC issued the revised version of 'Administrative Licensing Item Application Materials Catalogue and Formatting Requirements for Non-bank Financial Institutions' which serves as a complement to the implementation of the 'Implementing Measures of the CBIRC for Administrative Licensing for Non-bank Institutions'. The revision focused on reviewing materials relating to anti-money laundering and countering the financing of terrorism and addition of requirements on equity inspections and shareholder commitments, as well as application materials relating to criminal activity and consumer rights protection. For more information, please click [here](#) (Chinese only).

On 23 July 2021, CSRC published the classification results of securities companies in 2021. The results indicated the comprehensive evaluation of securities companies based on their risk management capability and take into account the ongoing compliance status and business development of these companies, which reflect the overall status of their corporate governance structure, internal control and risk control and management. Among 138 companies involved in this classification, the majority of them are evaluated as grade 'AA' to 'C' respectively. For more information, please click [here](#) (Chinese only).

On 30 July 2021, CBIRC issued a 'Notice on Clearing up and Standardizing the Non-financial Subsidiaries of Trust Companies' to curb financial risks and crack down on market malfeasance. Trust companies are not allowed to establish any new first-tier non-financial subsidiaries following the issuance of the Notice. For the first-tier non-financial subsidiaries that have been established, they are not allowed to make new investment in domestic or foreign enterprise. For more information, please click [here](#) (Chinese only).

## Enforcement

On 7 July 2021, State Administration for Market Regulation fined 22 internet companies, including six companies owned by Alibaba Group, five by Tencent Holding Ltd. and two by Suning.com RMB500 thousand each for actions including acquiring stakes in other companies that might improperly increase their market power. For more information, please click [here](#) (Chinese only).

On 16 July 2021, CSRC announced the extension of takeover of New Times Securities, Guosheng Securities and Guosheng Futures for one more year until 16 July 2022 as the CSRC need more time to complete the restructuring of these firms, which were found concealing information about shareholder structures and were mismanaged last year. For more information, please click [here](#) (Chinese only).

On 16 July 2021, CBIRC conducted on-site investigations against Minsheng Bank, Shanghai Pudong Development Bank and Bank of Communications on the operations of shadow banking and cross-financial services. The CBIRC identified a lack of risk isolation mechanism in place, as well as improper trading between wealth management products and proprietary businesses. As such, Minsheng Bank was fined RMB114.5 million, Shanghai Pudong Development Bank for RMB69.2 million and Bank of Communications for RMB41 million respectively. For more information, please click [here](#) (Chinese only).

## Hong Kong



On 8 July 2021, the SFC entered into an agreement with eight members of the Canadian Securities Administrators (CSA) to establish a financial technology (Fintech) cooperation framework. The CSA members who are signatories of the agreement are: Ontario Securities Commission; Autorité des marchés financiers (Québec); British Columbia Securities Commission; Alberta Securities Commission; Financial and Consumer Affairs Authorities of Saskatchewan; Manitoba Securities Commission; Financial and Consumer Services Commission (New Brunswick); and Nova Scotia Securities Commission. Under the agreement, the SFC and these CSA members will cooperate on information sharing and referrals between their innovation functions. For more information, please click [here](#).

On 15 July 2021, the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) announced the next steps to advance its collaborative strategy to bolster Hong Kong's position as a leader in green and sustainable finance and help transition the financial ecosystem towards carbon neutrality. The Steering Group will prioritise climate-related disclosures and sustainability reporting, carbon market opportunities and the launch of the new Centre for Green and Sustainable Finance (Centre). For more information, please click [here](#).

On 19 July 2021, the SFC publicly censured BIT Mining Limited (formerly known as 500.com Limited) for breaching the rules on special deals under the Code on Takeovers and Mergers. On 28 January 2021, Loto Interactive Limited announced a proposed share subscription by BIT Mining which would trigger a mandatory general offer upon completion. During the offer period, BIT Mining issued 85,572,963 class A ordinary shares to Man San Law in February 2021, increasing his voting rights in BIT Mining from 3.78% to 19.9%. It subsequently issued 65,000 class A preference shares to Law in April 2021, which further increased his voting rights to 61.72%. In both instances, the issue of shares to Law constituted special deals under Rule 25 of the Takeovers Code and they were completed without the consent of the Executive. Moreover, BIT Mining did not obtain advice from its professional advisers on the Takeovers Code implications of these deals. BIT Mining accepted that it had breached the Takeovers Code, apologised for the breaches and consented to the disciplinary action taken against it. For more information, please click [here](#).

On 22 July 2021, a survey published by the SFC found that the asset and wealth management business in Hong Kong recorded a 21% year-on-year increase in assets under management (AUM) to HKD34,931 billion (USD4,505 billion) as at the end of 2020. The AUM of the asset management and fund advisory business conducted by licensed corporations and registered institutions increased 20% to \$24,038 billion and the AUM of the private banking and private wealth management business grew 25% to HKD11,316 billion. For more information, please click [here](#).

## Enforcement

On 5 July 2021, the SFC banned Mr. Lau Kwo, former licensed representative of Mason Securities Limited (MSL), from re-entering the industry for 12 months from 3 July 2021 to 2 July 2022. An SFC investigation found that Lau, in his capacity as an account executive of MSL, falsely represented that he had provided risk disclosure statements to six clients when they opened accounts with MSL via a non-face-to-face approach. Unbeknownst to MSL, Lau also conducted trades in the internet trading accounts of his mother and wife by utilising their usernames and passwords. Lau's conduct not only demonstrated his failure to act with due skill, care and diligence, but also deprived MSL of the opportunity to be satisfied on reasonable grounds the identity of the person ultimately responsible for originating the instruction for a transaction. For more information, please click [here](#).

On 5 July 2021, the SFC reprimanded Mr. Raymond Leung Tak Shing, chief executive officer, director, compliance officer and money laundering reporting officer of Yardley Securities Limited (YSL), and fined him HKD400,000 for failures in complying with anti-money laundering regulatory requirements. The disciplinary action follows the SFC's sanctions against YSL over its failures in complying with the anti-money laundering and counter-financing of terrorism (AML/CFT) regulatory requirements when handling third party fund transfers between February and October 2016. For more information, please click [here](#).

On 7 July 2021, a senior executive of a listed company was arrested in a joint operation of the Securities and Futures Commission (SFC) and the Independent Commission Against Corruption (ICAC). The operation also involved a search of the offices of the listed company and one of its underwriters in its initial public offering. The SFC conducted the search for the offences related to a suspected ramp-and-dump market manipulation scheme and other market misconduct under the Securities and Futures Ordinance. The ICAC conducted the search and made the arrest for suspected corruption offences under the Prevention of Bribery Ordinance. The joint operation demonstrated the close collaboration between the SFC and the ICAC to tackle complex and serious financial crimes in order to protect the investing public and maintain the integrity of Hong Kong's financial markets. For more information, please click [here](#).

On 13 July 2021, the SFC obtained a disqualification order in the Court of First Instance against the former executive director of Anxin-China Holdings Limited (Anxin), Mr. Lin Supeng. Lin was disqualified from being a director and being involved in the management of any listed or unlisted corporation in Hong Kong, without the leave of the court, for a period of eight years. The order was made after Lin's admission that he failed to discharge his duties with due and reasonable skill, care and diligence in the course of acting as a director of the company and to carry out his duties to the requisite standard in ascertaining the company's financial position. For more information, please click [here](#).

On 16 July 2021, the SFC became aware that Binance offered trading services in stock tokens (Stock Tokens) in a number of jurisdictions and is concerned that these services may also be offered to Hong Kong investors. The SFC wishes to make it clear that no entity in the Binance group is licensed or registered to conduct "regulated activity" in Hong Kong. Stock Tokens are virtual assets that are represented to be backed by different depository portfolios of underlying overseas listed stocks, with their prices closely tracking the performance of the respective stocks. As Stock Tokens can be denominated in fractional units, they are being promoted as an alternative means for investors to purchase fractional shares instead of the entire fully paid-up shares. In Hong Kong, Stock Tokens are likely to be "securities" under the Securities and Futures Ordinance (SFO) and if so, they are subject to the regulatory remit of the SFC. The SFC warns that where the Stock Tokens are "securities", marketing and/or distributing such tokens – whether in Hong Kong or targeting Hong Kong investors – constitute a "regulated activity" and require a licence from the SFC unless an applicable exemption applies. For more information, please click [here](#).

On 18 July 2021, the SFC suspended the licence of Mr. Budihardjo Wilhelm Soeharsono – chief executive officer, director, responsible officer (RO) and money laundering reporting officer (MLRO) of Sino-Rich Securities & Futures Limited (Sino-Rich) – for 10 months from 15 July 2021 to 14 May 2022. Mr. Shing Yan, an RO and director of Sino-Rich, was also suspended for seven months from 15 July 2021 to 14 February 2022. The disciplinary actions follow the SFC's sanctions against Sino-Rich for failing to comply with anti-money laundering and counter-terrorist financing regulatory requirements between April 2015 and October 2017. The SFC found that Sino-Rich's failures were attributable to the failures of Budihardjo and Shing to discharge their duties as ROs and senior management members of Sino-Rich. Budihardjo also failed to discharge his duties as an MLRO of Sino-Rich. For more information, please click [here](#).

## India



On 1 July 2021, the Securities and Exchange Board of India (SEBI) issued a master circular providing a one-stop location to view all compiled circulars in relation to the commodity derivatives Market until 30 April 2021, which supersedes the master circular in the same market previously issued on 10 July 2020. For more information, please click [here](#).

On 1 July 2021, SEBI released a consultation paper to collect public and industry views on Superior Voting Rights Shares (SR shares) framework, in particular: (i) net-worth requirements of SR shareholders; (ii) issuance of SR shares to trusts or entities on behalf of their founders or promoters; and (iii) timing of issuance of SR shares, within which the current regulatory framework, the background for review and the regulatory concerns are listed. The deadline of comment submission is 30 July 2021. For more information, please click [here](#).

On 5 July 2021, SEBI issued a master circular providing a one-stop location to view all compiled circulars towards all Recognized Stock Exchanges and Recognized Clearing Corporations until 31 March 2021, which supersedes the master circular in the same market previously issued on 25 October 2019. For more information, please click [here](#).

On 5 July 2021, SEBI issued a circular informing the issuer company listed on the SEBI recognized Stock Exchanges of the new timeline of 2 months from listing on the Exchange to submit application to obtain No Objection Certificate for the release of a 1% issue amount. For more information, please click [here](#).

On 5 July 2021, SEBI issued a circular informing that the Market Infrastructure Institutions will follow the Standard Operating Procedure for handling technical glitches attached as Annexure – I of the circular, and that they will obey with the “Financial Disincentive” structure attached as Annexure – II of the circular. For more information, please click [here](#).

On 6 July 2021, SEBI issued a circular making clarifications to all listed entities listing their equity and convertibles and all nationwide Stock Exchanges as to the criteria to be fulfilled by the listed holding company and listed subsidiary company in order to enable the latter to be delisted. For more information, please click [here](#).

On 8 July 2021, SEBI released a consultation paper to collect public and industry views on the revision of SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Issue of Sweat Equity) Regulations, 2002. The SEBI has formed an Expert Group, which published a detailed report providing recommendations on both regulations attached to the consultation paper. The deadline to comment on the submission is 25 July 2021. For more information, please click [here](#).

On 9 July 2021, SEBI issued a circular deciding that effective from 1 October 2021, if a Mutual Fund does not exercise the put option within, while the exercise of the put option would have been in favour of the scheme, (i) the Mutual Fund must provide justification for the inaction to the Valuation Agencies, Board of Asset Management Companies and Trustees before or by the last date of the notice period; and (ii) the Valuation Agencies shall not take into account the remaining put options for the valuation of security. For more information, please click [here](#).

On 14 July 2021, the Reserve Bank of India (RBI) issued a press release regarding the issuance of Draft Circular on ‘Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks, and welcome comments on the same, in particular from State Co-operative Banks / District Central Co-operative Banks, rural co-operative banking sector participants and other interested parties, as to whether a similar approach on issue and regulation of share capital and securities is warranted for the two types of aforementioned banks. For more information, please click [here](#).

On 16 July 2021, SEBI issued a circular to all Credit Rating Agencies registered with SEBI that further Expected Loss based Rating Scale were further introduced in addition to the ones introduced in 2011 and 2019. The Credit Rating Agencies should align their rating scales with the rating scales prescribed under the guidelines. The circular is applicable to all Credit Rating Agencies with immediate effect, and compliance to this circular should be ensured latest by 31 March 2021 and be confirmed to the SEBI latest by 15 April 2022. For more information, please click [here](#).

On 19 July 2021, SEBI released a consultation paper to collect public and industry views on the introduction of swing pricing mechanism to safeguard the fairness of treatment during market dislocation between new, existing and existing investors in the Mutual Fund Schemes. The consultation has listed global practice of swing pricing for reference, the advantages and disadvantages of such mechanism and the urge of the mechanism in local context. The deadline of comment submission is 20 August 2021. For more information, please click [here](#).

On 20 July 2021, SEBI issued a circular to Recognized Clearing Corporations and Recognized Stock Exchanges informing the adoption of new framework for segregation and monitoring of collateral at client level. The framework is applicable to all segments and product classes at Stock Exchanges or Clearing Corporations, and some measures becomes effective starting from 1 October 2021. For more information, please click [here](#).

On 20 July 2021, SEBI issued a circular to all debenture trustees registered with the SEBI and Recognized Stock Exchanges to announce the extended timeline to fulfill compliance with regulatory requirements for document submission under the SEBI circular dated 12 November 2020. For more information, please click [here](#).

On 22 July 2021, SEBI issued a circular to all parties to Infrastructure Investment Trusts and Stock Exchanges informing that the complaints disclosure requirement under the Guidelines for Grievance Redressal Mechanisms for Infrastructure Investment Trusts are revised to enhance investor protection. Other provisions in the Guidelines remain unchanged. For more information, please click [here](#).

On 22 July 2021, SEBI issued a circular to all parties to Real Estate Investment Trusts and stock exchanges informing that the complaints disclosure requirement under the Guidelines for Grievance Redressal Mechanisms for Real Estate Investment Trusts are revised to enhance investor protection. Other provisions in the Guidelines remain unchanged. For more information, please click [here](#).

On 23 July 2021, SEBI issued a circular to inform that investors who open new trading and/ or Demat account(s) on or after 1 October 2021 have discretion to choose whether to provide or opt out of nomination in accordance with the forms specified in the Annexures attached to the Circular. From 1 October 2021, the Trading Members and Depository Participants could only activate new Trading and Demat accounts upon receiving the specified forms. For more information, please click [here](#).

On 23 July 2021, SEBI issued a circular addressing to all listed entities listing their specified securities and Recognized Stock Exchanges its decision to extend the timeline for top 100 listed entities by market capitalization conducting AGM within six months from the date of closing the financial year for 2021-2021. For more information, please click [here](#).

On 23 July 2021, SEBI issued a circular informing the Asset Management Companies that for some types of scheme related applications, they may be deemed to be taken on record if SEBI did not raise queries within 21 working days, and that similarly, in relation of applications filed by AMCs under Regulation 24 (b) of SEBI (Mutual Funds) Regulation, they may be deemed with no objection if the SEBI did not raise queries within 21 working days. For more information, please click [here](#).

On 23 July 2021, RBI issued notifications to all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks that it has decided to revise paragraphs 2.2.1.2, 2.2.1.4 and paragraph 2.2.1.5 of Master Circular on Loans and Advances - Statutory and Other Restrictions dated July 01, 2015 to impose regulatory restrictions on loans and advances. For more information, please click [here](#).

On 26 July 2021, SEBI issued a circular producing further guidance on the launch of inter-operable platform for Registrar and Transfer Agents of Mutual Funds to enhance investors' experience in mutual fund transactions or service requests. The launch is expected to fully operate by 31 December 2021. For more information, please click [here](#).

On 28 July 2021, RBI issued notifications to authorised Non-bank Payment System Providers that in the first phase of launching direct access for non-bans to Centralised Payment Systems, authorised non-bank PSPs, viz. PPI Issuers, Card Networks and White Label ATM Operators are eligible to participate as direct members. Master Directions issued on 17 January 2017 in this regard are in the progress of revision, with the RBI updating the FAQs on its website for guidance. For more information, please click [here](#).

On 29 July 2021, RBI issued notifications to all deposit taking Housing Finance Companies informing the alignment between the Master Direction for Housing Finance Companies and the same for Acceptance of Public Deposits, with the new list of names of credit rating agencies and their minimum investment grade ratings for the purpose of accepting public deposits by HFCs are listed in the Annex attached to the notification. For more information, please click [here](#).

On 30 July 2021, SEBI issued a circular to Recognized Stock Exchanges and Clearing Corporations, Trading members or Clearing members through Stock Exchanges / Clearing Corporations, and KYC Registration Agencies, to announce the extended timeline to submit documents or fulfill compliance with regulatory requirements under several SEBI circulars. For more information, please click [here](#).

On 30 July 2021, SEBI issued a circular to make clarification to the previous SEBI circular dated 25 February 2016 regarding the deployment of unclaimed redemption and dividend amounts, and to the previous SEBI circular dated 8 May 2017 regarding instate access facility of overnight funds. Compliance of the former is advised to be fulfilled from 1 December 2021, and the latter with immediate effect. For more information, please click [here](#).

On 30 July 2021, SEBI has issued a circular to clarify that for transactions in units of Exchange Traded Funds directly with Asset Management Companies, intra-day NAV is still applicable, and disclosure of the same should be provided in the Scheme Information Document, Key Information Memorandum and Common application form. For more information, please click [here](#).

## Enforcement

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

## Indonesia



On 1 July 2021, the Otoritas Jasa Keuangan (OJK) mentioned that to realise a sustainable Financial Services Institution, stable and contributive, human resources are needed to be competent and innovative. The OJK had implemented several processes and procedures to ensure work competence in the financial services sector. This is similar to MAS's Public Consultation on Proposals to Mandate Reference Checks as well as the MAS's Guidelines on Individual Accountability and Conduct. For more information, please click [here](#), [here](#) and [here](#).

On 8 July 2021, Bank Indonesia (BI) has set a temporary adjustment to the maximum nominal value of funds for cash withdrawals through ATM machines using chip technology, effective from 12 July 2021 to 30 September 2021. This is done in order to support the Government's policy regarding the Implementation of Emergency Community Activity Restrictions (PPKM). to reduce the rate of COVID-19. Alternatively, this temporary adjustment could also be seen as an AML procedure. For more information, please click [here](#).

On 14 July 2021, BI has strengthened the payment system implementation ecosystem through the issuance of Bank Indonesia Regulation No.23/6/PBI/2021 concerning Payment Service Providers (PBI PJP) and Bank Indonesia Regulation No.23/7/PBI/2021 concerning System Infrastructure Operators. Payment (PBI PIP). For more information, please click [here](#), [here](#) and [here](#).

## Enforcement

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

## Japan



On 7 July 2021, The FSA published its Staff Report "An analysis of the transaction network in the Japanese OTC derivatives markets" which summarised issues for future research, such as the necessity of de-duplication processing for some transactions that are reported in duplicate due to reporting requirements of the OTC derivatives trading information. For more information, please click [here](#).

On 7 July 2021, The FSA published its main issues that it raised at the recent opinion exchange meetings with trade associations. Such issues included: the Financial Measures in Response to the 2021 Earthquake which occurred off Fukushima Prefecture, Continuation of Required Services under the Declaration of a State of Emergency, Efforts for Achieving the Status of an International Financial Hub, Review of Procedures Requiring Documents, Seals and Face-to-Face Contact, Promotion of People's Acquisition and Use of Individual Number Cards, Topics Scheduled to be Discussed at This Year's International Conferences, International Trends Regarding Sustainable Finance, IOSCO Report on Impact of Pandemic on Retail Market Conduct and IOSCO Report Titled "Investor Education on Crypto-Assets. For more information, please click [here](#).

On 8 July 2021, the FSA published a report entitled "Progress Report on the Efficiency of Financial Intermediation" (provisional English title). The report outlines key initiatives and approaches taken during 2020 by the FSA and the respective Local Finance Bureaus to enhance the efficiency of financial intermediation by regional financial institutions. For more information, please click [here \(Japanese\)](#).

On 9 July 2021, the FSA finalised the "Cabinet Orders, Cabinet Office Orders, and Others Pertaining to the 2021 Revision of the Act on Special Measures for Strengthening Financial Functions". The amendments pertain to the partial enforcement of the Act aimed at revitalizing the Japanese economy and fostering the enhancement of regional banks' sustainability of business models (Act No. 46, 2021). The Cabinet Orders, the Cabinet Office Orders and others were enforced on 21 July 2021, in tandem with the relevant and applicable 'Comprehensive Guidelines'. For more information, please click [here \(Japanese\)](#).



On 9 July 2021, the FSA finalised the "Cabinet Office Order to Amend the Cabinet Office Order on Definitions Under Article 2 of the Financial Instruments and Exchange Act". From the perspective of improving investor convenience, etc., the amendments reflect a certain treatment for business conduct set forth in the "Commodity Derivatives Transaction Act" in the provisions of Article 2 of the "Financial Instruments and Exchange Act". In particular, the amendments allow certain foreign commodity derivatives business operators to broker the entrustment of commodity market derivatives transactions to a financial instruments exchange without registration. The undertaking of brokerage of the entrustment of commodity market derivatives transactions to financial instruments exchanges will no longer be considered a financial instruments business, in cases where the foreign commodity derivatives business operators accepted orders from specific persons in Japan without soliciting them. For more information, please click [here \(Japanese\)](#).

On 16 July 2021, the FSA published "Statistics of NISA and Junior NISA Accounts". As of 31 March 2021, there were approximately 15.9 million NISA accounts in total, and approximately 23.1 trillion yen (approximately 210.0 billion USD) was invested through NISA accounts, among which, 901.2 billion yen (approximately 8.2 billion USD) was invested through approximately 3.6 million accounts of the Tsumitate NISA (Dollar-Cost Averaging NISA) which first launched in January 2018. For more information, please click [here \(Japanese\)](#).

On 19 July 2021, the FSA established the "Study Group on Digital- and Decentralized-Finance" (provisional English title). Against the backdrop of the progress in the digitalization of the entire social economy, whereby the digitalization of finance is accelerated with the leverage of blockchain technology, the Study Group intends to seek optimal ways for financial institutions to adapt to the shift towards digitization. This includes studying the digitization of remittance means, securities products, and others from the perspective of promoting innovation in the private sector and ensuring appropriate user protection for financial services by gaining a wide range of insights from stakeholders, including experts, professionals, and practitioners from the sectors of technology, finance, and academia. The FSA serves as the secretariat of the Study Group. The first meeting of the Study Group was held on 26 July 2021. For more information, please click [here \(Japanese\)](#).

On 20 July 2021, the FSA announced that the International Forum of Independent Audit Regulators (IFIAR) had released its report on "Internationally Relevant Developments in Audit Markets". The Internationally Relevant Developments in Audit Markets Task Force was established to monitor relevant developments in IFIAR Member jurisdictions. To do so, the Task Force conducted an extensive survey amongst IFIAR Members, at the beginning of 2020. The responses from 50 IFIAR Members provide observations on five audit policy topics: auditor appointment and tenure, joint audits, combination of audit and non-audit services (NAS), transparency of audit related information and audit firms' governance and culture. For more information, please click [here](#).

On 21 July 2021, the FSA added a subpage to its website to provide one-stop access to the relevant information on the "fund-grant system" (provisional English title) established in response to the amendments to the "Act on Special Measures for Strengthening Financial Functions," which were enforced on 21 July 2021. Amendments to the Act and the corresponding amendments/updates to the relevant and applicable Orders, Cabinet Office Orders, Comprehensive Guidelines, and others are shown in old and new comparison tables. For more information, please click [here \(Japanese\)](#).

On 28 July 2021, the IFRS Council of Japan, in which the FSA and the Financial Accounting Standards Foundation (FASF) serve as the secretariat, has submitted a comment letter on the IFRS Foundation Exposure Draft on "Proposed Targeted Amendments to the IFRS Foundation Constitution to Accommodate an International Sustainability Standards Board to set IFRS Sustainability Standards", which was published on 30 April 2021. For more information, please click [here](#).

## Enforcement

On 28 July 2021, the Kanto Local Finance Bureau took administrative action against Kabushiki Kaisha Mevius Consulting, a notifier of specially permitted business for qualified institutional investors (SPBQII), ordering the improvement of its business operations pursuant to the "Financial Instruments and Exchange Act." This administrative action is based on the findings from the report that the entity filed in response to the FSA's order for the collection of a report pertaining to conduct of its business which was deemed problematic from an investor protection perspective. For more information, please click [here \(Japanese\)](#).

## Korea



On 2 July 2021, the Vice President of the Financial Services Commission (FSC) hosted the 40<sup>th</sup> financial risk assessment meeting. High up on the agenda was the potential for an interest rate rise in the US and the risks it would present. The FSC stated that it would seek to maintain high levels of compliance with current regulations to maintain the stability of the country's financial services industry. For more information, please click [here](#).

On 6 July 2021, the FSC announced that the maximum allowed chargeable interest rate would be reduced from 24% to 20%. The new rate came into effect on 7 July 2021. For more information, please click [here](#).

On 6 July 2021, the FSC held a Symposium on COVID-19 Financial Policy. The conference addressed the progress in reducing cross-market risks through the implementation of various policies and financial support. The FSC stated that it would seek to continue to manage risks as the pandemic progresses. For more information, please click [here](#).

On 8 July 2021, the FSC introduced guidelines on the use of artificial intelligence in financial services. The guidelines fall under the 5 banners: Responsibility, Accuracy and Safety, Transparency and Fairness, Consumer Rights, and Equivalence. It is expected the guidelines will be implemented before the end of 2021. For more information, please click [here](#).

On 13 July 2021, the FSC identified 5 bank holding companies and 5 banks as domestic systemically important banks ("D-SIBs"). The implication is that these D-SIBs will be required to set aside an additional common equity capital of 1% from January 2022. For more information, please click [here](#).

On 14 July 2021, the FSC proposed the postponed its external audit of financial intermediaries' internal accounting control systems due to technical difficulties across the industry with implementation due to the pandemic. The FSC expects to have codify the postponement by the end of 2021. For more information, please click [here](#).

On 22 July 2021, the Korean Financial Intelligence Unit (KoFIU) announced that all Foreign Virtual Asset Service Providers ("VASPs") would be required to register with the body by 24 September 2021. Foreign VASP's that fail to register will be required to cease their operations in Korea. For more information, please click [here](#).

On 22 July 2021, the FSC admitted an additional 8 Innovative Financial Services to its Regulatory Sandbox. The areas included involve facial recognition, online telemarketing, QR code usage and non-recourse accounts. For more information, please click [here](#).

On 29 July 2021, the FSC introduced revisions to the MyData guidelines. The purpose of the adjustments is to: achieve a better balance of convenience and protection, design measures to protect users from excessive competition, and establish rules for informed consent. For more information, please click [here](#).

## Enforcement

On 28 July 2021, the FSC announced that it expected to suspend 14 accounts of VASPs following an inspection of the industry. 79 VASPs were identified, using 94 accounts, 14 of which were found to be involved in fraudulent activity. The FSC announced that it had found that across the industry, VASPs were using their main business account to accept deposits. For more information, please click [here](#).

## Malaysia



On 2 July 2021, Bank Negara Malaysia announced that it has received 29 applications for a digital bank licence under the Financial Services Act 2013 and the Islamic Financial Services Act 2013, following a 6-month application period, which ended on 30 June 2021. For more information, please click [here](#).

On 5 July 2021, The Securities Commission Malaysia (SC) issued 'Guidelines on the Offer of Shares by Unlisted Public Companies to Sophisticated Investors (Guidelines)' that will take effect on 1 August 2021. For more information, please click [here](#).

On 14 July 2021, The Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) announced that its members had reached an agreement to promote investment in green bonds through the Asian Bond Fund (ABF). This is aimed at helping to catalyse further deepening of local currency-denominated green bond markets in the region. For more information, please click [here](#).

On 28 July 2021 – Bursa Malaysia Berhad ("Bursa Malaysia" or the "Exchange") registered Profit After Tax (PAT) of RM210.4 million for the first half ended 30 June 2021 (1H2021), a 39.4% increase from the RM151 million reported in the previous corresponding half ended 30 June 2020. For more information, please click [here](#).

## Enforcement

On 30 July 2021, The Securities Commission of Malaysia (SC) announced enforcement actions against Binance for illegally operating a Digital Asset Exchange (DAX). Under Sections 7(1) and 34(1) of the Capital Markets and Services Act 2007, all DAX operators must be registered as Recognized Market Operators (RMO) by the SC. For more information, please click [here](#).

## Mauritius



On 9 July 2021, the Financial Services Commission of Mauritius (“FSC”) released a communique announcing that the Ministry of Financial Services and Good Governance sought comments from industry stakeholders on the Virtual Asset Business Bill 2021. The key objective of the Bill is to provide an enabling framework for the regulation of Virtual Asset Service Providers and initial token offerings. For details on the Bill, please click [here](#). For the communique, please click [here](#).

## Enforcement

On 5 July 2021, the FSC fined Bao Asset Managers Limited USD19,571 due to, among others, breaches of institutional risk assessment requirements under the Financial Intelligence and Anti-Money Laundering Act 2002, failure to screen clients under the UN Sanctions Act, and failing to appoint a Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer. For more details, please click [here](#).

On 29 July 2021, the FSC announced it had revoked the Management License and Captive Insurance Agent License of Taysun Corporate Services Limited due to, among others, breaches of the Financial Services Act, the Financial Intelligence and Anti-Money Laundering Act 2002 and United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019. For more details, please click [here](#).

## Myanmar



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

## Enforcement

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

## New Zealand



On 14 July 2021, The Monetary Policy Committee agreed to reduce the current stimulatory level of monetary settings in order to meet its consumer price and employment objectives over the medium-term. The Reserve Bank will halt additional asset purchases under the Large-Scale Asset Purchase (LSAP) programme by 23 July 2021. The Committee will keep the Official Cash Rate (“OCR”) at 0.25 percent and the Funding for Lending Programme unchanged. For more information, please click [here](#).

On 9 July 2021, the Financial Markets Authority (“FMA”) closed its inquiries that followed Fonterra Co-operative Group Limited’s (“Fonterra”) 2019 financial statements market announcement. The FMA did not find evidence to support regulatory action, including litigation, under the Financial Markets Conduct Act. For more information, please click [here](#).

On 27 July 2021, FMA warned investors to be wary of scammers impersonating New Zealand-based derivatives issuer Rockfort Markets Limited. The warnings followed several complaints to the FMA about investors – who are mainly based overseas – being scammed. For more information, please click [here](#).

On 29 July 2021, Life insurer AIA has admitted to making false and/or misleading representations to customers in proceedings brought by the FMA. The case was filed in the Auckland High Court and alleges three causes of action under the Fair Dealing provisions (Part 2) of the Financial Markets Conduct Act 2013 (the FMC Act). AIA has agreed to admit all causes of action and will file a Notice of Admission of the breaches in the High Court. For more information, please click [here](#).

## Enforcement

On 7 July 2021, FMA cancelled the managed investment scheme manager licence of Fund Managers Otago (“FMO”). The FMA found FMO’s inadequate compliance and governance arrangements had resulted in continued material breaches of its licence obligations. For more information, please click [here](#).

On 14 July 2021, FMA issued an infringement notice to equity crowdfunding service provider Equitise Pty Ltd for failing to file financial statements by their due date. Equitise has paid a NZD7,500 infringement fee for the offence. For more information, please click [here](#).

On 28 July 2021, FMA formally censured Wellington-based financial services firm FoxPlan Ltd, after one of its nominated representatives provided services he was not permitted to give and other representatives offered services to clients they were not permitted to give. For more information, please click [here](#).

## Philippines



On 3 July 2021, the financial sector regulators, under the auspices of the Financial Sector Forum (FSF), and the Professional Regulatory Board of Accountancy (“BOA”) signed a new Multilateral Memorandum of Agreement (“MOA”) on the accreditation/selection of external auditors aimed at promoting ease of doing business and adherence to internationally recognised standards in auditing. For more information, please click [here](#) and [here](#).

## Enforcement

On 4 July 2021, the Securities and Exchange Commission (“SEC”) has revoked the Certificate of Authority (CA) of KingABC Lending Corporation, which runs online lending platforms Pondo Loan, Start Loan, Green Loan, and Loan Club, to operate as a lending company for its unfair debt collection practices. For more information, please click [here](#).

On 6 July 2021, the SEC has revoked the Certificate of Authority (“CA”) of Familyhan Credit Corporation to operate as a lending company after the latter engaged in unfair debt collection practices and failed to disclose the true cost of loans extended to borrowers. For more information, please click [here](#).

On 23 July 2021, the Bangko Sentral ng Pilipinas (BSP) has issued an order to an Operator of Payment System (OPS) to suspend its operation as an OPS and has invited said entity to register with the BSP as provided under Republic Act No. 11127 or The National Payment Systems Act (“NPSA”). For more information, please click [here](#).

## Russia



On 13 July 2021, The Bank of Russia (“BoR”) cancelled the limit on the portion of Russian issuers’ shares to be placed and publicly circulated outside Russia. Currently, there are two effective restrictions on the placement and circulation of shares in foreign markets: the total number of such shares should not exceed 25% of the total stocks of the same type; and no more than 50% of the total equity offering may be traded abroad. These limits were introduced in order to reduce the trade activity streaming from the Russian market to overseas, among other things. For more information please click [here](#).

On 16 July 2021, BoR established requirements for automatic investment advisers. The requirements established include the need to conduct suitability checks on customers, the need to explain the recommendation decision making process to customers, and the need to confirm with customers the process by which their trades are executed. For more information, please click [here](#).

On 29 July 2021, between January and June 2021, BoR revealed 146 financial pyramids schemes had been halted, this is 50% increase on a year-on-year basis, according to the BoR’s publication. The regulator says that this surge was due to more active operations of unfair market participants amid the economic recovery and households’ increasing demand for investment. Fraudsters took advantage of people’s insufficient financial literacy and proposed they make investments in projects allegedly associated with trending topics and areas, for instance, investing funds in pseudo cryptocurrencies. Criminals communicated with potential clients in social networks and messengers and carried out aggressive targeted advertising campaigns. For more information, please click [here](#).

## Enforcement

On 23 July 2021, BoR revoked the banking licence of Saransk-based Moscow-based JSC RUNA-BANK based after it violated federal banking laws and Bank of Russia regulations. Accordingly, the regulator repeatedly applied measures against RUNA-BANK over the past 12 months including restrictions on household deposit-taking; and failure to comply with the anti-money laundering and counter-terrorist financing laws. The Bank of Russia also cancelled RUNA-BANK's professional securities market participant licence. The Bank of Russia appointed a provisional administration<sup>4</sup> to RUNA-BANK for the period until the appointment of a receiver or a liquidator. In accordance with federal laws, the powers of the credit institution's executive bodies were suspended. For more information, please click [here](#).

On 23 July 2021, BoR revoked the banking licence of Moscow-based Limited Liability Company Non-Bank Credit Organization Russian Financial Society based on the facts that NCO Russian Financial Society failed to comply with the anti-money laundering and counter-terrorist financing laws. NCO Russian Financial Society was involved in conducting non-transparent transactions for payments between individuals and illegal online casinos and bookmakers. Furthermore, the credit institution carried out dubious cash-out transactions and money withdrawals abroad. The Bank of Russia appointed a provisional administration to NCO Russian Financial Society for the period until the appointment of a receiver or a liquidator. In accordance with federal laws, the powers of the credit institution's executive bodies were suspended. For more information, please click [here](#).

## Singapore



On 2 July 2021, the Monetary Authority of Singapore ("MAS") issued a consultation paper proposing to strengthen its investigative powers under MAS-administered Acts, so as to enhance its ability to gather evidence. The proposed amendments will be made under a Financial Institutions (Miscellaneous Amendments) Bill. MAS invites interested parties to submit their comments on the proposed amendments in the consultation paper by 1 August 2021. For more information, please click [here](#).

On 5 July 2021, the MAS announced that it will further extend the MAS SGD Facility for ESG Loans. This extension will complement the six-month extension of Enterprise Singapore's (ESG) Temporary Bridging Loan Programme ("TBLP") from 1 October 2021 to 31 March 2022. The Facility will continue to provide Singapore Dollar (SGD) funding at an interest rate of 0.1% per annum for a two-year tenor to eligible financial institutions (EFIs), to support loans made under the ESG Loan Schemes from 1 October 2021 to 31 March 2022. For more information, please click [here](#).

On 8 July 2021, the MAS and the Banque de France ("BdF") announced the successful completion of a wholesale cross-border payment and settlement experiment using central bank digital currency ("CBDC"). The experiment, supported by J.P. Morgan's Onyx, simulated cross-border transactions involving multiple CBDCs ("m-CBDC") on a common network between Singapore and France. This is the first m-CBDC experiment that applied automated market making and liquidity management capabilities to reap cross-border payment and settlement efficiencies. For more information, please click [here](#).

On 12 July 2021, the MAS announced the launch of the inaugural Global Veritas Challenge. The competition seeks to accelerate the development of solutions which validate artificial intelligence and data analytics ("AIDA") solutions against the fairness, ethics, accountability and transparency ("FEAT") principles, to strengthen trust and promote greater adoption of AI solutions in the financial sector. FinTech firms, solution providers and financial institutions around the world are invited to submit innovative solutions to address eight problem statements identified by banks. These problem statements focus on validating the fairness of AI solutions for selected banking use cases including (i) product marketing; (ii) risk, compliance and fraud monitoring; (iii) loan origination and know-your-customer (KYC); and (iv) credit scoring and profiling. Interested parties are encouraged to submit their application for the Global Veritas Challenge by 30 July 2021. For more information, please click [here](#).

On 21 July 2021, the MAS and the Singapore FinTech Association ("SFA") announced the launch of the 2021 Singapore FinTech Festival ("SFF") Global FinTech Awards ("the Awards"). The Awards recognise innovative FinTech solutions by FinTech companies, financial institutions and technology companies; as well as individuals and companies whose initiatives have contributed significantly to the FinTech ecosystem. The Awards bring together the FinTech Awards previously presented separately by MAS and SFA. There are a total of 12 award categories and winners of the awards will be announced at SFF 2021. Applications for the 2021 SFF Global FinTech Awards are open for submission and the deadline for submission is 31 August 2021. For more information, please click [here](#).

On 28 July 2021, the Bank for International Settlements Innovation Hub Singapore Centre and the MAS published a proposed blueprint for enhancing global payments network connectivity via multilateral linkages of countries' national retail payment systems. Titled Project Nexus, this blueprint outlines how countries can fully integrate their retail payment systems onto a single cross-border network, allowing customers to make cross-border transfers instantly and securely via their mobile phones or internet devices. For more information, please click [here](#).

On 28 July 2021, the MAS announced that dividend restrictions on locally-incorporated banks and finance companies headquartered in Singapore (Local Banks and Finance Companies) will not be extended. For more information, please click [here](#).

## Enforcement

On 5 July 2021, the MAS issued four-year prohibition orders (POs) against Ms. Suzannah Khoo Lee Sun, following her conviction in the State Courts for an offence involving dishonesty, namely misappropriation of monies from one of her clients. The POs will take effect from 2 July 2021 and Ms. Khoo 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. She is also prohibited from carrying on business as, and taking part in the management of, any insurance intermediary under the Insurance Act. For more information, please click [here](#).

On 22 July 2021, three individuals, Mr. Tan Chee Keong, Mr. Tay Yew Khem and Ms. Hui Choy Leng were charged for offences under the Securities and Futures Act (SFA) and the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA). In July and August 2016, two of the individuals had purchased shares of Broadway Industrial Group Limited (BIGL), a company listed on the Mainboard of the Singapore Exchange, ahead of the company's announcement on 22 August 2016 that it had entered into a conditional sale and purchase agreement to sell two of its businesses. For more information, please click [here](#).

## Sri Lanka



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

### Enforcement

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

## Taiwan



On 1 July 2021, the Financial Supervisory Commission ("FSC") issued interim measures to prompt banks to devote resources to providing credit to enterprises and individuals that could mitigate the impact of the Covid-19 pandemic, and ensure the banking system to maintain its financial and operational risk bearing capacity. For more information, please click [here](#).

On 6 July 2021, the FSC announced the first-year (2020) results of the Financial Inclusion Indicators for Taiwan, to help people understand the state of financial inclusion in Taiwan. This in turn has enabled the FSC to adjust the indicators and targets for 2021. For more information, please click [here](#).

On 15 July 2021, the FSC announced the results of their 2021 "Assessment of the Implementation of Treating Customers Fairly Principles" ("TCF Principles") into financial institutions. The FSC conducted off-site assessments of 35 banks, 22 life insurers, 19 non-life insurers and 30 full-licensed securities firms to generate the results on their performance of TCF Principles back in 2020. For more information, please click [here](#).

## Enforcement

A media search did not find any enforcements for Taiwan during July.

## Thailand



On 2 July 2021, the Securities and Exchange Commission (“SEC”) issued regulations for defining suspicious circumstances in which an auditor must report to the Audit Committee. Pursuant to Section 89/25 of the SEA, any auditor who performs an audit in accordance with the auditing standards has the duty to report to the Audit Committee of the securities company or the Audit Committee of the listed company if there is any suspicious circumstance that indicates that a director, manager or the person responsible for the operation may have committed an offense. For further details, please click [here](#)

On 2 July 2021, the SEC filed a criminal complaint against Binance for operating digital asset business without license. The SEC sought to emphasize that digital asset businesses are regulated under the Digital Asset Business Emergency Decree. Only providers who have obtained relevant licenses under the law are allowed to provide services related to digital asset trading, exchange, depository, transfer, withdrawal or any transactions related to digital assets. Violators may be liable to penalties under the law. For further details, please click [here](#)

On 8 July 2021, the SEC advised the public and listed companies to be cautious in making transactions related to digital assets. The SEC sought to urge the public and listed companies that plan to invest in digital assets or make any transaction related to such assets to consider the matter thoroughly and cautiously by taking into account both expected interest and potential risks and impacts. In addition, directors and executives of listed companies are required to perform fiduciary duties by considering the matter responsibly, cautiously and honestly for the best interest of the companies. For further details, please click [here](#)

On 14 July 2021, the SEC announced it was seeking public comments on the proposed regulations for the disclosure standards of Sustainable and Responsible Investing fund (SRI Fund). The consultation is aimed at enhancing disclosure on the ESG-related features of mutual funds to assist investors’ understanding and assessment of whether the mutual funds meet their investment needs, which in line with the international standards. For further details, please click [here](#)

On 19 July 2021, the SEC amended the regulations on calculation and announcement of net asset value (NAV) of investment units and the price of investment units of ultra-accredited investor mutual funds or “UI mutual funds.” The amendments aim to ensure consistency with the guidelines of general mutual funds and facilitate operations of business sectors. For further details, please click [here](#)

On 20 July 2021, the SEC amended the regulations on the calculation method of annual fee for listed companies that do not submit the financial statements for the latest financial year within the specified deadline. The amendment allows the use of the shareholders’ equity in the latest financial statements submitted to the SEC to calculate the annual fee to be more appropriate and up-to-date in accordance with the guidelines under the regulatory guillotine scheme. For further details, please click [here](#)

On 27 July 2021, the Bank of Thailand (“BOT”) issued a Guideline for Blockchain Technology Adoption, it provides the principle for Blockchain technology adoption for financial service providers under the supervision of the Bank of Thailand to develop financial innovation, as well as the framework to leverage between the business use cases and risk management, in order to assure the system efficiency, security, and increase people’s confidence in using the financial services applying the new technology such Blockchain. For more information please click [here](#)

## Enforcement

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

## Vietnam



On 2 July 2021, the State Bank of Vietnam (“SBV”) and the Swiss Confederation to Vietnam signed the Grant Agreement for the “Bank Manager Training Project” (“the Project”), supported by the Swiss Government. The Project will be implemented from 2021 to 2026, and is aimed at improving the capabilities of mid-level managers working in commercial banks in Vietnam, enhancing the banks’ overall operational efficiency. For more information, please click [here](#).

On 7 July 2021, the SBV announced that the consumer price index (CPI) for Vietnam increased by 0.19% in June 2021, against that of May 2021, up by 1.62%, as compared to that of December 2020. The average CPI for the first six months of the year 2021 was up by 1.47% as compared to last year, in the same period. For more information, please click [here](#).

## Enforcement

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

## 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.

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