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Welcome to our Regulatory Newsletter for August 2021

Executive Summary

This month, the Korean FSC announced that from October this year, there will be wide-reaching regulatory changes that will come into effect which will impact the private equity fund industry. The changes include but are not limited to: the creation of a new classification scheme for funds, adjustments to the protections afforded to retail investors and a revision on the number of investors that each type of fund can have.

Meanwhile, the Thai SEC released a joint statement outlining the five key strategic initiatives that are planned to set the direction and framework for driving sustainable finance across the financial sector in Thailand.

Over in Hong Kong, the SFC issued amendments to the Fund Manager Code of Conduct and a circular setting out the various expected standards for fund managers managing CIS. The amendments will require managers of CIS to take into consideration climate-related risks in their investment and risk management processes.

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Australia



On 2 August 2021, the Federal Court found RI Advice Group Pty Ltd (“RI Advice”) had failed to take reasonable steps to ensure that a former financial adviser provided appropriate advice to clients, acted in the clients’ best interests and put the clients’ interests ahead of his own. The Court found RI Advice did not have adequate processes to identify when advisers were avoiding advice quality checks or recommending non-approved financial products. For more information, please click [here](#).

On 5 August 2021, it was announced that six of Australia's largest banking and financial services institutions paid or offered a total of AUD1.86 billion in compensation, as of 30 June 2021, to customers who suffered loss or detriment because of fees for no service related misconduct or non-compliant advice. This includes AUD620.9 million paid or offered by the institutions between 1 January – 30 June, 2021. For more information, please click [here](#).

On 12 August 2021, six reforms arising out of recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission) and other inquiries will commence in October. The new laws include design and distribution obligations, restrictions on the unsolicited selling of financial products (hawking), a deferred sales model for add-on insurance products, reference checking and information sharing requirements for financial advisers and brokers, and new requirements around how breaches are reported to the Australian Securities and Investments Commission (ASIC) and disputes are managed internally in firms. For more information, please click [here](#).

On 13 August 2021, the Federal Court has declared several terms within some Bank of Queensland (BoQ) small business contracts unfair. The unfair terms were in standard form loan contracts BoQ entered into with its small business customers after 12 November 2016. For more information, please click [here](#).

On 26 August 2021, ASIC published its Corporate Plan for 2021-2025. The plan outlines their priorities over the next four years to achieve a fair, strong and efficient financial system for all Australians. The Corporate Plan is consistent with ASIC's new Statement of Intent released today in response to the Australian Government's Statement of Expectations. For more information, please click [here](#).

Enforcement

On 2 August 2021, ASIC has cancelled the Australian Financial Services (“AFS”) licence of Victoria-based financial services licensee Jyoti Rahman. The AFS licence was cancelled because the licensee is no longer providing financial services. For more information, please click [here](#).

On 2 August 2021, ASIC has banned Gold Coast-based advisers, Trent Allan and Fabrizio Urrutia, from providing any financial services for five years. ASIC found that Mr. Allan and Mr. Urrutia had not complied with financial services laws and ASIC has reason to believe that they were not adequately trained or competent to provide financial services. For more information, please click [here](#).

On 3 August 2021, ASIC banned Timothy William Parry and Damian Garnet Price of Lismore-based North Coast Financial Services Pty Ltd (“NCFS”) from controlling a financial services business or performing any function as an officer of an entity that carries on a financial services business for six years, after finding they breached their duties. For more information, please click [here](#).

On 5 August 2021, Denise Anne Halfpenny of Rawson, Victoria, was disqualified from managing corporations for four years after her involvement in three failed companies. For more information, please click [here](#).

On 6 August 2021, David Brandi of Toorak, Victoria, was disqualified from managing corporations for five years after his involvement in the failure of three companies. For more information, please click [here](#).

On 6 August 2021, Matthew Anthony Lyall of Shailer Park, Queensland, was disqualified from managing corporations for four years after his involvement in six failed companies. For more information, please click [here](#).

On 9 August 2021, ASIC cancelled or suspended twenty-four Australian credit licences (“ACL”) between 1 January 2021 and 30 June 2021, for failing to be a member of the Australian Financial Complaints Authority (“AFCA”). Australian credit licence holders are required by law to join AFCA. For more information, please click [here](#).

On 18 August 2021, Duncan McLeod of Blacktown, NSW, was disqualified from managing companies for five years for his involvement in the failure of two companies. Mr. McLeod was a director of two companies that went into liquidation between November 2016 and February 2019. For more information, please click [here](#).

On 24 August 2021, the Federal Court ordered Westpac Bank subsidiaries Westpac Securities Administration Limited (“Westpac Securities”) and BT Funds Management Limited (“BT Funds”) to pay a combined penalty of AUD10.5 million for failing to act in their clients' best interests. For more information, please click [here](#).

On 24 August 2021, ASIC banned Melbourne-based former mortgage broker Richard Pusey from providing financial services and engaging in credit activities, controlling a financial services or credit business, and performing any function in relation to carrying on a financial services or credit business for a period of 10 years. ASIC believes that Mr. Pusey: provided seven false statements to ASIC in a number of credit licence applications and annual compliance statements between 2011 and 2017, lacks the attributes of good character, honesty, and judgement, has no regard for the law, cannot be relied upon to comply with directions issued from authorities, is likely to contravene credit legislation and financial services legislation and is not a fit and proper person to participate in the financial services and credit industries. For more information, please click [here](#).

On 26 August 2021, the Federal Court ordered National Australia Bank Limited (“NAB”) to pay an AUD18.5 million penalty for failures relating to misleading fee disclosure statements. The court also declared NAB contravened its obligations as an Australian financial services licence holder to act efficiently, honestly and fairly by failing to have procedures and systems in place to provide timely and effective fee disclosure statements. For more information, please click [here](#).

On 31 August 2021, Mohamad Elriche of Bass Hill, NSW, was disqualified from managing corporations for the maximum period of five years for his involvement in three failed companies that operated in the construction industry. For more information, please click [here](#).

On 31 August 2021, Peter Rozsy of North Perth, Western Australia, was disqualified from managing corporations for three years after his involvement in nine failed companies. For more information, please click [here](#).

Cambodia



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

Enforcement

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

Mainland China



On 18 August 2021, the People's Bank of China (“PBOC”), National Development and Reform Commission (“NDRC”), Ministry of Finance (MOF), the China Banking and Insurance Regulatory Commission (“CBIRC”), the China Securities Regulatory Commission (“CSRC”) and State Administration of Foreign Exchange (“SAFE”) issued the ‘Guiding Opinions on Promoting the Reform and Opening-up of the Corporate Credit Bond Market’. The guideline provides specific measures in ten aspects of promoting corporate credit bond market, including measures to enhance the legal system, the supervision of credit rating agencies, as well as strengthening management of investor suitability and pricing mechanism. According to the guideline, the regulators will seek to gradually unify rules and standards on corporate credit bond issuance, trading, information disclosure, and investor protection. For more information, please click [here](#) (Chinese only).

On 19 August 2021, the PBOC and the CBIRC summoned Evergrande Group executives for a talk, urging the Group to reduce its debt risks and support the stability of the property and financial markets. Meanwhile, the Group should ensure that it disclosed genuine information that is of a material nature in accordance with the relevant laws and regulations. For more information, please click [here](#) (Chinese only).

On 23 August 2021, the General Office of the State Council issued a circular on further standardising the financial audit order, in an effort to promote the development of the certified public accountants (CPA) industry in Mainland China. The circular specified the overall requirements, working principles and the specific measures to standardise financial audit activities. In particular, regulation on accounting firms in the securities business would be cemented. For more information, please click [here](#) (Chinese only).

On 30 August 2021, Yi Huiman, Chairman of the CSRC, gave a speech at a Conference of Asset Management Association of China. Yi said that by the end of July, assets under management of mutual funds in China surged 160 percent from the end of 2016 to RMB23.5 trillion. The volume of private securities investment funds’ AUM doubled

to RMB5.5 trillion, while private equity funds' and venture capital funds' AUM tripled to RMB12.6 trillion. CSRC will introduce rules for private funds at an appropriate time and continue to improve the fund regulation system to facilitate institutional investors and encourage long-term investment in the capital market. For more information, please click [here](#) (Chinese only).

Enforcement

On 6 August 2021, the CSRC and Magyar Nemzeti Bank ("MNB") of Hungary entered into a Memorandum of Understanding Regarding Securities and Futures Regulatory Cooperation. The signing of the MoU was hailed as having great significance to further deepen communication and cooperation between the CSRC and MNB with respect to securities and futures regulation. For further information, please click [here](#) (Chinese only).

On 10 August 2021, the PBOC and the Central Bank of Argentina entered into a Memorandum of Understanding (MoU). The two central banks will establish regular information-sharing mechanism on macro-economic outlook, monetary policy operation, payment system development, international commodity prices and other issues of common interest. For more information, please click [here](#) (Chinese only).

Hong Kong



On 10 August 2021, the Securities and Futures Commission ("SFC") issued consultation conclusions on proposals to introduce investor identification for the securities market in Hong Kong and require reporting of over-the-counter ("OTC") securities transactions. Under the investor identification regime, licensed corporations and registered institutions will submit to The Stock Exchange of Hong Kong Limited ("SEHK") the names and identity document information of clients placing securities orders on SEHK. The investor identification regime is expected to be launched in the second half of 2022 and the OTC securities transactions reporting regime in the first half of 2023, subject to the completion of system testing and market rehearsals. To provide more time for the industry to prepare, the implementation timelines were extended after taking consultation feedback into account. For more information, please click [here](#).

On 16 August 2021, the SFC announced that Mr. Brian Ho will be retiring as Executive Director – Corporate Finance on the expiry of his current three-year contract on 27 August 2021. The SFC has commenced a global recruitment exercise for Mr. Ho's successor. The SFC appointed Ms. Megan Tang, Senior Director – Corporate Finance, as Interim Head of Corporate Finance pending the completion of the recruitment exercise. For more information, please click [here](#).

On 17 August 2021, the SFC published its latest Quarterly Report which summarises key developments from April to June 2021. During the quarter, the SFC provided asset managers with further guidance on disclosures for environmental, social and governance funds, especially those with a climate-related focus, to help investors better understand these products and combat greenwashing. The SFC also stepped up its joint efforts with the SEHK to combat misconduct and improper behavior in new listings. Problematic applications with red flags indicating a lack of genuine investor interest are now subject to heightened scrutiny, and the regulators will object to or reject an application if necessary. For more information, please click [here](#).

On 20 August 2021, the SFC issued amendments to the Fund Manager Code of Conduct ("FMCC") and a circular setting out expected standards for fund managers managing collective investment schemes to take climate-related risks into consideration in their investment and risk management processes and make appropriate disclosures. This accompanies the release of consultation conclusions on proposed climate-related risk management and disclosure requirements for fund managers. In reaching its conclusions, the SFC received wide support from the industry for financial regulators to play a role in setting baseline requirements for managing climate-related risks and combating greenwashing. For more information, please click [here](#).

On 20 August 2021, the SFC approved the launch of A-shares index futures contracts by the Hong Kong Exchanges and Clearing Limited ("HKEX"). Since the launch of the Mainland and Hong Kong Stock Connect ("Stock Connect") in 2014, international investors have increasingly participated in the A-shares market via the northbound trading link. For more information, please click [here](#).

On 27 August 2021, the Hong Kong Exchanges and Clearing Limited ("HKEX") announced it has signed a Memorandum of Understanding (MOU) with the Guangzhou Futures Exchange ("GFEX") for strategic cooperation in promoting sustainability and facilitating the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Under the MoU, HKEX and GFEX will explore the feasibility of cooperation on product development in both onshore and offshore markets, with the aim of supporting China to peak carbon emissions by 2030 and reach carbon neutrality by 2060. Both exchanges will also work together in areas such as clearing, technology, and collaborate on marketing and investor educational efforts. For more information, please click [here](#).

On 30 August 2021, the SFC launched a new initiative to warn the public about arrangements which are suspected to be collective investment schemes (“CIS”). A CIS may not be offered to the public in Hong Kong without the SFC’s authorisation. It may be an offence to offer an unauthorised CIS to the Hong Kong public or to market or distribute interests in CIS without the SFC’s licence or registration. Investors are urged to be extremely careful if they plan to invest in an unauthorised investment scheme. Investment arrangements which have come to the SFC’s attention and display certain characteristics of a CIS will be included on a new Suspected Unauthorised CIS Alert List. These arrangements may involve overseas real estate or non-conventional assets and investments such as digital tokens and initial coin offerings (“ICO”). For more information, please click [here](#).

Enforcement

On 3 August 2021, the SFC reprimanded and fined UBS AG and UBS Securities Asia Limited (“UBSSAL”) (collectively, UBS) HKD9.8 million and HKD1.75 million respectively over various regulatory breaches. A number of issues concerning UBS’s systems and controls were brought to the SFC’s attention between September 2018 and November 2020 by self-reports from UBS or referrals of findings from the Hong Kong Monetary Authority (“HKMA”). The SFC’s investigation found that between May 2004 and May 2018, UBS failed to make proper disclosure of its financial interests in some Hong Kong listed companies covered in its research reports. The failure was caused by multiple data feed logic errors in a legacy data source used by UBS for tracking its shareholding positions. For more information, please click [here](#).

On 13 August 2021, five individuals including a current senior executive and a former senior executive of a listed company have been arrested in a joint operation “Jade Qilin” of the SFC and the Independent Commission Against Corruption (“ICAC”). The joint operation also involved a search of the offices of the listed company and the premises of other related parties. For more information, please click [here](#).

On 27 August 2021, the SFC and Commercial Crime Bureau of the Police conducted a joint operation against a Hong Kong-listed company and its former senior executives suspected of a series of corporate fraud related offences involving a total of HKD450 million. The operation involved a search of the office premises of the listed company and the residences of its former senior executives. The SFC conducted the search with the Police under the Securities and Futures Ordinance for offences related to corporate fraud, disclosing false or misleading information and other misconduct. For more information, please click [here](#).

On 30 August 2021, the SFC has suspended Mr. Cheung Man Chit, a former licensed representative of Emperor Securities Limited and Emperor Futures Limited (collectively, Emperor), for two years from 28 August 2021 to 27 August 2023. The SFC considers that Cheung failed to act honestly, with due skill, care, and diligence, and in the best interests of his clients. Cheung’s conduct was prejudicial to the interests of his clients and employers as it prevented Emperor from ensuring that the account opening document was properly signed by the client and client information was accurately recorded, adequately safeguarding client assets, and properly monitoring and supervising clients’ trading activities. The SFC also found that Cheung failed to inform the SFC and Emperor of his directorship and proprietorship of two companies that he owned. For more information, please click [here](#).

India



On 3 August 2021, the Reserve Bank of India (“RBI”) issued notifications on recovery of interest on excess put through/double claim (state government transactions) for the maintenance of State Government Accounts. The notifications will be effective from 3 August 2021. For more information, please click [here](#).

On 3 August 2021, the Securities and Exchange Board of India (“SEBI”) issued a circular to remind the permission of other banking companies as specified by the Board, in particular the non-scheduled Payment Banks, may carry out activities of Bankers to an Issue (“BTI”) in addition to the scheduled banks. For more information, please click [here](#).

On 4 August 2021, SEBI issued a circular to introduce the amendment to the Finance Act 2020 and Gazette Notification No. SEBI.LAD-NRO/GN/2021/32. Explanation has been provided in the Circular dated 5 November 2019. For more information, please click [here](#).

On 4 August 2021, SEBI issued a circular to clarify with the mutual fund industry that mutual funds should maintain current accounts in an appropriate number of banks for the purpose of receiving subscription amount and for payment of redemption, dividend, brokerage or commission etc. to facilitate financial inclusion, convenience of investors and ease of doing business. For more information, please click [here](#).

On 4 August 2021, SEBI issued a circular to inform all infrastructure investment trusts (“InvITs”) and parties to the trusts that SEBI (Infrastructure Investment Trusts) Regulations, 2014, were amended to provide for the requirement of minimum number and holding of unit holders for unlisted InvITs. For more information, please click [here](#).

On 6 August 2021, SEBI issued minutes of the SEBI Board Meeting held on the same day, which covered the topics of (1) New SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (2) Review of regulatory framework for promoter, promoter group and group companies; (3) Amendment to SEBI (Alternative Investment Funds) Regulations, 2012; (4) Review of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (5) Facilitating Ease of Doing Business in MIs; and (6) Amendment to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations). For more information, please click [here](#).

On 7 August 2021, RBI issued a draft notification on Foreign Exchange Management (Non-debt Instruments - Overseas Investment) Rules, 2021, and draft Foreign Exchange Management (Overseas Investment) Regulations, 2021, for public feedback and comments by 23 August 2021. For more information, please click [here](#).

On 9 August 2021, SEBI issued a circular to the clearing corporations having commodity derivatives segment that the SEBI had decided to extend the spread margin benefit beyond the first three expiries, and therefore modified the circular SEBI/HO/CDMRD/DRMP/CIR/P/2018/51 dated 20 March 2018. For more information, please click [here](#).

On 10 August 2021, SEBI issued an operational circular providing for chapter-wise framework for the issuance, listing and trading of Non-convertible Securities, Securitised Debt Instruments, Security Receipts and Municipal Debt Securities or Commercial Paper. The circular will be effective from 16 August 2021. For more information, please click [here](#).

On 13 August 2021, SEBI issued further guidance on issuance of non-convertible debt instruments along with warrants (‘NCDs with Warrants’) in terms of Chapter VI – Qualified Institutions Placement of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. For more information, please click [here](#).

On 16 August 2021, SEBI issued the directions to National Commodity & Derivatives Exchange Limited (NCDEX) regarding trading in Chana contracts, that (1) no new Chana contract shall be launched till further orders; and (2) regarding running contracts, no new position except squaring up of position will be allowed to be taken. These directions will be implemented with immediate effect. For more information, please click [here](#).

On 17 August 2021, SEBI issued a circular to all clearing corporations having commodity derivatives segment to announce the decision on the penalty for repeated delivery default, which will be effective after one month from 17 August 2021. For more information, please click [here](#).

On 18 August 2021, RBI issued a notification detailing revised instructions on Safe Deposit Locker/Safe Custody Article Facility provided by the banks. The banks are advised to review and update their own Board approved policy/operational guidelines in this regard taking into account the revised instructions. For more information, please click [here](#).

On 20 August 2021, SEBI decided that the timeline for submitting comments on an earlier consultation paper to collect public and industry views on the introduction of Swing pricing released on 19 July 2021 will be extended to 25 August 2021. For more information, please click [here](#).

On 25 August 2021, SEBI issued circular to introduce a platform for ‘Security and Covenant Monitoring System’ hosted by Depositories, which will be implemented by 1 April 2022. The platform will be used for recording the process of creation and monitoring of security (e.g., due diligence, charge creation, etc.), continuous monitoring of covenants by Debenture Trustees (as applicable), credit rating of the non-convertible securities by the Credit Rating Agencies, etc. For more information, please click [here](#).

On 26 August 2021, SEBI issued a circular to announce the launch of a framework for “Accredited Investors” (“AIs”). AIs may be afforded more flexibility in minimum investment amount (Lower ticket size) or concessions from specific regulatory requirements applicable to investment products, subject to conditions applicable for specific products/services under the SEBI (Alternative Investment Funds) Regulations, 2012, SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013. For more information, please click [here](#).

On 31 August 2021, SEBI issued a circular to announce the timeline extension for seeking membership of BASL (a subsidiary of BSE, formerly known as the Bombay Stock Exchange) for existing Independent Advisors by a period of two months till October 31, 2021. For more information, please click [here](#).

On 31 August 2021, SEBI issued a circular to clarify that asset management companies include (1) a risk-o-meter of the scheme wherever the performance of the scheme is disclosed; and (2) a risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed in all disclosures on promotional materials, etc. For more information, please click [here](#).

On 30 August 2021, RBI has issued a master direction on financial statements – presentation and disclosures. However, in addition to these disclosures, commercial banks shall comply with the disclosures specified under the applicable regulatory capital framework. For more information, please click [here](#).

Enforcement

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

Indonesia



On 23 August 2021, Bank Indonesia (BI) has issued provisions for standardisation in the operation of the Payment System through Bank Indonesia Regulation (“PBI”) No.23/11/PBI/2021, which is effective starting on 13 August 2021. For more information, please click [here](#).

On 24 August 2021, BI implemented further provisions regarding the application of risk management in the use of information technology by non-bank financial service institutions. For more information, please click [here](#).

Enforcement

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

Japan



On 10 August 2021, the Financial Services Agency (“FSA”) published the English translation of the monthly magazine, Access FSA No. 215, which contains details on the latest industry updates within Japan. For more information, please click [here](#).

On 11 August 2021, the FSA announced that the FSA and the Financial Conduct Authority of the United Kingdom (“FCA”) exchanged letters on a cooperation framework in the area of credit rating agencies on 10 August 2021. The purpose of this exchange of letters (“EoL”) is to strengthen and facilitate supervisory and enforcement cooperation through sharing of information between both authorities. For more information, please click [here](#).

On 18 August 2021, the FSA updated the list of issuers who are repaying, have completed repaying, or have announced the termination of use of prepaid payment instruments, as defined in the "Payment Services Act" (e.g., gift vouchers, gift certificates, and prepaid cards). For more information, please click [here](#).

On 31 August 2021, the FSA announced that 316 institutional investors had signed up to the Principles for Responsible Institutional Investors as of July 31, 2021. The FSA publishes the list of institutional investors who have notified the FSA of their intention to accept the Code. The FSA will update the list any time when it receives the notification of acceptance of the Code from institutional investors. For more information, please click [here](#).

Enforcement

On 6 August 2021, the FSA issued an order to impose an administrative penalty charge against Net One Systems Co., Ltd. for making false statements in its securities reports. For more information, please click [here \(Japanese only\)](#).

On 11 August 2021, the FSA and the Kanto Local Finance Bureau issued a warning to an entity that is operating financial instruments business without proper registration. For more information, please click [here](#).

Korea



On 3 August 2021, the Financial Services Commission (“FSC”) announced wide-reaching regulatory changes for the private equity fund industry through revisions to the Financial Investment Services and Capital Markets Act effective from October. The significant changes involve the creation of a new classification scheme for funds, adjustments to the protections afforded to retail investors, the creation of a single regulatory framework for all types of funds, a revision on the number of investors each type of fund can have, and the enhancement of supervision of general partners across the industry. For more information, please click [here](#).

On 16 August 2021, the FSC released a consultation on its plans to increase its supervision of virtual asset service providers (VASPs). The FSC advises that it will begin the process of opening up a registration process to VASPs and

that it will require VASPs to have a set standard of internal controls. The FSC also warned that VASPs that fail to register will be forced to close abruptly and that this may disrupt services provided to current customers. For more information, please click [here](#).

On 25 August 2021, the FSC approved changes to the Enforcement Rules of the Financial Investment Services and Capital Markets Act and other relevant regulatory texts to allow the sale of China-based exchange traded funds (“ETFs”) listed in the Shanghai Stock Exchange by local asset managers. For more information, please click [here](#).

On 26 August 2021, the FSC and the Ministry of the Interior and Safety announced that a new division had been added to the Korea Financial Intelligence Unit (“KoFIU”) responsible for overseeing virtual asset transactions. For more information, please click [here](#).

Enforcement

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

Malaysia



On 3 August 2021, the Joint Committee on Climate Change (“JC3”) held its fifth meeting on 2 August 2021 to discuss the progress of its current priorities and ongoing initiatives in pursuing collaborative actions for building climate resilience within the Malaysian financial. For more information, please click [here](#).

On 5 August 2021, the Securities Commission Malaysia (“SC”) and Halal Development Corporation Berhad (“HDC”) jointly hosted the inaugural SC-HDC Forum 2021, themed ‘Enabling Growth through the Islamic Capital Market’. For more information, please click [here](#).

Enforcement

On 17 August 2021, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) publicly reprimanded Iqzan Holdings Berhad (“IQZAN”) for breach of paragraph 9.35A(1)(a) of the Main Market Listing Requirements (Main LR) for failing to ensure that the company’s final quarterly report for the nine-months financial period ended 31 March 2020 (QR March 2020), announced on 26 June 2020, took into account the adjustments stated in the company’s announcement dated 28 August 2020. For more information, please click [here](#).

On 25 August 2021, The Securities Commission Malaysia’s Audit Oversight Board (“AOB”) publicly reprimanded Sharinah binti Mohamed Iqbal, a partner of PKF, for breaching section 31Z(1)(b) of the Securities Commission Malaysia Act 1993 (“SCMA”) when she failed to comply with the International Standards on Auditing when auditing a public interest entity (“PIE”). Compliance with these auditing standards is a condition of registration for all AOB registrants. For more information, please click [here](#).

Mauritius



On 4 August 2021, the Financial Services Commission of Mauritius (“FSC Mauritius”) released a communique proposing amendments to the Securities (Preferential Offer) Rules 2017, the Securities (Disclosure Obligations of Reporting Issuers) Rules 2017, and the Securities (Public Offer) Rules. For more information including the proposed amendments, please click [here](#).

On 5 August 2021, FSC Mauritius released a communique proposing amendments to the Financial Services (Funeral Scheme Management) Rules 2016, relating to the requirements for investments, solvency and actuarial reporting to enhance protection of holders of funeral scheme contracts. For more information, please click [here](#).

On 16 August 2021, FSC Mauritius issued a consultation paper on the regulatory framework for structured investment-linked insurance businesses. The consultation is open for comments until 16 September 2021. For the communique, please click [here](#). For the consultation, please click [here](#).

On 20 August 2021, FSC Mauritius released an investor alert informing the public that non-fungible tokens (NFTs) are not currently regulated in Mauritius and to exercise caution in relation to the dealings with NFTs. The FSC will communicate further if there are new regulatory frameworks addressing the offer of NFTs in Mauritius. For more information, please click [here](#).

On 20 August 2021, the Bank of Mauritius released a public consultation on revised draft guidelines to carry on the business of private banking. The consultation is open until 15 September 2021. For more details, please click [here](#). For the draft guidelines, please click [here](#).

On 26 August 2021, the Bank of Mauritius released a public consultation on draft guidelines on the use of cloud services. The bank's expectations were introduced as a part of its Guidelines on Outsourcing by Financial Institutions and are further enhanced through the issuance of these guidelines. The consultation is open until 8 September 2021. For more information, please click [here](#). For the draft guidelines, please click [here](#).

Enforcement

On 4 August 2021, FSC Mauritius revoked the Payment Intermediary Services licence of CYBERServices ASIA due to numerous statutory obligation breaches, such as failure to commence business, failure to maintain its principal account in Mauritius, and deficiencies in its AML/CFT policies. For more information, please click [here](#).

Myanmar



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

Enforcement

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

New Zealand



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

Enforcement

On 12 August 2021, The Financial Markets Authority ("FMA") filed civil High Court proceedings against Matthew Geoffrey Hill, the Chief Executive Officer of NZX-listed New Talisman Gold Mines Limited (NTL), for alleged information-based market manipulation and making false and misleading representations. For more information, please click [here](#).

On 23 August 2021, The FMA issued a formal warning to Sharesies Limited and Sharesies Nominee Limited for failing to have sufficient anti-money laundering procedures, policies, and controls in place. The FMA identified the issues with Sharesies as part of its ongoing monitoring of compliance with the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act. For more information, please click [here](#).

On 31 August 2021, The Reserve Bank welcomed the High Court's decision to impose a civil penalty on TSB Bank Limited for breaches of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act). The High Court released its decision following a statement of claim filed by the Reserve Bank in May 2021. The statement of claim was supported by a statement of the facts as agreed by TSB and the Bank, and a joint submission on the appropriate penalty. The Court ordered TSB to pay civil penalties totalling NZD3.5m based on TSB's acceptance that it did not comply with the requirements of the AML/CFT Act. For more information, please click [here](#).

Philippines



On 9 August 2021, Bangko Sentral ng Pilipinas ("BSP") Governor Benjamin E. Diokno formally opened the Anti-Money Laundering Council ("AMLC") Satellite Office at the New Mint Plant Building, BSP Security Plant Complex in Quezon City on 27 July 2021. It is hoped that the opening of the new office will contribute towards the country's exit from the list of "jurisdictions under increased monitoring" or the grey list. For more information, please click [here](#).

On 16 August 2021, the Commission issued SEC Memorandum Circular No. 9, Series of 2021, or the Rules on Authorisation of an Investment Company as a Qualifying Collective Investment Scheme ("CIS") and Recognition of a Foreign CIS under the ASEAN CIS Framework. Qualified investment companies from the Philippines may now offer its shares to Malaysia, Singapore, and Thailand, and vice versa, following the Securities and Exchange Commission's ("SEC") issuance of new rules that will support the implementation of the ASEAN CIS Framework. For more information, please click [here](#).

On 27 August 2021, the BSP, the chair of the country's Financial Inclusion Steering Committee, is supporting the digitalization of micro-entrepreneurs by actively pushing for a robust digital finance infrastructure. For more information, please click [here](#).

Enforcement

On 23 August 2021, the Securities and Exchange Commission (SEC) has ordered Royal O' Consultancy Services OPC, Royal O' International Import and Export OPC, and their affiliate companies to stop marketing a scheme disguised as an investment platform for alleged gambling, medical supplies, and export firms to the general public. For more information, please click [here](#).

Russia



On 9 August 2021, the Bank of Russia ("BoR") announced that BoR Deputy Governor and Head of the Bank of Russia Chief Inspection Vladimir Safronov would be retiring from 9 September 2021 after his vacation. Elena Koroleva, First Deputy Head of the Bank of Russia Chief Inspection, was appointed acting Head of the Bank of Russia Chief Inspection from 9 August 2021. For more information, please click [here](#).

On 13 August 2021, BoR Board of Directors announced it would suspend all securities, with the exception of bonds issued on behalf of the Russian Federation, and bonds of the Bank of Russia from the Lombard list from 1 October 2021. All securities previously included in the Lombard List would be kept in it until they are redeemed. For more information, please click [here](#).

Enforcement

On 5 August 2021, BoR announced the results of its investigation into market manipulation of on-exchange trading for the bonds of Dialex LLC (ISIN RU000AOZZKW1; hereinafter, the Bonds) over the period from 3 February 2020 to 1 June 2020. The transactions qualified as market manipulation were made in the main trading mode of the exchange across the brokerage accounts of Vyacheslav Piksaev, Aleksey Antipin, and UniMetrix LLC (TIN 5405971433) where Aleksey Antipin is Director General. The BoR sent orders to V. Piksaev, A. Antipin, and UniMetrics LLC to cease and desist from similar violations in the future. For more information, please click [here](#).

On 6 August 2021, BoR revoked the banking licence of Saransk-based Joint Stock Company KS BANK, or JSC KS BANK (Reg. No. 1752; hereinafter, KS BANK) for issues related to poor maintenance of their balance sheets. The BoR appointed a provisional administration to KS BANK for the period until the appointment of a receiver or a liquidator. For more information, please click [here](#).

On 12 August 2021, BoR announced that it had finished its investigation into market manipulation in on-exchange trading for the bonds of JSC Commercial Real Estate FIC Garant-Invest (ISIN RU000A1005T9; hereinafter, the Bonds) over the period from 6 May 2019 to 14 August 2019. Individuals (Ivan V. Maksimov, Timur R. Khodzhiev, Dmitry V. Safronov, Vladimir N. Ekimov, Yuliya S. Chibrikova) were found to have collaborated with same-type trading behaviour. The transactions across individuals' accounts were made through highly coordinated mutual bids with identical prices and comparable volumes. For more information, please click [here](#).

Singapore



On 23 August 2021, the United States Department of the Treasury and the Monetary Authority of Singapore ("MAS") announced the finalisation of a bilateral Memorandum of Understanding ("MoU") on Cybersecurity Cooperation. This announcement was made during Vice President Kamala Harris' visit to Singapore, where both the US and Singapore recognised the importance of deepening cooperation in new domains to deal with the challenges of the 21st century. For more information, please click [here](#).

On 30 August 2021, the MAS announced the 15 finalists for the global competition to develop retail Central Bank Digital Currency ("CBD") solutions (Global CBDC Challenge). The finalists, comprising financial institutions, FinTechs and technology solution providers, will progress to the Acceleration Phase of the Global CBDC Challenge, before they pitch their solutions to a panel of judges and an international audience at this year's Singapore FinTech Festival. For more information, please click [here](#).

Enforcement

A media search did not find any enforcements for Singapore during August.

Sri Lanka



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

Enforcement

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

Taiwan



On 3 August 2021, the Financial Supervisory Commission (“FSC”) issued the “Principles for Effective Financial Examination”, to build an objective and professional risk-based, open communication organizational culture for the Financial Examination Bureau (“FEB”). For more information, please click [here](#).

Enforcement

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

Thailand



On 17 August 2021, Bank of Thailand (“BOT”) and Bank Indonesia (“BI”) launched a cross-border QR payment linkage between Thailand and Indonesia. Under this linkage, consumers and merchants in both countries will be able to make and accept instant cross-border QR payments for goods and services. This connection is the first that links the retail payment system operators in both countries. It also marks a key milestone in the ASEAN Payment Connectivity initiative, aiming to promote financial integration in the region. For more information, please click [here](#).

On 18 August 2021, Working Group on Sustainable Finance has jointly published Sustainable Finance Initiatives for Thailand (the Initiatives), one of our key work plans, to set the direction and framework for driving sustainable finance across the financial sector. For more information, please click [here](#).

On 25 August 2021, the Securities and Exchange Commission (“SEC”) is seeking public comments on additional amendments to the regulations on custody of clients’ assets in digital asset businesses, which includes keeping custody of fiat money and seeking benefits from the clients’ assets for the clients’ interest. The proposed amendments aim to enhance protection for digital asset investors. For more information, please click [here](#).

Enforcement

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

Vietnam



On 2 August 2021, the State Securities Commission of Vietnam (“SSC”) has announced drastic implementation of urgent measures to strengthen Covid-19 pandemic prevention at the SSC office. The SSC has provided instructions for in-person transactions and contacts for work engagements in the SSC office during the pandemic. For more information, please click [here](#).

Enforcement

On 2 August 2021, the SBV revised the License for the establishment and operations of Viet A Joint-Stock Commercial Bank (VietABank). For more information, please click [here](#).

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.

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