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## Welcome to our Regulatory Newsletter for January 2022

### Executive Summary

In Hong Kong, the Securities and Futures Commission (SFC) has issued a circular to remind licenced corporations to use the revised financial return form when submitting a return for the accounting period beginning 1 January 2022. The SFC has kindly released a video demonstration showing how to submit the revised form through the WINGS portal.

In Singapore, the Monetary Authority of Singapore (MAS) imposed a composition penalty of S\$1.1 million on Vistra Trust (Singapore) Pte. Limited (“VT SPL”) for failing to comply with MAS’s anti-money laundering and counter-terrorist financing requirements. MAS found that VT SPL failed to implement adequate procedures to determine whether parties relevant to the trust pose a higher risk of money laundering or terrorist financing.



## Australia



On 21 January 2022, the Australian Securities and Investments Commission (“ASIC”) announced it was working with five regulatory technology entities who would be focusing on developing a technology solution to help ASIC deal with the challenges related to analysing corporate disclosures. Grants of up to \$100,000 were provided to the five regtech enterprises to conduct a feasible three-month study. For more information, please click [here](#).

On 25 January 2022, the ASIC released a consultation paper seeking feedback on proposed changes to the relief for business introduction services. The consultation paper includes proposals to: extend the relief for interests in managed investment schemes to 1 April 2025; allow relief for Ch. 6D securities to expire; amend the relief to update and clarify that the design and distribution obligations apply to business introduction services; and require persons who rely or cease to rely on the relief to provide notice to ASIC from 1 April 2022. For more information, please click [here](#).

## Enforcement

On 18 January 2022, Statewide Superannuation Pty Ltd (“Statewide”) was penalised a total of AU\$4 million by the Federal Court. The court found that Statewide had provided misleading communications to thousands of their members, overcharged insurance premiums of at least \$2.5 million to some fund members and failed to report the issues to ASIC in a timely manner, once discovered. For more information, please click [here](#).

On 21 January 2022, Paul Kevin Bennetts was banned from providing financial services for six years. Mr. Bennetts was a director, CEO, and responsible manager of Spaceship Capital Limited. In 2018 Mr. Bennetts dishonestly obtained his Australian Institute of Company Directors (“AICD”) qualification, by having Spaceship’s compliance officer complete his assessments for the AICD course on his behalf. For more information, please click [here](#).

On 25 January 2022, Ananda Kathiravelu was banned from providing financial services for three years. Mr. Kathiravelu was convicted for conspiring to manipulate the market for Radar Iron Limited shares traded on the ASX. Mr. Kathiravelu was a director of Radar and ASIC found that he had not complied with financial services law. Mr. Kathiravelu was also sentenced to twelve months imprisonment, however then released on recognisance of \$10,000. For more information, please click [here](#).

On 25 January 2022, Jim Bakos plead guilty and was convicted of making a false or misleading statement to ASIC. When lodging a form to deregister VFD Pty Ltd, Mr. Bakos declared that he had no liabilities when he owed \$11,106.19 to one of VFD’s former employees. Mr. Bakos was fined \$3000 and as a result of his conviction, has been banned from managing corporations for five years. For more information, please click [here](#).

On 25 January 2022, Rachel Edwards (also known as Raita Konita Pakoti) plead guilty to one count of breaching her directors’ duties. Ms. Edwards was a director of Westpower Victoria Pty Ltd and prior to its liquidation, Ms Edwards made 175 withdraws totalling to over \$619,000 from a Westpower account and deposited the monies into a personal account. Following Westpower’s liquidation, debts of over \$930,000 were owed to creditors including the ATO. For more information, please click [here](#).

On 28 January 2022, Jin Xi Li, plead guilty to two insider trading offences when trading in Contracts for Difference (“CFD”) of PanAust Limited. Mr. Li, and his wife, profited approximately \$343,000 from trading whilst in possession of insider knowledge. Mr. Li will be sentenced on 28 February 2022, with the maximum penalty for the offences being 15 years imprisonment. For more information, please click [here](#).

## Mainland China



On 4 Jan 2022, the Cyberspace Administration of China (“CAC”) released the “Network Security Review Measures” (the “Measures”) that will come into effect from 15 February 2022. The Measures provide clear descriptions and definitions of relevant work mechanisms, review content materials, and specific deadlines for network security progress. In order to ensure the security of the critical information infrastructure supply chain, protect network security and data security, and maintain national security, the Measures have been implemented in accordance with the National Security Law of the People’s Republic of China, the Network Security Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China and the Regulations on Critical Information Infrastructure Protection. For more information, please click [here](#) (Chinese only).

On 4 Jan 2022, the CAC issued the Internet information service algorithm recommendation management regulations, (the “Regulations”), effective from 1 March 2022. The provisions include, among others, specifications for information services, protection of users’ rights and interests, supervision and management, and legal

responsibility for regulation. These provisions apply the algorithmic recommendation technology used to provide Internet information services in the People's Republic of China. Service providers should regularly review, evaluate, and verify the algorithm mechanism, model, data, and application results and so on. For more information, please click [here](#) (Chinese only).

On 4 Jan 2022, the State Administration of Foreign Exchange ("SAFE") issued a pilot policy for opening cross-border trade and high-level investment measures. The pilot policy includes nine capital project reform measures, four current account facilitation measures, and two requirements related to strengthening risk prevention control and regulatory capacity building. This release is expected to further deepen the reform and opening up in the field of foreign exchange, increase the degree of liberalisation and facilitation of cross-border trade and investment, further optimise the business environment, promote the development of the real economy, and support macroeconomic stability. For more information, please click [here](#) (Chinese only).

On 7 Jan 2022, the General Office of the China Banking Insurance Regulatory Commission ("CBIRC") issued the Measures for the Administration of Project Companies of Financial Leasing Companies (the "Measures"). The Measures clarify, among others, the legal basis of the Measures, the definition of the project company and the scope of leasing assets for financial leasing transactions conducted through the project company, responsibilities of supervisors, supervisory indicators, reporting, and other supervisory requirements. Further, the notice takes supervisory measures or impose sanctions for problems and risks in accordance with applicable laws and regulations. For more information, please click [here](#) (Chinese only).

On 7 Jan 2022, the China Securities Regulatory Commission ("CSRC") issued a notice of public consultation on the "Pilot Regulations on Market Making and Trading Business of Securities Companies in the Science and Technology Innovation Board" (the "Regulations"). The deadline for feedback is on 6 February 2022. The Regulations include market-maker access conditions and procedures, post-trade surveillance, and six other substantive aspects. For more information, please click [here](#) (Chinese only).

On 14 Jan 2022, the CBIRC issued the Measures for the Administration of Connected Transactions of Banking and Insurance Institutions (the "Measures"), effective from 1 March 2022. The Measures include general provisions, definitions of related parties, related transactions, internal management of related transactions, reporting and disclosure, etc, and are applicable to trust companies, asset management companies, financial leasing companies, auto finance companies and consumer finance companies established in the mainland. For more information, please click [here](#) (Chinese only).

On 14 Jan 2022, the CSRC issued a notice of public consultation on the Measures for Securities Registration and Settlement (Draft for Comments) (the "Measures"). The deadline for feedback is on 13 February 2022. Main amendments include, among others, general principles of securities registration and settlement, management of securities accounts, registration of custody and depository businesses, clearing and settlement of securities and funds and process of risk prevention and handling of defaults. For more information, please click [here](#) (Chinese only).

On 14 Jan 2022, the CSRC issued a notice of public consultation on the Interim Provisions on the Regulation of Important Money Market Funds (Draft for Comments) (the "Provisions"). The deadline for feedback is on 13 February 2022. The Provisions clarifies the definition of major money market funds, the scope, criteria, and procedures for evaluating major money market funds, additional regulatory requirements for major money market funds and the risk prevention and regulatory management mechanism for major money market funds. For more information, please click [here](#) (Chinese only).

On 19 Jan 2022, the CBIRC issued a notice on Streamlining Regulatory Reporting of Insurance Fund Investment (the "Notice"). The Notice include the provisions on cancellation and consolidated submission of regulatory reports, further regulate the submission of regulatory reports on the use of insurance funds, consolidate different asset classes and combines reports on investments in equity, real estate, and financial products into quarterly reports on the use of insurance funds. For more information, please click [here](#) (Chinese only).

On 26 Jan 2022, the CBIRC issued the "Guidance on Digital Transformation of the Banking and Insurance Industry" (the "Guidance"). The Guidance includes strategic planning and organisational process construction" to improve organisational structure and institutional process, digitalisation of business operation and management, data capacity building", strengthening data quality control and improving data application capacity, scientific and technological capacity-building" to improve the application of new technologies and the ability of self-control, and others. For more information, please click [here](#) (Chinese only).

On 27 Jan 2022, the People's Bank of China ("PBC"), the CBIRC and the CSRC jointly issued the Administrative Measures on Customer Due Diligence and Retention of Customer Identification Data and Transaction Records of Financial Institutions (the "Measures"), effective from 1 March 2022. The Measures clarify the specific requirements for customer due diligence in various financial industries, allow financial institutions to adopt simplified due diligence measures for assessed low-risk businesses and customers, and improve the requirements for

identification of beneficial owners and due diligence requirements for special businesses such as correspondent banks, remittances, due diligence through third parties, and high-risk countries or regions. For more information, please click [here](#) (Chinese only).

## Enforcement

A media search did not find any enforcements for Mainland China during January.

## Hong Kong



On 10 January 2022, the Insurance Authority (“IA”) hosted a thematic breakout session titled “Innovating Insurance to Combat Climate Change” at the Asian Financial Forum, where insurance professionals shared industry participation in climate change initiatives and the opportunities available. For more information, please click [here](#).

On 11 January 2022, the Hong Kong Monetary Authority (“HKMA”), together with the Banking Sector SME Lending Coordination Mechanism (“Mechanism”), announced another 90-day repayment deferral for trade facilities under the Pre-approved Principal Payment Holiday Scheme (“Scheme”). This pandemic has created uncertainties for economic recovery and put pressure on corporate customers. As a result, the Mechanism has decided to extend the repayment period for trade facilities under the Scheme by a further 90 days until the end of April 2022. For more information, please click [here](#).

On 12 January 2022, the HKMA issued a discussion [paper](#) on crypto-assets and stable coins to seek industry and stakeholder views and feedback on the relevant regulatory approach. For more information, please click [here](#).

On 12 January 2022, the Hong Kong Exchanges and Clearing Limited (“HKEX”) announced that it has signed a new strategic cooperation agreement with Shenzhen Stock Exchange (“SZSE”) to further enhance market connectivity and promote the development of the Guangdong-Hong Kong-Macao Greater Bay Area. The HKEX and SZSE will work closely together to support the development of the Hong Kong and Mainland China capital markets through regular joint marketing and promotional activities. For more information, please click [here](#).

On 20 January 2022, the International Monetary Fund commended Hong Kong’s robust institutional framework and effective policies to promote economic growth and ensure financial stability. For more information, please click [here](#).

On 21 January 2022, the Securities and Futures Commission (“SFC”) issued a circular to remind Licenced Corporations (“LCs”) to use the revised financial return form when submitting a return for the accounting period beginning 01 January 2022. In addition, the SFC has released a [video](#) demonstration showing how to submit the revised form through the WINGS portal. For more information, please click [here](#).

On 21 January 2022, the HKEX announced the resignation of Matthew Chamberlain, CEO of the London Metal Exchange and Group Head of Commodities. He will step down from his role at the end of April 2022 to pursue his professional interests outside the Group. For more information, please click [here](#).

On 27 January 2022, the SFC issued a circular to LCs regarding the updated AML/CFT Self-Assessment [checklist](#) that aims to provide a structured framework for LCs and affiliates in assessing their compliance with key AML/CFT requirements. For more information, please click [here](#).

On 27 January 2022, the HKMA announced that five eligible banks in Hong Kong can launch cross-border Wealth Management Connect (“WMC”) services. This brings the total number of eligible banks in Hong Kong to [24](#). The listed banks will be able to offer cross-border WMC services from 28 January 2022. For more information, please click [here](#).

On 27 January 2022, the SFC issued a circular regarding its collaboration with the Australian Securities and Investments Commission, highlighting observations from its reviews of foreign exchange transactions by global financial groups in their respective jurisdictions. Details of the regulators’ observations and industry best practices are provided in the [circular](#) and its annexes. Hong Kong is one of the most premier foreign exchange trading centres globally. As such, a key focus of the SFC is to ensure that LCs trade fairly and in the best interests of clients, as well as the integrity of the market. For more information, please click [here](#).

On 28 January 2022, the HKMA announced that the countercyclical capital buffer (“CCyB”) ratio for Hong Kong remains unchanged at 1.0%. The latest economic indicators point to a continued recovery in Hong Kong in the last quarter of 2021. However, there are also uncertainties regarding the global and domestic pandemic situation. Therefore, it is appropriate to keep the CCyB ratio unchanged at 1.0% for now. For more information, please click [here](#).



On 28 January 2022, the SFC and the HKMA issued a joint circular on virtual asset-related activities to provide guidance to LCs on the distribution of virtual asset-related products to their clients and investors. For more information, please click [here](#).

## Enforcement

On 4 January 2022, the HKEX issued a disciplinary action against China Properties Investment Holdings Limited and five of its directors for repeated breaches of the announcement requirement for two transactions subject to disclosure. The directors also failed to comply with their duties to ensure that the company had adequate and effective internal controls. For more information, please click [here](#).

On 10 January 2022, the HKEX issued a disciplinary action against Samson Holding Ltd. and Ms. Liu Yi-mei, executive director and deputy chairman, for failure to comply with the announcement, circular and shareholders' approval of a major transaction in the completion of a US\$150 million investment in July 2018. For more information, please click [here](#).

On 12 January 2022, the Independent Commission Against Corruption ("ICAC") filed charges against two former Manulife insurance agents, Tin Tak-ho and Alvin Tam Man-chan, for conspiring to defraud the company of commissions totaling over \$750,000 by misrepresenting 10 insurance policies. For more information, please click [here](#).

On 12 January 2022, the HKEX issued disciplinary proceedings against Tansh Global Food Group Co., Ltd and two of its former directors, Ms. Wang Hui Min and Ms. Zhu Xiao Xia. The company granted advances, which included 44 interest-free and collateral-free fund transfers totalling over RMB386.7 million and carried out procurement transactions related to Ms. Wang and/or Ms. Zhu totalling RMB4.1 million. The transactions were notifiable and connected transactions, but the company failed to comply with the listing rules, including the requirements for announcement and/or independent shareholders' approval. For more information, please click [here](#).

On 13 January 2022, the SFC commenced disciplinary proceedings against Wonderful Sky Financial Group Holdings Limited ("Wonderful Sky") for allegedly repurchasing 42.5million shares in March 2020 pursuant to a block-trade agreed in advance between Wonderful Sky and the vendor. This was an off-market share repurchase that required the approval of the Takeover Panel and Wonderful Sky's non-participating shareholders, neither of which was obtained. For more information, please click [here](#).

On 14 January 2022, the HKMA reprimanded and ordered 33 Financial Limited to pay a pecuniary penalty of \$875,000 for contravening section 8Q of the Payment Systems and Stored Value Facilities Ordinance as it failed to meet the minimum criteria for Anti-Money Laundering and Counter-Terrorist Financing ("AML/CFT") measures. For more information, please click [here](#).

On 19 January 2022, the HKEX issued a disciplinary action against Yihua Overseas Investment Ltd and its authorised representative, Ms. Liu Shaoxiang, for failing to announce relevant information to avoid a false market and requesting a suspension of trading in relation to its debt listed under Chapter 37 of the Listing Rules. For more information, please click [here](#).

On 20 January 2022, the SFC reprimanded and fined Zhonghui International Futures Company Limited ("ZIFC") \$5 million for failing to comply with know-your-client, AML/CFT and other regulatory requirements between May 2017 and July 2018. It is found that ZIFC permitted 26 clients to use their designated customer supplied system ("CSSs") for placing orders during the material time and had failed to conduct adequate due diligence on the CSSs. In addition, ZIFC failed to implement a two-factor authentication for clients to log in to their internet trading accounts via CSSs for six months until October 2018. For more information, please click [here](#).

On 25 January 2022, the SFC censured and imposed a 12-month cold-shoulder order against Chu Hing Tsung ("HT Chu") for breaching the mandatory general offer obligation under Rule 26.1 of the Takeovers Code. Rong De Investments Limited has been the controlling shareholder of Zhuguang Holdings Group Company Limited since its listing in 2009. In 2012, HT Chu together with Chu Muk Chi acquired shares and obtained statutory control in Rong De due to a disclosure and connected transaction. HT Chu's acquisition of shares in Rong De triggered a mandatory general offer under Rule 26.1 of the Takeovers Code. However, there was no general offer made at that time. For more information, please click [here](#).

On 25 January 2022, the SFC initiated a proceeding against Tianhe Chemicals Group Limited ("Tianhe") and its executive director, Mr. Wei Xuan in the Market Misconduct Tribunal ("MMT"). The MMT sanctioned Tianhe and Wei Xuan for issuing false or misleading IPO prospectus to overstate the company's revenue by over RMB6.7 billion. For more information, please click [here](#).

On 25 January 2022, the ICAC charged three former Standard Chartered Bank (Hong Kong) Limited ("Standard Chartered Bank") bank managers and a self-employed financial consultant for conspiring with four foreign nationals

to deceive Japanese investors into investing for approximately \$28.4 million in a number of companies purporting to be involved in investment projects in Africa by submitting falsified bank documents showing that Standard Chartered Bank held at least \$25.5 billion in assets on behalf of these companies. For more information, please click [here](#).

On 28 January 2022, the SFC reprimanded and fined Citigroup Global Markets Asia Limited (“CGMAL”) \$348.25 million for allowing various trading desks under its cash equities business to disseminate mislabelled indications of interest and make misrepresentations to institutional clients when executing trades between 2008 and 2018. The SFC considers that such dishonest behaviour would not have continued but for serious lapses and deficiencies in internal control, compliance function, and management oversight, such as the failure of its senior management to discharge their supervisory duties. For more information, please click [here](#).

On 31 January 2022, the IA reprimanded the insurers formerly known as Metlife Limited and Metropolitan Life Insurance Company of Hong Kong Limited (“Companies”) and fined them \$7 million for failing to comply with seven specified provisions of the AML/CFT Ordinance. In this case, the IA wants to send a clear message to the industry that all authorised insurers and licensed insurance intermediaries carrying on long term business should have effective AML/CFT controls and procedures in place. For more information, please click [here](#).

On 31 January 2022, the ICAC brought charges against Mr. Ho Che-chun, the former senior unit manager of Sun Life Hong Kong Limited and convicted him of laundering over \$640,000 in criminal proceeds in connection with the sale of insurance products between October 2017 and January 2018. Mr. Ho suggested to make sales from the lowest ranking staff in his team to maximise the company’s commission receivable in addition to their monthly base salaries. For more information, please click [here](#).

## India



On 3 January 2022, the Securities and Exchange Board of India (“SEBI”) announced it had modified the exercise mechanism for options on commodity futures contracts, removing paragraph 5 of Annexure 1 to the original circular dated 13 June 2017 and adding in a revised paragraph 5. For more information, please click [here](#) or [here](#).

On 5 January 2022, the Reserve Bank of India (“RBI”) released eligibility criteria for entities to be categorised as a ‘Specified User’ under clause (j) of Regulation 3 of the Credit Information Companies (Amendment) Regulations, 2021. For more information, please click [here](#).

On 10 January 2022, SEBI released a framework for operationalising a Gold Exchange in India. For more information, please click [here](#).

On 12 January 2022, SEBI announced it had granted recognition to CDSL Ventures Limited, a subsidiary of Central Depository Services (India) Limited, as an Accreditation Agency for accreditation of investors and verification of accreditation status. For more information, please click [here](#).

On 14 January 2022, the RBI released a discussion paper on the review of prudential norms for classification, valuation, and operations of investment portfolio of commercial banks. For more information, please click [here](#).

On 24 January 2022, SEBI issued a consultation paper proposing regulation of Environmental, Social and Governance (ESG) rating providers for securities markets. For more information, please click [here](#).

On 24 January 2022, SEBI announced it had amended the Alternative Investment Funds Regulations, 2012, to introduce Special Situation Funds, a subcategory under Category I Alternative Investment Fund, which shall invest in “special situation assets”. For more information, please click [here](#).

On 31 January 2022, SEBI extended the timeline for comments on the Consultation Paper for Review of SEBI (Collective Investment Schemes) Regulations, 1999 to 15 February 2022. For more information, please click [here](#). For the original consultation paper issued 7 January 2022, please click [here](#).

On 31 January 2022, SEBI announced that to streamline the process of approval of changes in control of asset management companies involving schemes of arrangement needing sanction of the National Company Law Tribunal, applications now need to be submitted to SEBI and approval in principle should be granted before application is filed to the NCLT. For more information, please click [here](#).

## Enforcement

On 10 January 2022, the RBI extended directions limiting business and implementing ceilings on withdrawal or acceptance of deposits from Independence Co-operative Bank Ltd., Nashik, Maharashtra, for two months until 10 March 2022. For more information, please click [here](#).

On 17 January 2022, the RBI imposed a monetary penalty of ₹4 lakh on The Co-operative Bank of Rajkot Ltd., Rajkot (Gujarat), for, among others, sanctioning loans to firms in which a relative of the bank's director was interested. For more information, please click [here](#).

On 24 January 2022, the RBI imposed a monetary penalty of ₹1 lakh on The Jammu Central Co-operative Bank Ltd., Jammu, for non-compliance with provisions relating to properties it held and let out, property disposal and lack of holding approval. For more information, please click [here](#).

On 24 January 2022, the RBI imposed a monetary penalty of ₹2 lakh on Bhadradi Co-operative Urban Bank Ltd., for, among others, non-compliance with provisions relating to exposure norms. For more information, please click [here](#).

On 25 January 2022, the RBI imposed a monetary penalty of ₹12 lakh on Navbharat Co-operative Urban Bank Ltd., Hyderabad, for, among others, non-compliance with directions issued under the Supervisory Action Framework, Basic Cybersecurity Framework and IS Audit and Internal Audit Compliance. For more information, please click [here](#).

On 25 January 2022, the RBI imposed a monetary penalty of ₹2 lakh on Hutatma Sahakari Bank Ltd., Walwa, Sangli, for not adhering to ceilings on advances to nominal members. For more information, please click [here](#).

On 31 January 2022, the RBI imposed a monetary penalty of ₹1 lakh on Dharamvir Sambhaji Urban Co-operative Bank Ltd., Pune, for non-compliance with provisions relating to prudential inter-bank gross exposure limits. For more information, please click [here](#).

On 31 January 2022, the RBI imposed a monetary penalty of ₹2 lakh on National Co-operative Bank Ltd., Mumbai, for non-compliance with KYC Directions, 2016 as it had not put in place a system to periodically review risk categorisation of accounts. For more information, please click [here](#).

## Indonesia



On 6 January 2022, Otoritas Jasa Keuangan (often known as "OJK") issued provisions for online banking products to be available to boost financial inclusion. For more information, please click [here](#) (Bahasa Indonesia only).

### Enforcement

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

## Japan



On 4 January 2022, the FSA launched an official LinkedIn Page which the FSA disseminates information about JFSA's "International Financial Centre Initiatives" and improvement of Japan's financial and capital market. For further information, please click [here](#).

On 4 January 2022, the FSA published a summary of meetings on "Sub-Committee on the Certified Public Accountants System" held in 2021. The summary will hereafter be presented at the general meeting of the Financial System Council and the meeting of the Sectional Committee on Financial System. Including changes in the economic and social conditions surrounding accounting audits, a certified accountant system will be enabled to ensure the reliability of accounting audits and further demonstrate and improve the abilities of certified accountants. For further information, please click [here \(Japanese only\)](#).

On 11 January 2022, The Japan Securities Dealers Association ("JSDA") announced the distribution status of stock certificates to individual customers at the time of new release. It features the association members who distributed the new public shares and the distribution status (allocation result) to individual investors by issue. For further information, please click [here](#).

On 11 January 2022, the JSDA announced the "Public and corporate bond issuance amount / redemption amount" that summarises changes in issuance and redemption amount by type of public and corporate bonds (government bonds, municipal bonds, financial bonds, corporate bonds, etc.), and the "Status of Japanese Corporate Foreign Bond Issuance by Market" which summarises the amount of foreign bond issuance by Japanese companies by market. For further information, please click [here](#).

On 13 January 2022, the FSA published a summary of discussions of the past five meetings on "Working Group on Payment Services" held from October to December 2021. They discussed responses to the sophistication and efficiency of AML / CFT in banks and the digitisation of financial services. Internationally, regarding AML / CFT, Money launderers have created new schemes that are very clever and bypass the authorities' measures. As an

authority, the importance of having a comprehensive and sufficient legal and regulatory authority and a flexible system is emphasised. For further information, please click [here \(Japanese only\)](#).

On 14 January 2022, the JSDA announced the "Working Group on the Public Price Setting Process, etc." was established in order to discuss improvement measures and other things with a wide range of stakeholders regarding the ideal public price setting process at the time of initial public offering. For further information, please click [here](#).

On 14 January 2022, The FSA published the agenda and handouts of the 61st Meeting of the Financial Service ADR Liaison Group, which was held on 14 January 2022. For further information, please click [here \(Japanese only\)](#).

On 17 January 2022, the JSDA announced the stock investment type crowdfunding, statistical information, and handling status of members etc. As a reference material for the general public to understand the system related to stock investment type crowdfunding, the handling status of the stock investment type crowdfunding business is announced monthly and annually. For further information, please click [here](#).

On 18 January 2022, the FSA published the newly defined common KPIs comparable across foreign currency denominated insurance distributors. The said KPIs are aimed at helping customers choose financial services providers that offer high-quality, customer-oriented financial products and services, and at making it easier to compare products across certain types of businesses, by setting forth two indicators namely the "customer ratio based on investment return," and "cost and return on investment by issue." For further information, please click [here \(Japanese only\)](#).

On 18 January 2022, the FSA launched a public consultation on Cabinet Office Order to partially amend Cabinet Office Order on Financial Instruments Business, etc. Initially on 12 January 2021, the FSA had established the "Financial Market Entry Office" (the "Office") to expand Japan's role as an international financial centre. Expanding the functions of the Office, this proposal allows an applicant who meets the following conditions to submit application document for registration and other subsequent documents in English. For further information, please click [here](#).

On 18 January 2022, the FSA published the agenda and handouts of the fifth meeting of the "Working Group on Corporate Disclosure" (FY 2021) of the Financial System Council, which was held on 19 January 2022. For further information, please click [here](#).

On 18 January 2022, the JSDA announced that the International Organisation of Securities Commissions summarised the "Principles on Outsourcing Principles Final report". The report consists of basic ideas about outsourcing and seven principles. The basic idea covers issues such as definition of outsourcing, assessment of materiality and essentiality, application to affiliates, subcontracting, and cross-border outsourcing. In addition, the seven principles include what is required of outsourced regulators and guidance for outsourcing implementation. For further information, please click [here](#).

On 20 January 2022, the JSDA announced the balance at the end of the month for conditional trading by public and corporate bond investors. Conditional trading of public and corporate bonds and the balance at the end of each month is categorised for each investor (financial institution, business corporation, foreigner, individual, etc.). For further information, please click [here](#).

On 20 January 2022, the JSDA announced the foreign investment trust investment performance list which is a list of information on the month-end base price, rate of increase / decrease, etc. for each fund. The product classifications in the investment performance list are different from the classifications of "public and corporate bond investment trusts" and "stock securities investment trusts" under tax law. For further information, please click [here](#).

On 20 January 2022, the JSDA announced the status of equity finance such as public offerings and sales of listed companies in Japan and overseas which is categorised by issuance type, issuance scale, etc. The JSDA published the status of equity finance of listed companies nationwide as one of the indicators to help the general public understand the status of financing by listed companies on stock exchanges nationwide. For further information, please click [here](#).

On 25 January 2022, the JSDA announced the balance of bond lending transactions, etc., and the balance of bond lending transactions, etc. is categorised by investors (financial institution, business corporation, foreigner, individual, etc.) at the end of each month. As one of the indicators for the general public to understand the status of public and corporate bond transactions, the status of public and corporate bond lending and borrowing transactions is disclosed separately for each investor who is the main trading entity. For further information, please click [here](#).

On 25 January 2022, the JSDA announced the trading status of over-the-counter securities issued by listed companies (unlisted stocks issued by continuous disclosure companies or companies that can disclose to a certain extent, convertible bonds, etc.) that have been bought and sold by members. For further information, please click [here](#).



On 26 January 2022, the JSDA announced information on the shareholder community and the handling status of operating member. As a reference material for the general public to understand the operational status of the shareholder community, JSDA published weekly, monthly, and annual statistical information such as the status of over-the-counter transactions and solicitation of shareholder community stocks. For further information, please click [here](#).

On 27 January 2022, the JSDA announced status of stock certificate lending transactions conducted by members, the status of weekly new contracts and weekend stock certificate lending balance, and the status of stock certificate lending weekly new contracts and weekend balance by issue. So-called institutional lending transactions, which are carried out using the settlement mechanism of financial instruments exchanges, are not covered. For further information, please click [here](#).

## Enforcement

A media search did not find any enforcement for Japan during January.

## Korea



On 3 January 2022, the Financial Services Commission (“FSC”) announced an overview of the 2021 New Deal fund management result and outlined its plan to operate New Deal funds for 2022 based on the latest K-taxonomy and other industrial trends in green and digital areas. The selection process for choosing a private-sector fund management company will be commenced in January with the goal of announcing the final selection within March. For more information, please click [here](#).

On 4 January 2022, the FSC announced the API-based financial MyData service to be fully launched on 5 January after a month-long pilot period leading to improvements in the system. MyData service providers including banks, financial investment businesses, card companies, savings banks, and fintechs will offer MyData services using standardised APIs. For more information, please click [here](#).

On 5 January 2022, the Korea Exchange (“KRX”) announced low liquidity stocks that will be traded through the periodic call auction for one year in 2022 to improve the price discovery function of listed stocks that are not frequently traded. For more information, please click [here](#).

On 6 January 2022, the FSC introduced a revision proposal to the Enforcement Decree of the Credit Information Use and Protection Act and its subordinate regulation. The revised measures are aimed at improving the accessibility and efficiency of data convergence between different industries (for both financial and non-financial sectors). The authorities also made available an updated guideline for data anonymisation and pseudonymisation in the financial sector. For more information, please click [here](#).

On 10 January 2022, the FSC announced a set of measures aimed at promoting the Korea New Exchange (KONEX) market by providing more incentives for companies to list on KONEX, lowering entry barriers and easing requirements for investors and creating a scale-up fund worth up to KRW100 billion to be invested in the KONEX-listed firms. The measures are intended to help revitalise the market and facilitate the functioning of KONEX as a crucial linkage between early-stage start-ups and SMEs and the capital markets. For more information, please click [here](#).

On 12 January 2022, the FSC decided to introduce new lending limits and liquidity rules on mutual finance companies to help boost their soundness and address the problem of regulatory arbitrage between mutual finance companies. For more information, please click [here](#).

On 12 January 2022, the FSC announced its plan for designating additional data specialising institutions amid growing demand for data convergence and the need to promote data industry in both financial and non-financial sectors. The authorities will accept applications on 24-25 February and make selections based on a review by an outside expert committee. Designation will be for a three-year term to ensure the maintenance of professionalism by designated entities. For more information, please click [here](#).

On 13 January 2022, the FSC held a meeting with a group of experts and discussed potential risk factors in domestic and overseas markets and ways to properly respond to them. The expert group consisting of academia, columnists and thinktank officials discussed various issues including the need to find a new equilibrium in policy mix, deepening market volatilities, the need to manage risks in the nonbank sector, loan loss provisions of financial institutions and the shifting paradigm in global value chains. For more information, please click [here](#).

On 23 January 2022, the Financial Supervisory Service (“FSS”) proposed amendments to the Enforcement Decree of the Act on External Audit of Stock Companies in order to postpone the effective date for consolidated internal

accounting control system for one year and provide legal grounds for self-quality control of auditors and sanctions against auditors that fail to meet the registration requirements. For more information, please click [here](#).

On 25 January 2022, the FSC announced that the Financial Development Review Committee held a general meeting to discuss recent market conditions and key policy measures for this year. The 2022 FDRC is made up of 49 financial market experts of which 21 of them are newly appointed. The FSC will regularly seek policy advice from the FDRC as the authorities draw up and implement financial policies for 2022. For more information, please click [here](#).

On 27 January 2022, the FSC held a meeting with the relevant institutions to review financial market risks. The meeting discussed potential impact of market volatilities on the household and corporate debt situations as well as on financial companies and looked into measures to minimise negative effects. Amid recent volatility in equity markets, the FSC has raised the market monitoring level to “caution” on January 25. For more information, please click [here](#).

## Enforcement

A media search did not find any enforcement for Korea during January.

## Malaysia



On 7 January 2022, the Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) urged the public to remain vigilant given the increasing number of online investment scams. Recently there have been social media postings that misrepresent Bursa Malaysia and its senior management. The Exchange does not authorise nor endorse such unlicensed investment activities. For further details, please click [here](#).

On 27 January 2022, the Bank Negara Malaysia (“BNM”) and Bank Indonesia (“BI”) launched a cross-border QR payment linkage. It is expected to enable instant, secure, and efficient cross-border payments between Malaysia and Indonesia. For further details, please click [here](#).

## Enforcement

On 25 January 2022, the High Court allowed the Sessions Court’s appeal and increased the jail sentence of former Transmile Chief Executive Officer and Executive Director Gan Boon Aun from one day to 24 months. Gan was convicted for furnishing a misleading statement, with intent to deceive, relating to Transmile Group Berhad’s revenue in the company’s Quarterly Report on Unaudited Consolidated Results. For further details, please click [here](#).

## Philippines



On 21 January 2022, the Bangko Sentral ng Pilipinas (“BSP”) introduced guidelines on the settlement of electronic payments (e-payments) under the National Retail Payment System Framework. For more information, please click [here](#).

On 22 January 2022, the BSP made a press release advertising the Philippines as a sound, safe, and resilient financial system. please click [here](#).

## Enforcement

On 14 January 2022, the Securities and Exchange Commission (“SEC”) revoked Fynamics Lending Inc.’s lending licence, over its repeated failure to comply with reporting requirements. For more information, please click [here](#).

On 24 January 2022, the SEC directed Goodpocket and EasymoneyLending Corporation to stop its lending business as the company does not have valid licences. For more information, please click [here](#).

## Singapore



On 17 January 2022, the MAS issued guidelines implementing MAS’s expectation that Digital Payment Token (“DPT” or more commonly known as “cryptocurrency”) providers should not promote their DPT services to the general public in Singapore. MAS expects that DPT service providers should not engage in marketing or advertising of DPT services. For more information, please click [here](#).

On 19 January 2022, in light of the recent spate of SMS phishing scams targeting bank customers, MAS and the Association of Banks in Singapore (“ABS”) have introduced a number of additional measures to

enhance the security of digital banking, including removal of clickable links in emails or SMS sent to retail customers, more frequent fraud alerts, etc. For more information, please click [here](#).

On 21 January 2022, the MAS and the Bank Indonesia (“BI”) signed a Memorandum of Understanding to strengthen bilateral cooperation and deepen ties. The MOU reflects Indonesia and Singapore’s joint interest in promoting cooperation on projects related to payments innovation and formalising cooperation across an expanded range of central banking and regulatory functions. For more information, please click [here](#).

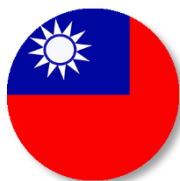
## Enforcement

On 3 January 2022, the Commercial Affairs Department (“CAD”) of the Singapore Police Force and the Monetary Authority of Singapore (“MAS”) launched a joint investigation into Samtrade FX, an online trading platform operated by Samtrade FX Limited. Samtrade FX Limited and its related entities are not licenced by MAS and have been placed on the MAS’ Investor Alert List since July 2021. Three men, aged 31-36, have been arrested in connection with the investigation. For more information, please click [here](#).

On 20 January 2022, the MAS imposed a composition penalty of S\$1.1 million on Vistra Trust (Singapore) Pte. Limited (“VTSP”) for non-compliance with MAS’s Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements. VTSP did not implement adequate procedures to determine whether parties relevant to the trust pose a higher risk for money laundering or terrorist financing. For more information, please click [here](#).

On 27 January 2022, the MAS obtained a default judgment against Mr. Liao Chun-Te to pay a civil penalty of \$164,750 for insider trading. Mr. Liao had sold shares in Oceanus Group Limited (“Oceanus”) while in possession of non-public and materially price-sensitive information concerning a proposed rights issue by Oceanus. For more information, please click [here](#).

## Taiwan



A media search did not find any regulatory news for Taiwan during January.

### Enforcement

On 6 January 2022, the Financial Supervisory Commission (“FSC”) fined Bank Taiwan Securities Co., Ltd. for violation of Securities Management Related Laws and Regulations such as not introducing traffic cleaning service to the lines of some online ordering hosts, not updating the relevant documents and manuals for information system maintenance, and not properly implementing the management of outsourced vendor service change. For more information, please click [here](#).

On 11 January 2022, the FSC fined President Securities Co., Ltd. for an associated person of President Securities accepting a telephone consignment of securities trading an agent who did not have a power of attorney from the relevant customer. For more information, please click [here](#).

On 18 January 2022, the FSC fined Fubon Securities Co., Ltd. (“Fubon”) for failing to keep the audio record of customers’ telephone orders when accepting warrant applications from silver-hair customers. Fubon was therefore unable to fully confirm whether or not such customers met professional investor qualifications and did not fulfil its due diligence responsibility. It is reported that Fubon recommended the trading of foreign securities by telephone to professional investors as well as non-professional investors over the age of 70 who did not sign the written recommendation contract. For more information, please click [here](#).

## Thailand



On 4 January 2022, the Securities and Exchange Commission (“SEC”) revised the rules related to investment in mutual funds under management of the same asset management company to enhance flexibility for efficient investment management and to ensure consistency with the Regulatory Guillotine guidelines without compromising appropriate investment protection. For further details, please click [here](#).

On 9 January 2022, the SEC disseminated a circular to digital asset business operators to clarify the standard guidelines for opening trading accounts for minors in accordance with the Civil and Commercial Code. This is because legal acts of minors are subject to several provisions of the Civil and Commercial Code, which may cause a risk to minor regarding the effectiveness of their legal acts and a risk to digital asset business operators regarding the legality of the executed legal acts. For further details, please click [here](#).

On 19 January 2022, the SEC imposed a six-month suspension on a capital market auditor, Ms. Wanraya Puttasatian, an audit partner of CWWP Co., Ltd., for deficiencies and non-compliance with the auditing standards

for the audit of the 2015 financial statements of KC Property Public Company Limited. For further details, please click [here](#).

On 19 January 2022, the Bank of Thailand (“BOT”), the Securities and Exchange Commission (SEC), and Ministry of Finance (MOF) jointly reviewed the benefits and risks of digital assets and deemed it necessary to regulate the usage of digital assets as a means of payment for goods and services, to avert potential impacts on the country’s financial stability and economic system. For further details, please click [here](#).

On 4 January 2022, the BOT released its Bond Issuance Programme for 2022. The BOT and the Public Debt Management Office collaborate closely on bond issuance, in order to maintain an appropriate level of overall public sector bond supply throughout the year. In addition, the BOT will further promote the development of THOR, the Thai Overnight Repurchase Rate, as a new reference rate by increasing supply of floating-rate bonds indexed to THOR. For further detail, please click [here](#).

On 24 January 2022, the BOT, Thai Bankers' Association, and Government Financial Institutions Association (“GFA”) jointly announced the launch of dStatement (digital bank statement) service. The dStatement service is significantly more efficient than the traditional way that customers need to visit a bank branch to request for a paper-based bank statement. At its launch on 24th January 2022, this service will be served by 6 banks and 5 more banks will additionally offer the service later by the first half of this year. For further detail, please click [here](#).

On 31 January 2022, the BOT, completed a self-assessment and ensured that all practices and processes in conducting foreign exchange activities as part of central banking functions are aligned with the FX Global Code, first launched in 2017. Starting from 2025 onwards, the adherence to the Code will become a prerequisite for the BOT’s foreign exchange counterparties. At present, there are more than 1,100 entities who adhere to the Code including central banks, financial institutions, institutional investors, etc. For further detail, please click [here](#).

## Enforcement

On 7 January 2022, the SEC filed a criminal complaint with the Department of Special Investigation against a current executive and three former directors and executives of Nation Multimedia Group Public Company Limited for jointly committing a fraud and failing to perform duties responsibly, carefully and honestly, which caused damage to the company. In addition, they colluded to act or consented to provision of false statements or omission of material or related statements from the company’s account or documents to deceive any persons. For further details, please click [here](#).

## Vietnam



On 31 December 2021, The State Bank of Vietnam (“SBV”) issued the guidance for the foreign currency transactions between the SBV and the credit institutions authorised to conduct foreign exchange operations with effective date as 15 February 2022. The guidelines aim to simplify the establishment of foreign currency trading relationships with clear transactions guidelines; to set out the consistent legal terms and terminology for forex options trading; and to ensure consistency with the changes in the use of London Interbank Offered Rate (“LIBOR”) in the financial market. For more information, please click [here](#).

On 13 January 2022, SBV required the implementation of the measures for effective management of monetary policy and banking operations in 2022 (applicable to all SBV entities, credit institutions and foreign bank branches). The measures aim to control the credit activities; to promote non-cash payments and digital transformation in bank operations; to improve legal framework; and to strengthen banking supervision. For more information, please click [here](#).

On 13 January 2022, SBV issued a circular to ensure those entities who implemented digital transformation shall ensure the IT security on the banking operations, such as to establish internal policies and procedures to monitor and review the technology infrastructures, and to implement risk management framework and contingent plans for the transformation. For more information, please click [here](#).

## Enforcement

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



## 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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