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Welcome to our Regulatory Newsletter for February 2022

Executive Summary

In Hong Kong, the Securities and Futures Commission (“SFC”) reprimanded and fined South China Commodities Limited (“SCCL”) HK\$4.8 million for failing to conduct due diligence on the systems used by 19 of SCCL’s customers to place orders between June 2017 and October 2018. This resulted in SCCL breaching anti-money laundering and counter-terrorist financing regulations, as well as other regulatory requirements.

In Singapore, the Monetary Authority of Singapore (“MAS”) and the Institute of Banking and Finance Singapore have identified 12 technical skills and competencies that individuals need to perform various sustainable finance roles. Bankers, asset managers, and insurers have the flexibility to adopt the technical skills and competencies in sustainable finance that are relevant to their employees and organisation. Participants who attend IBF-accredited training programmes may be eligible for up to 90% of the cost of training.

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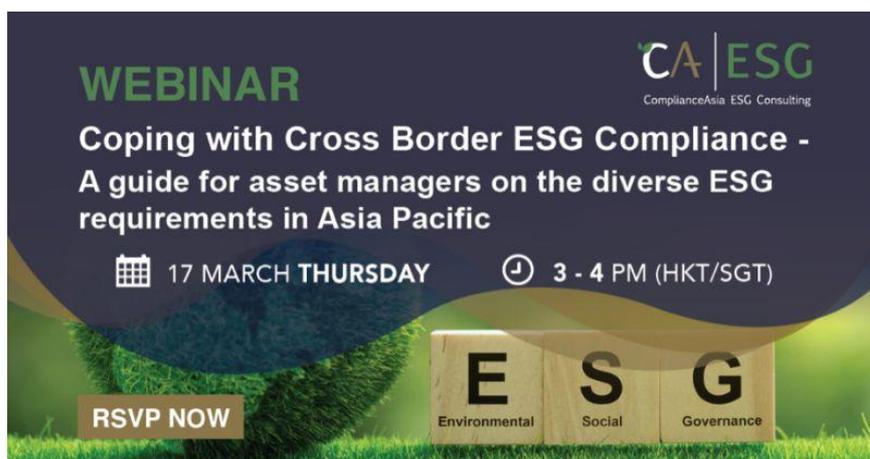
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Australia



On 18 February 2022, the Australian Securities and Investments Commission (“ASIC”) and the Reserve Bank of Australia (“RBA”) updated the Memorandum of Understanding (“MoU”) with the European Securities and Markets Authority (“ESMA”) to reflect key amendments to the European Market Infrastructure Regulation 2.2. The MoU came into effect 9 February 2022, and establishes regulatory and supervisory cooperation arrangements between ASIC, ESMA and the RBA with respect to Australian central counterparties. For more information, please click [here](#).

On 21 February 2022, ASIC Corporations (PDS requirements for General Insurance Quotes) Instrument 2022/66 Class Order was remade and continues to provide relief to address the practical difficulties for general insurers in giving a Product Disclosure Statement to a consumer during a phone call. For more information, please click [here](#).

On 25 February 2022, ASIC extended Class Order [CO 14/41] for a further two years, until 1 April 2024. The class order relieves credit providers and lessors from the obligation to provide written notices to consumers about hardship contract variations of 90 days or less. For more information, please click [here](#).

On 28 February 2022, ASIC released Consultation Paper 359 (CP 359), seeking feedback on their proposed updates to Regulatory Guide 263 Financial Services and Credit Panel. CP 359 is seeking feedback on ASIC’s proposed approach to determining when to convene a sitting panel of the Financial Services and Credit Panel, generally hold hearings of sitting panels using technology and publicising decisions of sitting panels. Comments should be sent by 5pm AEST Monday 28 March 2022. For more information, please click [here](#).

Enforcement

On 3 February 2022, RI Advice Group Pty Ltd was ordered to pay AU\$6 million penalty by the Federal Court. RI Advice failed to ensure that John Doyle, a former authorised representative, was providing appropriate financial advice and acting in his clients’ best interests. Mr. Doyle was ordered to pay an \$80,000 penalty for inappropriately advising clients to invest in complex financial products. For more information, please click [here](#).

On 10 February 2022, PE Capital Funds Management Ltd was ordered into liquidation by the Federal Court. PE Capital was found to breach the law, by operating managed investment schemes without an Australian Financial Services license. Whilst raising funds, PE Capital also made misleading and deceptive statements representing that it was authorised to operate the schemes when it was not. For more information, please click [here](#).

On 10 February 2022, Mr. Shiwei He pleaded guilty to making a false statement to ASIC. The false statement was made when Mr. He lodged a credit license annual compliance certificate, Mr. He certified that none of the fit and proper people under his Australian credit license had their accreditation suspended or cancelled by a lender, which was false. Mr. He is facing a maximum penalty of 12 months imprisonment and/or a penalty of up to \$12,600. For more information please click [here](#).

On 10 February 2022, Christopher Hopkinson was disqualified from managing corporations for four years. Mr. Hopkinson was a director of four failed companies which entered into liquidations between 2016 and 2020. Mr. Hopkinson failed to ensure that the companies complied with their Australian Taxation Office (“ATO”) obligations amongst other things. The four failed companies owe more than \$1.9 million to creditors, with over \$800,000 being owed to the ATO. For more information, please click [here](#).

On 10 February 2022, Andrew Galbraith was disqualified from managing corporations for eighteen months. Mr Galbraith was a director of four failed companies between 2005 and 2021. Mr. Galbraith failed to ensure payments of statutory debts, act with care and diligence to ensure activity statements and taxation returns were lodged with the ATO and failed to prevent his companies from trading whilst insolvent. The four failed companies owe more than \$13.3 million, with nearly \$2.9 million being owed to the ATO. For more information, please click [here](#).

On 17 February 2022, Aware Financial Services Australia Limited was ordered to pay a \$20 million penalty for charging over 25,000 customer’s fees for financial services it did not provide. Between 2014 and 2018, Aware FS charged the customers a total of \$50 million in fees for advice rendered, this included advice on a superannuation product in which Aware FS provided the customers with written disclosure documents detailing further promised services that were not provided. The Court found that by charging fees for no service and a lack of internal controls, Aware FS also breached obligations as a AFS license holder. For more information, please click [here](#).

On 18 February 2022, Rachel Edwards was convicted of breaching her directors’ duties and was sentenced to 11 months’ imprisonment. From 2009 to 2016 Ms. Edwards was a director of Westpower Victoria Pty Ltd which went into liquidation in 2012. Ms. Edwards made 175 withdrawals totalling over \$619,000 from a Westpower bank account and deposited the funds into a personal bank account. Ms. Edwards pled guilty and was automatically

disqualified from managing corporations for five years because of her conviction. Although being sentenced to prison, Ms. Edwards was immediately released on a three-year good behaviour bond. For more information, please click [here](#).

On 24 February 2022, Tom Thompson pleaded guilty to two counts of making a false or misleading statement in documents lodged with ASIC. Mr. Thompson, a director of Gumquest Pty Ltd and a former director of Bonaparte Films Pty Ltd falsely declared that Gumquest and Bonaparte Films was not a party to any legal proceedings at the time of lodging a form with ASIC to voluntarily deregister both companies. Mr. Thompson will appear in court on 15 March 2022. For more information, please click [here](#).

On 25 February 2022, Peter Dykes and Peter Torney were charged with dishonestly using their position as directors of Capital Mining Limited. Mr. Dykes and Mr. Torney are now former directors of Capital Mining Limited and were found to have co-authorised payments from Capital Mining to four related companies causing a financial detriment to Capital Mining. It is alleged that Mr. Dykes dishonestly used his position as a director on thirteen occasions, gaining an advantage of over \$1.6 million, whilst Mr. Torney dishonestly used his position as a director on nine occasions gaining an advantage of just over \$1 million. Mr. Dykes and Mr. Torney will appear in court on 18 March 2022. For more information, please click [here](#).

Mainland China



On 8 February 2022, the People's Bank of China, the State Administration for Market Regulation, the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission jointly published the 14th Five-Year Development Plan for Financial Standardisation ("Plan"). The Plan sets out the focus of seven aspects. First, standardisation supports modern financial management. Second, standardisation contributes to the improvement of the financial market system. Third, standardisation supports the innovation of financial products and services. Fourth, standardisation is to lead the construction of the digital ecology of the financial industry. Fifth, deepen the high level of financial standardisation and openness. Sixth, promote the reform and innovation of financial standardisation. Seventh, consolidate the foundation for the development of financial standardisation. For more information, please click [here](#) (Chinese only).

On 11 February 2022, the China Securities Regulatory Commission ("CSRC") issued the Regulatory Provisions on Depositary Receipt Business of Domestic and Overseas Stock Exchanges ("Regulations"), which came into effect from the date of issuance. The Regulations expand the scope of application to include eligible companies listed on the Shenzhen Stock Exchange and major European markets such as Switzerland and Germany, and optimise the arrangements for continuous supervision, making more optimised and flexible institutional arrangements for the contents of annual report disclosure, disclosure obligations of changes in interests and other aspects of continuous supervision. For more information, please click [here](#) (Chinese only).

On 11 February 2022, the China Banking and Insurance Regulatory Commission ("CBIRC") issued a public consultation on the "Measures for the administration of Trust Industry Guarantee Funds and Liquidity Mutual Aid Funds" (Draft for Comments) ("Measures"), the deadline for feedback is 12 March 2022. The Measures include general provisions, fund management structure, fund raise and management, fund usage, risk control, supervision and management, supplementary provisions. The main revision is to optimise the fund-raising mechanism. For more information, please click [here](#) (Chinese only).

On 18 February 2022, the CSRC issued the "Supervisory and Management Measures for Directors, Supervisors, Senior Managers and Practitioners of Securities and Fund Management Organisations" ("Management Measures"), effective on 1 April 2022. The Management Measures include the management of directors, supervisors and senior management, the management of practitioners, the regulation of directors, supervisors, senior management and practitioners and the limitations on the performance of their duties, the responsibilities of the management of securities and fund management institutions, supervision and management, and legal liability. For more information, please click [here](#) (Chinese only).

On 25 February 2022, the CSRC issued a public consultation on the Guidance on Improving Post-Delisting Supervision of Listed Companies ("Guidance"). The deadline for feedback is 27 March 2022. The "Guidance" includes clarifying the basic principles, strengthening the outline of delisting procedures, optimising the current regulatory system for delisted companies, improving the risk prevention mechanism, and perfecting the regulatory system for delisted companies. For more information, please click [here](#) (Chinese only).

Enforcement

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

Hong Kong



On 11 February 2022, the Hong Kong Monetary Authority (“HKMA”) announced the signing of a Memorandum of Understanding (“MoU”) on an infrastructure loans framework by 14 partner banks, namely Australia and New Zealand Banking Group, Bank of China (Hong Kong), BNP Paribas, China Construction Bank (Asia), Citibank, N.A., DBS Bank, Industrial and Commercial Bank of China (Asia), J.P. Morgan Securities (Asia Pacific), Mizuho Bank, National Australia Bank, Oversea-Chinese Banking Corporation, Banco Santander, S.A., Societe Generale, and Sumitomo Mitsui Banking Corporation. These MoUs set out the principal terms and conditions for potential cooperation between the HKMA and the partner banks in infrastructure lending on both a primary participation and secondary sale basis, including the criteria for loan selection, the nature of participation and engagement process. For more information, please click [here](#).

On 14 February 2022, the Hong Kong Institute for Monetary and Financial Research (“HKIMR”), the research arm of the Hong Kong Academy of Finance, released a new Applied Research Report entitled “Demographic Changes and Long-Term Asset Markets: Opportunities and Developments in Hong Kong.” HKIMR Applied Research reports are published on topics of major importance to market participants and regulators in Hong Kong. They aim to provide insights into the long-term development strategy and direction of the financial services industry in Hong Kong. This report examines the opportunities and developments in Hong Kong’s long-term asset markets. It examines the growing demand for long-term assets due to demographic trends and provides an overview of the various long-term assets available in Hong Kong. The report also gathers insights from local market participants through a survey and interviews commissioned by the HKIMR, highlighting growth opportunities and key trends emerging. For more information, please click [here](#).

On 16 February 2022, Hong Kong Exchanges and Clearing Limited (“HKEX”) appointed Li-Chen Wong as Managing Director, Co-Head of IPO Vetting. Ms. Wong will oversee all issuer listing applications together with Stephanie Lau. For more information, please click [here](#).

On 17 February 2022, the Insurance Authority (“IA”) announced that it welcomes the China Banking and Insurance Regulatory Commission’s (“CBIRC”) plan to include preferential treatment for the Hong Kong insurance industry as an integral part of the Solvency Regulatory Rules II for Insurance Companies. The preferential treatment has been operating smoothly since 2018 and will be renewed annually to allow the application of the preferential factor to the capital requirements for Mainland insurers when ceding business to eligible professional reinsurers in Hong Kong. For more information, please click [here](#).

On 18 February 2022, the HKMA issued a circular advising relevant financial institutions to promote Covid-19 vaccination in the workplace to strengthen the protection of bank staff and customers and enable better business continuity planning. Under the vaccination pass arrangement, staff should be required to show proof of vaccination with at least the first dose of a COVID-19 vaccine before entering the workplace. Exemptions may be granted to staff who are unfit for vaccination due to medical conditions, supported by valid medical proof. For more information, please click [here](#).

On 18 February 2022, the Securities and Futures Commission (“SFC”) issued a circular to licensed corporations (“LCs”) urging them to review their business continuity plans to maximise the number of employees working from home and to have employees work in the office only when performing critical functions that cannot be done remotely. For more information, please click [here](#).

On 18 February 2022, the SFC issued a circular to issuers of SFC-authorized investment products requesting that they review and maintain an up-to-date and effective business continuity plan that includes product evaluation, dealing and trading arrangements, trading of underlying assets, and product risk management, in light of the rise in recent Covid-19 infections. For more information, please click [here](#).

On 21 February 2022, the HKEX reappointed Mary Schapiro, Vice Chair of Global Public Policy and Special Advisor to the Founder and Chairman of Bloomberg LP, and former Chair of the U.S. Securities and Exchange Commission; Stuart Gulliver, Director of Saudi Aramco, The Saudi British Bank, Jardine Matheson Holdings Limited and the Airport Authority Hong Kong, and former Group Chief Executive and Chairman of the Group Management Board of HSBC Holdings plc; and Joseph Tsai, Executive Vice Chairman of Alibaba Group, to the International Advisory Council effective 20 Feb 2022. For more information, please click [here](#).

On 22 February 2022, the SFC published [consultation conclusions](#) on a proposal to regulate depositaries of SFC-authorized collective investment schemes. In 2019, the SFC conducted a consultation proposing to introduce a new regulated activity, Type 13 or RA 13. Respondents were supportive of the proposal, while some requested clarification on the proposed scope of licensing and conduct requirements. The SFC is now consulting with the public on the proposed amendments to the subsidiary legislation and SFC codes to implement the rule. For more information, please click [here](#).

On 23 February 2022, the IA published its Annual Report entitled “Embracing the New Normal,” that gives an overview of major events and activities in 2021. In addition, the Annual Report gives an account of efforts made by the IA in expediting implementation of the Risk based Capital Regime, updating design parameters of the Policy Holder’s Protection Scheme and empowering the general public with knowledge on lifetime risk profiling. For more information, please click [here](#).

On 24 February 2022, the SFC published its latest [quarterly report](#) which summarises key developments from October to December 2021. For more information, please click [here](#).

On 25 February 2022, the SFC issued a supplemental circular on the streamlined requirements for eligible exchange-traded funds adopting a master-feeder structure, which was issued on 16 December 2019. For more information, please click [here](#).

On 25 February 2022, the SFC issued a circular to LCs engaged in asset and wealth management activities to complete the Asset and Wealth Management Activities Survey 2021 on or before 25 April 2022. For more information, please click [here](#).

On 26 February 2022, the Government announced the postponement of the first retail green bond issuance, for which the subscription period was originally scheduled for 1 to 11 March. Subject to the development of the epidemic situation, the Government will re-launch the retail green bond subscription modalities as soon as possible. Further details will be announced in due course. For more information, please click [here](#).

Enforcement

On 10 February 2022, the HKEX issued a disciplinary measure against Beijing Media Corporation Limited and 22 directors and supervisors. The Company provided loans of more than RMB 550 million to its controlling shareholder and an associate, but failed to comply with the requirements of announcement, circular, shareholder approval, written agreement and reporting. The Company’s Listing Rule breaches were caused in part by internal control deficiencies, particularly at the subsidiary level. For more information, please click [here](#).

On 14 February 2022, the SFC reprimanded and fined South China Commodities Limited \$4.8 million for failing to conduct due diligence on the systems used by 19 customers to place orders, which resulted in South China Commodities Limited breaching anti-money laundering and counter-terrorist financing and other regulatory requirements between June 2017 and October 2018. For more information, please click [here](#).

On 16 February 2022, the Court of First Instance ordered that the profits of \$12,949,875 from insider dealing in shares of TeleEye Holdings Limited made by Ms. Wei Juan and Mr. Huang Yi, associates of Ms. Yik Fong Fong, be paid to 63 investors. The funds will be distributed to the affected investors in proportion to the number of shares they sold to Wei or Huang between 29 February to 12 April 2016. For more information, please click [here](#).

On 24 February 2022, the Independent Commission Against Corruption (“ICAC”) filed charges against Lai Chee-wai, a senior relationship manager of Bank of East Asia Limited, Chen Baicai, a business consultant of Hong Kong Business Secretary Limited, and Ke Yingying, operator of Hong Kong Chiying Consulting Co., Limited, for offering and accepting bribes totaling more than \$100,000 for assisting non-domestic clients to open personal and corporate accounts using copies of forged documents to pretend that the clients were in Hong Kong when they applied to open an account between December 2018 and March 2021. For more information, please click [here](#).

On 28 February 2022, the HKEX issued a disciplinary action against Fantasia Holdings Group Co., Limited and 4 of its directors for failing to establish adequate and effective internal controls to ensure compliance with the deed and the scheme, resulting in inaccurate disclosures in the annual reports of Colourful Life (a spin-off company from Fantasia). For more information, please click [here](#).

India



On 4 February 2022, the Securities and Exchange Board of India (“SEBI”) released guidelines mandating AMCs to prepare the Financial Statements and Accounts of mutual fund schemes in accordance with IND AS with effect from 1 April 2023. For more details, please click [here](#).

On 9 February 2022, the SEBI issued a circular detailing the roles, responsibilities, memberships and other features of an audit committee of AMCs. For more details, please click [here](#).

On 14 February 2022 the SEBI issued standard operating guidelines for the Vault Managers and Depositories – Electronic Gold Receipts (EGR) segment. For more details, please click [here](#).

On 14 February 2022, the SEBI released guidelines covering trading features pertaining to the Electronic Gold Receipts (“EGR”) segment. For more details, please click [here](#).

On 18 February 2022, the SEBI issued a consultation paper proposing disclosures for ‘Basis of Issue Price’ section in offer document under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. For more details, please click [here](#).

On 24 February 2022, the SEBI extended the timeline for submission of nomination details/declaration for Trading and Demat Accounts to 31 March 2023 and provided relaxations from freezing existing accounts. For more details, please click [here](#).

On 24 February 2022, the SEBI further extended the timeline relating to segregation and Monitoring of Collateral at the Client Level to 2 May 2022. For more details, please click [here](#).

On 24 February 2022, the SEBI issued a consultation paper proposing to allow FPIs registered with SEBI to participate in Exchange Traded Commodity Derivatives (“ETCDs”) in recognised stock exchanges. For more details, please click [here](#).

On 25 February 2022, the SEBI announced that securities market data should be made available to users, ‘free of charge’ both for ‘viewing’, as well as their usage for the value addition purposes. For more details, please click [here](#).

Enforcement

On 3 February 2022, the Reserve Bank of India (“RBI”) cancelled the licence of Independence Co-operative Bank Ltd., Nashik, Maharashtra. Consequently, the bank ceases to carry on banking business, with effect from the close of business on 3 February 2022. For more details, please click [here](#).

On 8 February 2022, the RBI extended directives imposed to Millath co-operative Bank Limited, Davangere, Karnataka, for three months until 7 May 2022. For more details, please click [here](#).

On 8 February 2022, the RBI imposed a monetary penalty of ₹10 lakh on M/s Pooram Finserv Pvt Limited, Thrissur, Kerala, for non-adherence with certain provisions of the KYC Direction and RBI Direction on Raising Money Through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs. For more details, please click [here](#).

On 14 February 2022, the RBI imposed a monetary penalty of ₹10 thousand on Jila Sahakari Kendriya Bank Maryadit, Gwalior (M.P), for non-compliance with KYC directions. For more details, please click [here](#).

On 14 February 2022, the RBI imposed a monetary penalty of ₹3 lakh on The Vyavsaik Sahakari Bank Limited, Raipur, for non-compliance with provisions relating to Exposure Norms and Statutory/Other Restrictions on UCBs and Board of Directors – UCBs. For more details, please click [here](#).

On 14 February 2022, the RBI imposed a monetary penalty of ₹25 thousand on Mula Sahakari Bank Ltd., Sonai, Ahmednagar, for non-compliance with provisions relating to prudential inter-bank counter party limit. For more details, please click [here](#).

On 14 February 2022, the RBI imposed a monetary penalty of ₹1 lakh on Jila Sahakari Kendriya Bank Maryadit, Shivpuri (M.P), for non-compliance with the provisions of Banking Regulations Act and RBI KYC directions. For more details, please click [here](#).

On 14 February 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Hyderabad District Co-Operative Central Bank Ltd., Hyderabad, Telangana for non-adherence / violation of certain directions issued by RBI and for non-transfer of the eligible funds to Depositor Education and Awareness Fund. For more details, please click [here](#).

On 16 February 2022, the RBI cancelled the licence of Mantha Urban Co-Operative Bank Ltd., Mantha, Jalna, Maharashtra. Consequently, the bank ceases to carry on banking business, with effect from the close of business on 16 February 2022. For more details, please click [here](#).

On 20 February 2022, the RBI extended directives imposed to Deccan Urban Co-operative Bank Limited, Vijayapura, Karnataka, for three months until 19 May 2022. For more details, please click [here](#).

On 21 February 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Baramulla Central Co-operative Bank Limited., Jammu and Kashmir, for non-compliance with provisions relating to properties it held and let out, held immovable properties, not required for its own use, lack of approval and violation of RBI Directions prohibiting acceptance of fresh deposits. For more details, please click [here](#).

On 21 February 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Big Kancheepuram Co-operative Town Bank Limited., for non-compliance with provisions relating to exposure norms and Statutory / Other Restrictions – UCBs. For more details, please click [here](#).

On 21 February 2022, the RBI imposed a monetary penalty of ₹1 lakh on Chennai Central Co-operative Bank Ltd., Chennai, Tamil Nadu for non-adherence / violation of certain directions issued by RBI contained in the Circular on 'Income Recognition, Assets Classification, Provisioning and Other Related Matters. For more details, please click [here](#).

On 23 February 2022, the RBI extended directives imposed to Shri Anand Co-Operative bank Limited, Pune, Maharashtra, for three months until 24 May 2022. For more details, please click [here](#).

On 24 February 2022, the RBI extended directions stipulating certain restrictions, ceiling on withdrawal or acceptance of deposits on Garha Co-operative Bank Ltd., Guna, Madhya Pradesh, for three months until 24 May 2022. For more details, please click [here](#).

On 28 February 2022, the RBI extended directives imposed to Rupee Co-operative Bank Ltd., Pune, Maharashtra, for three months until 31 May 2022. For more details, please click [here](#).

On 28 February 2022, the RBI extended directives imposed to Maratha Sahakari Bank Limited, Mumbai, Maharashtra, for three months until 31 May 2022. For more details, please click [here](#).

Indonesia



On 2 February 2022, the Bank Indonesia ("BI") highlighted that digital financial inclusion remains as a priority agenda in Indonesia. For more information, please click [here](#) (Bahasa Indonesia only).

On 18 February 2022, the BI mentioned in the G20 Bali Summit that itself, Indonesian government, financial institutions in Indonesia, and the Financial Services Authority of Indonesia are collaborating in promoting financing and financial market instruments which recognises the aspects of environmental, social and governance ("ESG"). For more information, please click [here](#) (Bahasa Indonesia only).

Enforcement

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

Japan



On 3 February 2022, the Financial Services Agency ("FSA") announced the establishment of a "Technical Committee on ESG Rating and Data Providers, etc." under the Sustainable Finance Expert Panel. The first meeting of the committee was held on 7 February 2022 online. The purpose of this body is to discuss the expected code of conduct for ESG rating and data providers. For more information, please click [here \(English\)](#).

On 4 February 2022, the FSA published the update of "Good Cases of Disclosure of Descriptive Information 2021". The FSA has been publishing these good cases since 2018, and the 2021 version was released in December 2021. For this update, the FSA held a study session with investors, analysts, and listed companies to discuss what type of disclosure is considered useful for investment decisions. The disclosure examples discussed in this study session were summarised and included in the "Good Cases for Disclosure of Descriptive Information 2021". For more information, please click [here \(Japanese Only\)](#).

On 10 February 2022, the FSA published the list of financial firms that have announced their policies based on the "Principles for Customer-Driven Business" and the analysis of common KPIs of investment funds (as of the end of March 2021). For more information, please click [here \(Japanese Only\)](#).

On 10 February 2022, the FSA published the final report of the "Consignment Survey on Social Bond Impact Indicators (Indicators Related to Social Impact)." The FSA commissioned Mitsubishi UFJ Research to conduct this research. For downloading research report and more information, please click [here \(Japanese Only\)](#).

On 10 February 2022, the FSA published the key issues raised by them at the January 2022 meetings to exchange views with the megabanks, the regional banks Association, the Trust Companies Association, the trade associations, and the Investment Trusts Association. For more information, please click [here \(Japanese Only\)](#).

On 14 February 2022, the FSA launched a public consultation on the "Cabinet Office Ordinance (Draft) to Partially Amend the Law Enforcement Regulations on Investment Trusts and Investment Corporations". Public comments may be submitted until 12 a.m. on 15 March 2022 (Tuesday). For more information, please click [here \(Japanese Only\)](#).

On 16 February 2022, the FSA published revised draft "Guidelines for Disclosure of Corporate Content." Public comments are welcome and should be submitted by 5 p.m. on 18 March 2022 (Friday). For more information, please click [here \(Japanese Only\)](#).

On 17 February 2022, the FSA introduced the Financial Stability Board (FSB) publication entitled "the Assessment of Risks to Financial Stability from Crypto-Assets." This document summarises the FSB's views on the financial stability implications of crypto assets in light of recent trends in the crypto asset market. For more information, please click [here \(Japanese Only\)](#).

On 17 February 2022, the FSA published the agenda for the first meeting of the "Technical Committee for ESG Rating and Data Providers, etc." which was held on 7 February 2022. The establishment of this committee was announced on 3 February 2022. For more information, please click [here \(Japanese Only\)](#).

On 18 February 2022, the Financial Services Agency ("FSA") published the Partial Amendments (Draft) to the "Comprehensive Supervisory Guidelines for Insurance Companies (Supervisory Guidelines for Small Amount and Short-Term Insurance Providers)." Public comments are welcome and should be submitted by 5 p.m. on 21 March 2022 (Monday). For more information, please click [here \(Japanese Only\)](#).

On 18 February 2022, the FSA published the "Policy for Strengthening Cyber Security in the Financial Sector ("the Policy") Ver. 3.0." In order to ensure the stability of the financial system, the FSA has taken a stance on cybersecurity in collaboration with the financial industry. The FSA released the Policy Ver.1.0 in July 2015 and updated it to the Ver. 2.0 in October 2018. While the Tokyo 2020 Olympic and Paralympic Games, which were identified in the Policy (Ver. 2.0) as an important topic for strengthening cybersecurity, have successfully concluded, threats in cyberspace, including a range of cyberattacks such as increasingly sophisticated ransomware attacks, have become more frequent. As a result, the FSA has updated the Policy to respond to new issues and threats. For more information, please click [here \(Japanese Only\)](#).

On 22 February 2022, the FSA published the "Cabinet Office Ordinance Partially Amending Ordinance for Enforcement of the Insurance Business Act (Draft)." In order to strengthen and stabilise financial services in response to changes in socioeconomic conditions caused by COVID-19 infections and other factors, customers will be able to apply for cooling off using electromagnetic records. Public comments are welcome and should be submitted by 5 p.m. on 24 March 2022 (Thursday). For more information, please click [here \(Japanese Only\)](#).

On 24 February 2022, the FSA published enhanced cybersecurity measures that widely alarmed financial institutions. In the event of a cyberattack, the FSA reminded financial institutions to immediately report the incident to the FSA and the Local Finance Bureau. For more information, please click [here \(Japanese Only\)](#).

On 25 February 2022, the FSA released the minutes of the 10th Expert Committee on Sustainable Finance held on 28 January 2022. For more information, please click [here \(Japanese Only\)](#).

On 25 February 2022, the FSA published the results of public comments on the "Cabinet Office Ordinance Partially Amending Enforcement Regulations of the Shinkin Bank Act (Draft)." For more information, please click [here \(Japanese Only\)](#).

On 28 February 2022, the FSA released the minutes of the 14th meeting of the Working Group on Market Institutions, Financial System Council, held on 21 January 2022. For more information, please click [here \(Japanese Only\)](#).

On 28 February 2022, the FSA published measures to ensure the credibility of accounting firms and to further demonstrate and improve the competence of certified public accountants (CPA). For more information, please click [here \(Japanese Only\)](#).

Enforcement

On 4 February 2022, the FSA announced the cancellation of the registration of Japan FinTech Co., Ltd. (corporate number 4010701026165) as an operator of a financial instrument business (type 2 financial instruments business). This is due to the fact that the location of the registered office of Japan Fintec Co., Ltd. could not be determined. For more information, please click [here \(Japanese Only\)](#).

On 7 February 2022, the FSA announced the cancellation of an insider trading surcharge payment decision by employees of Morpho, Inc. These cancellations were related to several payment orders. For more information, please click [here \(Japanese Only\)](#).

On 7 February 2022, the FSA announced that the enforcement for CrossTechnology Venture Partners Co., Ltd. (Musashino City, Tokyo, corporation number 5012401013896), under the Director of Kanto Finance Bureau, 1) an order to abolish the business and 2) an order to improve the business has been enforced. The reasons are 1) failure

to submit the business report, and 2) failure to confirm the point of sale. For more information, please click [here \(Japanese Only\)](#).

On 25 February 2022, the FSA issued a warning for the institution “VANLANCLE”, which was engaged in crypto-asset exchange business without registration. For more information, please click [here \(Japanese Only\)](#).

Korea



On 21 February 2022, the Financial Services Commission (“FSC”) announced to improve the IPO lockup rules under the listing regulation of the Korea Exchange which require a minimum six-month lockup period on all insider holdings, prohibiting sale of newly listed companies’ stocks owned by company insiders. The FSC introduced a staggered lockup contracts system to address the possibility of concentration of sell orders immediately after the end of the period which may have impact on price volatility. The changes will go into effect immediately after an approval in March 2022. For more information, please click [here](#).

On 25 February 2022, the Korea Stock Exchange announced the planned opening of its Three-Month KOFR Futures Market on 28 March 2022 to follow up the 'Risk Free Rate (RFR) Selection Result and Activation Plan prepared by the Financial Services Commission in 2021. For more information, please click [here](#).

Enforcement

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

Malaysia



On 8 February 2022, the Bursa Malaysia Berhad (“BMB”) and HSBC Amanah Malaysia Berhad entered into a Memorandum of Understanding (“MoU”) to collaborate on #financing4ESG, an initiative aimed at improving Malaysian Public Listed Companies’ (PLCs) ESG adoption practices. For further details, please click [here](#).

On 11 February 2022, the BMB recognised deserving Malaysian brokers and market intermediaries for their contributions and achievements towards the growth and vibrancy of the capital market over the past year, based on the Retail Investor Campaign 2021. For further details, please click [here](#).

On 23 February 2022, the Bursa Malaysia Derivatives Berhad successfully completed the first physical delivery of its East Malaysia Crude Palm Oil Futures Contract in Sabah, 17 February 2022. For further details, please click [here](#).

Enforcement

On 7 February 2022, the High Court at Kuala Lumpur delivered its judgment in respect of the suit by Bursa Securities against SERBADK and ordered SERBADK to make an immediate public announcement of the Factual Findings Update on the Special Independent Review as of 30 September 2021, within 2 market days from the order. The High Court also struck out SERBADK’s application to expunge the findings from Factual Findings Update from the records. For further details, please click [here](#).

On 14 February 2022, the Securities Commission Malaysia (“SC”) charged Mohd Azhidi bin Laili for breaching various provisions under securities laws for engaging in unlicensed activities and deceiving nine investors of approximately RM1.45 million of their monies between May 2013 and March 2014. For further details, please click [here](#).

On 28 February 2022, the Bursa Malaysia Securities Berhad publicly reprimanded Iqzan Holdings Berhad (IQZAN) and 4 of its directors for breaches of the Bursa Malaysia Securities Main Market Listing Requirements (Main LR). In addition, the 4 directors of IQZAN were imposed total fines of RM450,000. For further details, please click [here](#).

Philippines



On 3 February 2022, the Securities and Exchange Commission (“SEC”) introduced the plans to limit the interest rates and fees implemented by the lending and financing companies in Philippines. For more information, please click [here](#).

On 16 February 2022, the Bangko Sentral ng Pilipinas (“BSP”) mentioned that it recognises that banks have a crucial role in promoting sustainability. Hence, the Governor of BSP is encouraging Philippine banks to become advocates of sustainable finance. For more information, please click [here](#).

On 15 February 2022, the National Strategy for Financial Inclusion 2022-2028 issued its blueprint for promoting broad-based growth, and financial resilience. This blueprint signifies the overall commitment from the Philippine government, private sector, and civil society to collectively focus on financial inclusion in the Philippines. For more information, please click [here](#).

On 21 February 2022, the SEC introduced the proposed rules for investment companies to be formed as umbrella funds. For more information, please click [here](#).

Enforcement

On 14 February 2022, the SEC revoked Suhail Medical Center, Inc., over its unauthorised solicitation of investments from the public. For more information, please click [here](#).

On 15 February 2022, the SEC directed seven online lending operators to stop their lending businesses as the companies do not have valid licences. For more information, please click [here](#).

On 17 February 2022, the SEC announced that they will intensify enforcement efforts towards unauthorised and abusive online lending activities. For more information, please click [here](#).

On 18 February 2022, the SEC revoked the Family han Credit Corporation’s Certificate of Authority for their unfair debt collection methods as well as failure to disclose the true loan amounts to their clients. For more information, please click [here](#).

On 24 February 2022, the SEC directed Alphanet World Corporation to stop its investment business operations as AlphanetWorld Corporation does not have the necessary license. For more information, please click [here](#).

Singapore



On 4 February 2022, the Monetary Authority of Singapore (“MAS”) announced the publication of 5 white papers describing assessment methodologies for the Fairness, Ethics, Accountability and Transparency (FEAT) principles, to guide the responsible use of AI by financial institutions. The consortium has also published an open-source toolkit to help financial institutions apply the Fairness Assessment Methodology. For more information, please click [here](#).

On 9 February 2022, the MAS and the Institute of Banking and Finance Singapore identified 12 technical skills and competencies that individuals need to perform various roles in sustainable finance. Banks, asset managers, and insurers have the flexibility to adopt the technical skills and competencies in sustainable finance that are relevant to their employees and organisation. Participants who attend IBF-accredited training programmes may be eligible for up to 90% of the training costs. For more information, please click [here](#).

On 18 February 2022, the MAS announced it will further extend the MAS SGD Facility for ESG Loans. This extension will complement the six-month extension of Enterprise Singapore’s Temporary Bridging Loan Programme from 1 April 2022 to 30 September 2022. The Facility will continue to provide Singapore Dollar funding to eligible financial institutions for a two-year term. For more information, please click [here](#).

Enforcement

On 9 February 2022, the MAS and the Commercial Affairs Department of the Singapore Police Force jointly conducted an investigation against Mr. Goh Jia Poh, Kenneth, for fraudulently inducing others to deal in shares. Mr. Goh is accused of making false statements in two Telegram chat groups to induce others to trade in multiple securities listed on the Mainboard or the Catalist of the Singapore Exchange Securities Trading Ltd. Mr. Goh faces a term of imprisonment of up to 7 years or a fine of up to \$250,000, or both. For more information, please click [here](#).

On 16 February 2022, the Singapore Exchange Regulation (“SGX RegCo”) reprimanded Debao Property Development Limited (Company) for breaches of the Listing Rules. SGX RegCo was alerted to possible breaches of the Listing Rules and received information from the Company during an investigation in March 2021. The investigation revealed that the Company had breached the Listing Rules in relation to its acquisition of Elite Starhill Sdn. Bhd. For more information, please click [here](#).

Taiwan



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

Enforcement

On 7 February 2022, the Financial Supervisory Commission (“FSC”) fined HOTAI INSURANCE CO., LTD. for failing to complete the regulatory filing of the overview of operations in December 2021 by January 10, 2022. For more information, please click [here](#).

On 16 February 2022, the FSC fined Taiwan Business Bank Co., Ltd. Given the internal personnel of TBB placed securities trading orders and handled securities brokerage operations on behalf of others, and TBB has not formulated relevant norms for user authority management. For more information, please click [here](#).

On 17 February 2022, the FSC fined the former responsible person of Enterex International Limited for failing to improve the insufficient director situation and failing to convene an extraordinary shareholders’ meeting for a by-election within 60 days. For more information, please click [here](#).

Thailand



On 1 February 2022, the Bank of Thailand (“BOT”) issues a public consultation on ‘Repositioning Thailand’s Financial Sector for a Sustainable Digital Economy’ to lay out the BOT’s underlying principles and policy directions in the new financial landscape. The repositioning of the financial sector needs to strike the right balance between promoting innovation and managing risks as well as allowing for flexibility in dealing with abrupt changes. For further details, please click [here](#).

On 2 February 2022, the Securities and Exchange Commission (“SEC”) issued a notification concerning application fee for approval of auditors in the capital market, whereby the application fee for approval of auditor is reduced from 50,000 baht to 10,000 baht for auditors affiliated with audit firms in the capital market who submit an application for approval for the first time. The fee reduction aims to promote more entries of qualified auditors to the capital market to support future growth of the market and to lighten the burdens of audit firms in the capital market. The fee reduction is valid from 1 February to 30 June 2022. For further details, please click [here](#).

On 3 February 2022, the UN Development Programme (“UNDP”) and the SEC signed a Memorandum of Understanding on 2 February 2022, in which both parties reaffirm their joint commitments to advance the 2030 Agenda for Sustainable Development through the Thai Capital Market for the Sustainable Development Goals. For further details, please click [here](#).

On 4 February 2022, the SEC approved the draft regulations and the Notification of the Stock Exchange of Thailand regarding Amendment to the Regulations on Depository Receipts for which full unit purchase is not required to promote a wide variety of new products with the underlying of foreign securities, and to help investors diversify their portfolio in the foreign market more conveniently with a small sum of investment money. For further details, please click [here](#).

On 4 February 2022, the SEC urged digital asset business operators to give priority to cybersecurity and to assign a responsible person to oversee this matter to ensure continuity of service provision and safety of clients’ digital assets in protection of digital asset traders. For further details, please click [here](#).

On 9 February 2022, the SEC sought public comments on proposed amendments to the regulations for newly issued share offering through private placement to streamline filing processes and documentation and maintain sufficient investor protection in line with Regulatory Guillotine. For further details, please click [here](#).

Enforcement

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

Vietnam



On 17 February 2022, the State Bank of Vietnam (“SBV”) issued an announcement in relation to the abolition of notification to the SBV about the external audit entity for the licensed credit institution and foreign bank branch, with effective date on 15 April 2022. For more information, please click [here](#).

On 21 February 2022, SBV issued the circulation of the updates on the administrative procedures in relation to the establishment and operations in the banking sector with effective date on 15 March

2022, while the circulation on the new online application submission, and new updates on electronic format of supporting document shall be effective from 1 December 2022. For more information, please click [here](#).

Enforcement

On 10 February 2022, the State Securities Commission (“SSC”) conducted an inspection on VsetGroup Group Joint Stock Company and observed that VsetGroup offered products and services to the public without a registered license. No significant records and documentations shall be located in relations to VsetGroup’s bond offerings. 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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