



Contents

Executive Summary	1
Australia	1
Mainland China	3
Hong Kong	4
India	7
Indonesia	9
Japan	9
Korea	11
Malaysia	11
Philippines	11
Singapore	12
Taiwan	13
Thailand	13
Vietnam	14
Suggestions	14

Contact Details

Hong Kong Office

Tel: +852 2868 9070

Singapore Office

Tel: +65 6533 8834

Mainland China Office

Tel: +86 147 1431 1859

Japan Office

Tel: +81 3 6837 5483

London Office

Tel: +44 (0) 20 7236 0921

Philippa Allen

Group CEO

philippa.allen@complianceasia.com

Alex Duperouzel

Managing Director

alex.duperouzel@complianceasia.com

Welcome to our Regulatory Newsletter for March 2022

Executive Summary

This month in Hong Kong, the SFC, and HKMA issued a joint circular to intermediaries informing them of the commencement of a concurrent thematic review of the distribution of non-exchange-traded investment products. The review aims to assess intermediaries' compliance with the suitability requirements of the Code of Conduct, including their practices in conducting due diligence on products, conducting suitability checks, and providing information to clients.

Over in Singapore, the MAS and the Carbon Disclosure Project have signed an MOU to promote ESG disclosures and access to ESG data. The purpose is to enable financial institutions and corporates to improve how they are measuring and monitoring their ESG performance and impacts with the MAS' ESG data platform and the CDP's comprehensive collection of self-reported data from global companies.

CA | ComplianceAsia

AML
Services TM CA | ComplianceAsia

WEBINAR

**Ukraine, Russia and Sanctions
Impact on Asset Managers,
Wealth Managers, PE/VC
and Brokers
in the Asian Region**

RSVP
NOW

SANCTIONS

📅 28 APRIL THURSDAY

🕒 8 - 9:30 AM (HKT/SGT)

Australia



On 3 March 2022, the Australian Prudential Regulation Authority (“APRA”) released a discussion paper to authorised deposit-taking institutions (ADIs) and other interested stakeholders. The paper details the APRA’s post-implementation review (PIR) of the Basel III liquidity reforms. The PIR has been implemented to evaluate how efficiently and effectively the Liquidity Coverage Ratio and Net Stable Funding Ratio are at achieving their objectives. For more information on this please click [here](#).

On 10 March 2022, the Australia Securities & Investments Commission (“ASIC”) introduced new market integrity rules. These rules seek to promote the technological and operational resilience of securities and futures market operators and participants. The ASIC have also amended the prohibition on payment for order flow to address regulatory gaps and make some minor amendments to the 10 ASIC made rule books. For more information, please click [here](#).

On 17 March 2022, the ASIC released a consultation paper seeking feedback from fund managers, industry bodies and other interested stakeholders on the proposed licensing requirements for corporate collective investment vehicles (“CCIVs”). The licensing requirements will come into effect on 1 July 2022. For more information, please click [here](#).

On 17 March 2022, the Reserve Bank of Australia (“RBA”) and Bank of Japan renewed the Bilateral Local Currency Swap agreement for a further three years. The agreements are designed to enhance the financial stability of the two countries and allows for the exchange of local currencies between the two central banks of up to A\$20 billion or JPY 1.6 trillion. For more information, please click [here](#).

On 22 March 2022, the RBA along with the Bank for International Settlements (BIS) Innovation Hub, MAS, Bank Negara Malaysia, and the South African Reserve Bank announced the completion of prototypes for a common platform that will enable international settlements using multiple central bank digital currencies (mCBDCs). For more information, please click [here](#).

On 23 March 2022, the ASIC commenced a surveillance into the marketing of managed funds. The ASIC is concerned that consumers are being misled on the performance of the funds being invested in to. The surveillance includes scrutinising traditional and digital media to identify the use of misleading performance and risk representations in promotional material provided to consumers. For more information, please click [here](#).

On 30 March 2022, the ASIC extended the existing relief for business introduction services until 1 October 2022. The extended relief is subject to a new requirement that persons who rely on the relief from 1 April 2022 must provide notice to ASIC. For more information, please click [here](#).

Enforcement

On 17 March 2022, the ASIC permanently banned former authorised representative Roderick Halligan, of Brisbane, Queensland from providing financial services and having any involvement in a financial services business. Halligan was found to not be a fit and proper person to be providing financial services. For more information, please click [here](#).

On 30 March 2022, the ASIC cancelled the Australian financial services licence of Brendan Kennedy because Mr Kennedy failed to maintain external dispute resolution membership with the Australian Financial Complaints Authority and failed to lodge the profit and loss statement, balance sheet and compliance certificate for financial years ended 30 June 2020 and 30 June 2021. For more information, please click [here](#).

Mainland China



On 2 March 2022, the Shanghai Futures Exchange (“SHFE”) issued a notice on the publication of the “Guidelines on Commodity SWAP Settlement Business of Shanghai Futures Exchange” with immediate effect. The Guidelines aim to regulate the operation of commodity swap transactions, protect the rights and interests of parties in the commodity swap business, and mitigate the market risks of the commodity swap business. The Guidelines consists of detailed definitions and descriptions for clearing agents, settlement methods and depository banks. The

Guidelines will soon be online for the commodity swap business by introducing business innovations such as introducing swap agreement templates, building trading markets and providing centralised settlement to further meet the diversified risk management needs of business enterprises, deepening the combination of futures and spot, promoting the convergence of clearing and over the counter, and enhancing the ability of the futures market to serve the real economy. For more information, please click [here](#) (Chinese only).

On 9 March 2022, the China Banking Insurance Regulatory Commission (“CBIRC”) issued the “Rules for the Implementation of the Measures for the Administration of Reserves for Non-Life Insurance Business of Insurance Companies (No. 1-7)” with immediate effect to further improve the reserve regulation system for non-life insurance business, improve the internal control mechanism for insurance companies’ reserve management, and standardise and effectively carry out the work of reserve regulation. Among others, it clarifies the principles and methods of reserve valuation and regulating the use of appropriate methods and assumptions for the reserve valuation of insurance companies, establishes the internal control process of reserve valuation, clarifies the content of reserve valuation reports, standardise the specific information to be disclosed and the expression of actuarial opinions. For more information, please click [here](#) (Chinese only).

On 16 March 2022, the State Council (“SC”) held a special meeting to interpret the current economic situation and capital market issues. It addressed that the development of the real economy should be firmly supported, monetary policy should respond proactively, and new loans should maintain moderate growth, and to maintain the smooth operation of the capital market and cautiously introduce contractionary policies. For more information, please click [here](#) (Chinese only).

On 16 March 2022, the Shanghai Stock Exchange (“SSE”) issued a notice to waive 2022 fees for listed companies in areas recently affected by the COVID-19 outbreak. In view of the recent development of the epidemic in Shenzhen, Inner Mongolia Autonomous Region, Shandong Province, Jilin Province and Shanghai, the Shanghai Stock Exchange decided to waive initial listing and annual fees for 2022 for listed companies in areas recently affected by the epidemic and instruct subsidiary SSE Information Network Co., Ltd. to waive network voting fees for 2022 shareholders’ meetings of listed companies in areas recently affected by the epidemic to support the areas where the pandemic is severe and to support and accelerate the function of the capital market recovery as well as development of the real economy. For more information, please click [here](#) (Chinese only).

On 18 March 2022, the China Securities Regulatory Commission (“CSRC”) released new regulations, which aims to promote the pilot project for infrastructure REITs, improve the institutional mechanism, expand the scope of the pilot to better fulfil the role of the function of public REITs and support the development of the real economy. The rules for the expansion of infrastructure REITs will be further researched and to facilitate listed companies with high quality to acquire assets by relying on market mechanisms by issuing new shares, optimise their investment portfolios and promote M&A activities. Also, the implementation of the new regulations and pilot project would provide better protection to rental housing sector and attract new capital participation and promote the REITs industry transformation in order to aim for stable and healthy industry development. For more information, please click [here](#) (Chinese only).

On 21 March 2022, Premier Li Keqiang presided over an executive meeting of the State Council to determine the policy arrangements for implementing a large-scale VAT tax retention rebate, providing strong support for stabilising the macroeconomic landscape. The ministry adopted comprehensive measures to stabilise market expectations and maintain the stable and healthy development of the capital market. For more information, please click [here](#) (Chinese only).

On 22 March 2022, the SHFE announced the Release of the Revised Information Management Measures of the Shanghai Futures Exchange and Related Implementation Rules (“Management Measures”) with immediate effect to further regulate the work of external information disclosure and information services. Changes include specifying the content, frequency and manner of information release at different levels of the exchange; specifying the content of information service business, including information dissemination service business and value-added information service business; specifying the use of information content; specifying information dissemination service providers and value-added information service business shall pay fees in accordance with the rates set by the Exchange; and specifying the supervision and management of information dissemination service providers and other market participants by the Exchange. For more information, please click [here](#) (Chinese only).

On 25 March 2022, the SSE published the Interim Measures for the Listing and Trading of Depository Receipts on the Shanghai Stock Exchange and Overseas Stock Exchanges and the accompanying supporting guidelines for cross-border conversion and market-making transactions, with immediate effect. The Interim Measures is further streamlined and revised with respect to the scope of application, the review arrangements for listing, the circumstances and procedures for delisting, the regulatory requirements for continuous disclosure of information and the investor suitability requirements. For more information, please click [here](#) (Chinese only).

Enforcement

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

Hong Kong



On 01 March 2022, the Securities and Futures Commission (“SFC”) together with the Hong Kong Monetary Authority (“HKMA”) issued a joint circular to intermediaries announcing the commencement of a concurrent thematic review of the distribution of non-exchange-traded investment products. The purpose of the review is to assess intermediaries’ compliance with the suitability requirements of the Code of Conduct, including their practices in conducting due diligence on products, conducting suitability reviews, and providing information to clients. For more information, please [click here](#).

On 02 March 2022, the Insurance Authority (“IA”) published its latest edition of Conduct in Focus, presenting statistics on complaints received in 2021. The IA highlighted some best practice principles that should form the basis of an insurer’s complaints handling procedures, and which the IA expects to see in its supervision. For more information, please [click here](#).

On 04 March 2022, the IA issued a circular to authorised life insurers on further measures to facilitate the distribution of all life insurance products through online platforms to meet the demands of potential policyholders by offering a wide variety of insurance products while minimising the risk of infection during the sales process. For more information, please [click here](#).

On 04 March 2022, the SFC issued a circular to licenced corporations (“LCs”) and associated entities (“AEs”) of intermediaries, making a temporary arrangement for the filing of financial statements, other documents, and audit reports to the SFC under Section 156(1) of the Securities and Futures Ordinance. As a temporary measure amid the pandemic situation, LCs and AEs can submit a scanned copy of their audited financial statements by the filing deadline and submit the original copy as soon as possible after the filing deadline. For more information, please [click here](#).

On 04 March 2022, the SFC issued a circular to LCs providing precautionary measures to deal with disruptions caused by financial distress and inadequate accountability. For more information, please [click here](#).

On 07 March 2022, the SFC issued a circular to LCs highlighting the importance of business continuity planning amid the recent Covid 19 situation. LCs should prepare in advance and critically assess the impact on their business if the HKSAR government intends to introduce compulsory universal tests. For more information, please [click here](#).

On 08 March 2022, the International Monetary Fund released its reports reaffirming Hong Kong’s position as an important global financial centre with a resilient financial system, sound macroprudential policies, and robust regulatory and supervisory frameworks. The IMF recognises that Hong Kong’s financial sector has continued to expand robustly during the pandemic. For more information, please [click here](#).

On 11 March 2022, the SFC issued a circular to LCs informing them that the deadline for submission of the SFC-HKMA joint product survey 2021 has been extended from 11 March 2022 to 19 April 2022. For more information, please [click here](#).

On 11 March 2022, the IA released the preliminary statistics of the Hong Kong insurance industry for 2021, showing a slight decrease of 0.9% in total gross written premiums to \$602.7 billion compared to 2020. For more information, please [click here](#).

On 14 March 2022, the SFC issued a circular to LCs and AEs in regard to important references and guidance on Anti-Money Laundering/ Counter-Financing of Terrorism (“AML/CFT”). For more information, please [click here](#).

On 18 March 2022, the SFC issued a circular to intermediaries regarding the End-to-End (“E2E”) Test for systems in relation to the Hong Kong Investor Identification Regime (“HKIDR”). An E2E Test will commence between mid-May 2022 and June 2022 to enable relevant regulated intermediaries to prepare for the implementation of the HKIDR. For more information, please [click here](#).

On 18 March 2022, the Hong Kong Exchanges and Clearing Limited (“HKEX”) announced its first Special Purpose Acquisition Company (“SPAC”) listing in Hong Kong with Aquila Acquisition Corporation. HKEX introduced the Hong Kong SPAC listing regime in January 2022 after receiving substantial market support to its SPAC proposal consultation. As of 17 March, HKEX had received ten SPAC listing applications, reflecting strong market interest and demand for this new listing route. For more information, please [click here](#).

On 23 March 2022, the HKEX announced its first carbon futures exchange-traded fund (“ETF”) to its markets. The exchange listing of the China International Capital Corporation Carbon Futures ETF expands the coverage of Hong Kong-listed commodity ETFs to include carbon credits, an important asset class in the global effort to achieve carbon neutrality. For more information, please [click here](#).

On 24 March 2022, the SFC issued a circular to LCs regarding managing the risks of business email compromise, a type of cyber fraud in which fraudsters posing as known business contacts trick unsuspecting employees into sending them money or sensitive information. For more information, please [click here](#).

On 24 March 2022, the HKEX announced that it had signed a Memorandum of Understanding (“MOU”) with the China Emissions Exchange (“CEEX”) to explore cooperation in combating climate change and promoting sustainability through carbon finance. The two exchanges will also work together to share research and experience on carbon market finance and global carbon market standards to promote the internationalisation of China’s carbon market. For more information, please [click here](#).

On 25 March 2022, the SFC issued a circular to intermediaries, responsible officers, and licensed representatives with regards to the waiver of annual licensing fees incurred during the period from 01 April 2022 to 21 March 2023. For more information, please [click here](#).

On 28 March 2022, the SFC issued a circular to intermediaries and licensed individuals reminding them that online submission of corporate license applications, notifications and regulatory filings will become mandatory from 01 April 2022. For more information, please [click here](#).

On 28 March 2022, The HKEX appointed Ms. Adeline Ee as Managing Director, Head of Sales and Marketing, ASEAN. Ms. Ee will head HKEX’s Singapore office and be responsible for leading the expansion of HKEX’s business in Southeast Asia. She will bring in new clients and trade flows while further raising the Group’s profile in the region. Ms. Ee will work alongside Roger McAvoy, who will take on a new international client-facing role within the Group. Ms. Ee will report to HKEX’s Co-Heads of Sales and Marketing, Christina Bao, and Kevin Rideout. For more information, please [click here](#).

On 29 March 2022, the HKMA published a notice on the updated technical specifications for reporting over-the-counter derivatives transactions under the Hong Kong Trade Repository. LCs that may be subject to the reporting requirement are advised to read the notice. For more information, please [click here](#).

On 30 March 2022, the Green and Sustainable Finance Cross-Agency Steering Group (“Steering Group”) published its preliminary feasibility assessment of the potential for a carbon market for Hong Kong. The Steering Group intends to support the development of Hong Kong as a regional carbon trading hub. For more information, please [click here](#).

On 30 March 2022, the Hong Kong Mortgage Corporation (“HKMC”) Insurance Limited announced that the improvements to the Small and Medium-sized Enterprises (“SME”) Financing Guarantee Scheme (“SFGS”) will take effect from 01 April 2022. To further alleviate the cash flow pressure of SMEs in times of pandemic, the Financial Secretary announced in the 2022-23 Budget that the maximum loan amount per enterprise under the special 100% loan guarantee will be increased from the total amount of employee wages and rents for 18 months to the amount for 27 months, subject to a cap of HK\$9 million (originally HK\$6 million), and that the maximum repayment period will be extended from eight to 10 years. For more information, please [click here](#).

On 31 March 2022, the HKMA released a preliminary issuance plan for Government Bonds (“GB”) to be offered under the Institutional Bond Issuance Programme for the next six-month period from April to September 2022. The HKMA will tender the first Hong Kong Dollar GB with a maturity of 20 years under the Programme. This is the longest maturity of Hong Kong Dollar bonds issued by the HKSAR Government. The details of the tender will be announced in the relevant tender notice. For more information, please [click here](#).

On 31 March 2022, the Steering Group endorsed the International Sustainability Standards Board’s (“ISSB”) proposed general requirements for disclosure of sustainability-related financial information and climate disclosure requirements. The Steering Group encourages the financial sector, listed companies and all interested stakeholders to participate in the ISSB consultation. For more information, please [click here](#).

On 31 March 2022, the HKEX invited applications from social enterprises in Hong Kong for funding under the HKEX Impact Funding Scheme 2022 (“Scheme”), a bespoke charity programme of the HKEX Foundation. The HKEX Foundation will provide \$10 million to the Scheme to support local social enterprises and help them build and grow their enterprises and deliver innovative projects that address social and environmental challenges. For more information, please [click here](#).

On 31 March 2022, the SFC issued a circular to LCs to assist them in complying with regulatory requirements for handling complaints from clients. The SFC has received a large number of complaints against intermediaries and market activities in recent years. It identified instances where client complaints were not properly handled and, as a result, LCs failed to properly identify or remedy control deficiencies and regulatory breaches. Against this backdrop, the SFC reviewed LCs’ complaint handling procedures and found several deficiencies. For more information, please [click here](#).

Enforcement

On 01 March 2022, the SFC banned Mr. Leung Siu Lun, a former vice-president of the Hong Kong and Shanghai Banking Corporation Limited (“HSBC”), from re-entering the industry for life following his conviction for bribery. Leung was found to have received a number of gifts and benefits as a reward from a client between 2014-2016 for processing his company’s credit facilities application and maintenance of the credit facility. For more information, please click [here](#).

On 03 March 2022, the SFC reprimanded and fined HSBC Securities Brokers (Asia) Limited (“HCCB”) \$6.3 million for failing to have adequate and effective systems and internal controls in place and for breaching the Code of Conduct for persons licensed by or registered with the SFC. It was found that between September 2018 and September 2021, HCCB made several errors in allocating Broker-to-Client Assigned Number (“BCAN”) to its clients who traded in A-shares that were eligible for trading on Stock Connect northbound trading link in the mapping of Client Identification Data (“CID”) to BCAN to its clients’ orders. As a result, incorrect BCAN and CID information was provided to the Stock Exchange of Hong Kong Limited (“SEHK”) in relation to 92 clients involving 3,379,065 and 4,202,534 trades respectively. For more information, please click [here](#).

On 07 March 2022, the Independent Commission Against Corruption (“ICAC”) charged Chan Wing-fuk, sole director and shareholder of Waty International Company Limited, with defrauding Citibank (Hong Kong) Limited, Dah Sing Bank Limited, DBS Bank (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited. Chan Wing-fuk conspired with others to defraud the four banks of 83 loans for over \$102 million and banking facilities totalling \$31 million. The charged also admitted deceiving a government department to act as a guarantor for loans and facilities totalling \$11 million granted by the banks. For more information, please click [here](#).

On 08 March 2022, the IA issued a disciplinary action against former technical representative Mr. To Kong. Mr. To Kong has been prohibited from applying for a licence until 14 July 2024 as it was determined he was not a fit and proper person. Mr. To was found to have made transfers without a scheme member’s authorisation, misused the scheme member’s personal information, forged the member’s signature on certain forms and impersonated the scheme member when he called a Mandatory Provident Fund trustee to obtain account information. For more information, please click [here](#).

On 09 March 2022, the SFC obtained from the Court of First Instance the disqualification orders of Mr. Chan Wai Chuen, former Executive Director of DBA Telecommunication (Asia) Holdings Limited (“DBA”) and Mr. Yun Lok Ming, former Independent Non-Executive Director of DBA, for a period of 6 years and 18 months respectively for breaching their duties to DBA and under the Rules Governing the Listing of Securities on the SEHK. For more information, please click [here](#).

On 16 March 2022, the SFC reprimanded and fined Emperor Securities Limited (“ESL”) and Emperor Futures Limited (“EFL”) (collectively “Emperor”) \$5.4 million for failing to have adequate and effective policies and procedures and failing to comply with the regulatory requirements for AML/CFT. It was found that between 01 December 2016 and 10 December 2017, Emperor routinely processed 732 and 32 third-party wire transfers, respectively, totalling \$1.05 billion and \$17.6 million, without verifying that the wire transfers were appropriate. For more information, please click [here](#).

On 17 March 2022, the SFC publicly censured Wonderful Sky Financial Group Holdings Limited and Liu Tianni, Chairman, Chief Executive Officer and an Executive Director of Wonderful Sky, and accusing Liu Kiki Ching Tung, Deputy General Manager of Wonderful Sky, of breaching the Code on Share Buybacks. In March 2020, Wonderful Sky repurchased 42,500,000 shares in a block trade that had been pre-arranged and agreed between Wonderful Sky and the vendor. This was an off-market share repurchase which required the consent of the Takeovers Executive and Wonderful Sky’s disinterested shareholders, neither of which was obtained. For more information, please click [here](#).

On 17 March 2022, the HKEX issued disciplinary action against six former directors of National Investment Fund Limited (“Company”) for approving the monthly announcements of the Company’s net asset value per share. Despite the Company’s deteriorating financial position and significant expenditure on the acquisition of various luxury assets, a diamond, furniture, cars and paintings, the directors failed to actively look after the Company’s affairs and follow up on anything untoward that came to their attention in connection with the acquisitions. For more information, please click [here](#).

On 17 March 2022, the IA issued disciplinary action against three individuals for using false academic credentials in an attempt to prove that they met the minimum educational requirements when applying to become insurance agents. The IA does not tolerate such behaviour. Individuals who attempt to prove their eligibility through false academic credentials not only fail to prove that they meet the minimum educational requirements, but also commit a disreputable act and lack of integrity in order to earn entry into the insurance market. For more information, please click [here](#).

On 17 March 2022, the ICAC charged Tin Tak-ho, former Senior Branch Manager of Manulife (International) Limited (“Manulife”) and Tam Man-chan, former insurance agent of Manulife, to 37 months and 12 months imprisonment

respectively for defrauding Manulife of commissions totalling over \$750,000 by falsifying 10 insurance policy applications in December 2017. For more information, please click [here](#).

On 29 March 2022, the SFC banned Mr. Kim Bum Suk, a former relevant individual of BNP Paribas Wealth Management and BNP Paribas (collectively “BNP”), from re-entering the industry for 27 months from 29 March 2022 to 28 June 2024. Kim is found to have discreetly operated a client account without written authorisation under the guise of pre-signed client instruction forms. As a result, Kim breached the regulatory requirements on the authorisation and operation of discretionary accounts and the suitability requirements of the Code of Conduct and circumvented BNP’s policies and procedures on discretionary accounts and suitability. For more information, please click [here](#).

India



On 09 March 2022, the Reserve Bank of India (“RBI”) issued a clarification on the mode of receipt of complaints under the Reserve Bank – Integrated Ombudsman Scheme 2021(RB-IOS). RBI was made aware of misinformation being spread via social media. These messages were advising the public at large to lodge any complaints against entities regulated by RBI through third parties for a charge/fee or otherwise for early redress of grievances. RBI have clarified and confirmed that they do not have any such arrangement in place and the cost free grievance redress mechanism they have implemented does not involve any fees or charges. For more detail, please click [here](#).

On 10 March 2022, the Securities and Exchange Board of India (“SEBI”) extended the timeline for submission of public comments on the Consultation Paper for Environmental, Social and Governance (“ESG”) Rating Providers for Securities Markets. For more information, please click [here](#).

On 10 March 2022, the SEBI conducted research and seizure operations in multiple location across country and also cautions investors not to rely on solicited investment tips received through Social Media platforms. For more information, please click [here](#).

On 15 March 2022, the SEBI issued a circular with clarifications in respect to a circular dated 04 October 2021 related to Discontinuation of usage of pool account for transactions in units of mutual Funds. For more information, please click [here](#).

On 17 March 2022, the SEBI issued a circular revising Orders Per Second limit for algorithmic trading in Commodity Derivatives Segment of the Stock Exchange. For more information, please click [here](#).

On 22 March 2022, the SEBI issued revision in Chapter - XIV (Centralised Database for corporate bonds/ debenture) of Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper. For more information, Please click [here](#).

On 24 March 2022, the SEBI issued circular Introduction of Options on Commodity Indices - Product Design and Risk Management Framework. For more information, Please click [here](#).

On 24 March 2022 RBI inaugurated the Reserve Bank Innovation Hub (RBIH) in Bengaluru. RBIH aims to create an ecosystem that focuses on promoting access to financial services and products for the low-income population in the country. For more information, please click [here](#).

On 25 March 2022, the SEBI issued a Consultation Paper proposing to be streamlining the Timelines followed in Open Offers and Buy-back Tender Offers. For more information, please click [here](#).

On 25 March 2022, the SEBI issued a Consultation Paper proposing to relax certain provisions with regard to determination of open price in case of divestment of Public Sector Undertaking companies. For more information, please click [here](#).

On 28 March 2022, the SEBI announced it had amended Regulation 15(1)(d) of SEBI (Alternative Investment Funds) Regulations, 2012 relating to Calculation of investment concentration norm for Category III Alternative Investment Funds. For more information, please click [here](#).

On 28 March 2022, the SEBI issued a circular on Product Specifications pertaining to Electronic Gold Receipts Segment in India. For more information, please click [here](#).

On 29 March 2022, the SEBI issued a circular on Operational guidelines for ‘Security and Covenant Monitoring’ using Distributed Ledger Technology. For more information, please click [here](#).

On 30 March 2022, the SEBI issued a circular on Timelines for Rebalancing of Portfolios of Mutual Fund Schemes in order to bring uniformity across Mutual Funds. For more information, please click [here](#).

On 30 March 2022, the SEBI issued a clarification on the applicability of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions which was amended vide a notification dated 9 November 2021. For more information, please click [here](#).

On 31 March 2022, the SEBI extended the timeline for applicability of discontinuation of usage of pool accounts for transactions in the units of Mutual Funds, Two Factor Authentication for redemption and other related requirements. For more information, please click [here](#).

Enforcement

On 2 March 2022, the RBI cancelled the licence of arjeraodada Naik Shirala Sahakari Bank Ltd, Shirala, Dist. Sangli, Maharashtra due to the inadequate capital and earning prospects. Consequently, the bank ceases to carry on banking business with immediate effect. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹2 lakh on Shree Mahalaxmi Mercantile Co-operative Bank Ltd., Vadodara, for contravention of directions issued by RBI on “Loans and advances to directors, relatives and firms / concerns in which they are interested”. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹12 lakh on The Agrasen Co-operative Urban Bank Ltd., Hyderabad, Telangana, for non-adherence/violation of directions issued on ‘Income Recognition, Asset Classification, Provisioning’ and ‘Exposure norms/ Statutory / Other Restrictions-UCBs’. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹ 5 lakh on The Nilambur Co-operative Urban Bank Ltd., No. F 1043, Nilambur, Malappuram District, Kerala, for contravention of/ non-compliance with the directions issued by RBI on “Income Recognition and Asset Classification” and on “Management of Advances – UCBs”. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹5 lakh on The People’s Urban Co-operative Bank Ltd., Tripunithura, Ernakulam, Kerala, for non-adherence / violation of directions issued under Income Recognition, Asset Classification, Provisioning and Other related Matters-UCBs. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Tadpatri Cooperative Town Bank Ltd., Anantapur District, Andhra Pradesh, for non-adherence / violation of directions issued on i) prohibition of loans and advances to Directors and their relatives and the firms / concerns in which they were interested ii) Income Recognition, Asset Classification, Provisioning and Other related Matter-UCBs. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Krishna District Cooperative Central Bank Ltd., Machilipatnam, Krishna District, Andhra Pradesh for non-adherence / violation of certain directions issued by RBI contained in the Circular on ‘Income Recognition, Asset Classification and Provisioning’ and NABARD circular on ‘Frauds-Guidelines for classification, reporting and monitoring of Frauds’. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Tiruvannamalai Co-operative Urban Bank Ltd (No.CO-570), Thiruvannamalai, Tamil Nadu for non-adherence / violation of directions issued under Exposure Norms and Statutory / Other Restrictions – UCBs. For more information, please click [here](#).

On 07 March 2022, the RBI imposed a monetary penalty of ₹15 lakh 83 thousand on LivQuik Technology (India) Private Limited (the entity) for non-compliance with certain provisions of the Master directions on Issuance and operation of prepaid payment instruments. For more information, please click [here](#). For the master directions, please click [here](#).

On 09 March 2022, the RBI extended directives impose to The Adoor Co-operative Urban Bank Ltd, Adoor, Kerala for three months until 9 June 2022. For more information, please click [here](#).

On 09 March 2022, the RBI issued certain directives to Dwarakadas Mantri Nagari Sahakari Bank. Ltd., Beed for six months from the close of business on 9 March 2022. The bank will continue to undertake banking business with restrictions till its financial position improves. For more information, please click [here](#).

On 10 March 2022, the RBI extended directives impose to Sikar Urban Co-operative Bank Ltd., Sikar, Rajasthan for three months until 9 June 2022. For more information, please click [here](#).

On 11 March 2022, the RBI issued direction on Paytm Payments Bank Ltd to stop, with immediate effect, onboarding of new customers and conduct comprehensive System Audit of its IT system. For more information, please click [here](#).

On 11 March 2022, the RBI imposed a monetary penalty of ₹2.50 lakh on M.L. Securities and Finance Private Limited, Indore (M.P) (the company) for non-compliance with certain provisions of the directions issued by RBI on classification of non-performing assets. For more information, please click [here](#).

On 14 March 2022, the RBI imposed a monetary penalty of ₹3 lakh on The Baghat Urban Co-operative Bank Limited, Solan, HP (the bank) for the contravention of specific directions issued to it by RBI under Supervisory Action Framework (SAF). For more information, please click [here](#).

On 14 March 2022, the RBI imposed a monetary penalty of ₹50 thousand on The Amravati Merchants' Co-operative Bank Ltd., Amravati for contravention of / non-compliance with the directions issued by RBI to Urban Cooperative Banks on Frauds - Classification and Reporting. For more information, please click [here](#).

On 14 March 2022, the RBI imposed a monetary penalty of ₹1 lakh on Jila Sahakari Kendriya Bank Maryadit, Narsinghpur (M.P.) (the bank) for contravention of / non-compliance with the provisions of the Banking Regulation Act, 1949 (the Act) and the Depositor Education and Awareness Fund Scheme, 2014 (the Scheme). For more information, please click [here](#).

On 21 March 2022, the RBI imposed a monetary penalty of ₹2 lakh on The Bank Employees' Co-operative Bank Limited, Kolkata (West Bengal) (the bank) for contravention of/ non-adherence with the Directions issued by RBI to Urban Cooperative Banks on 'Exposure Norms and Statutory / Other Restrictions - UCBs. For more information, please click [here](#).

On 21 March 2022, the RBI cancelled the license of the People's Co-operative Bank Limited, Kanpur. Consequently, the bank ceases to carry on banking business, with effect from the close of business on March 21, 2022. For more information, please click [here](#).

On 30 March 2022, the National Futures Association ("NFA U.S."), permanently bars Chennai, India commodity pool operator and commodity trading advisor eDeal Market LLC and its principal Nithya Narasimhan from membership. For more information, please click [here](#).

Indonesia



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

Enforcement

On 4 March 2022, the Otoritas Jasa Keuangan ("OJK") instructed Bank Perkreditan Rakyat and Bank Pembiayaan Rakyat Syariah conducted the semi-annual Health Level Assessments, focusing on their level of compliance. The Health Risk Assessments must be submitted online. OJK prioritises four factors during the Health Risk Assessment, these are risk profile, governance, profitability, and capital. The banks should aim to have a rating of 4 and/or 5 for each of the factors and a proper action plan and submit to the authorities accordingly. The Health Risk Assessments of the banks would be evaluated in December 2022 and December 2023. For more information, please click [here](#).

Japan



On 1 March 2022, the Financial Services Agency ("FSA") published an alert outlining measures to strengthen Cyber Security for financial institutions. The FSA asked financial institutions to take a bird's eye view of the entire supply chain, including SMEs, suppliers, etc., and take control of risks that may arise. In the event of a cyber-attack, the FSA reminded financial institutions to promptly report the incident to the FSA, the Local Finance Bureau, and the police. For more information, please click [here \(Japanese Only\)](#).

On 3 March 2022, the FSA introduced a release by the Asia Region Funds Passport ("ARFP")'s 10th Joint Committee Virtual Meeting held on 29th October 2021. A regulated CIS based in New Zealand was approved as the first Passport Fund under the ARFP. The committee also discussed ideas on how to initiate a review of the passport system and an appropriate timeline. For more information, please click [here](#).

On 11 March 2022, the FSA issued a joint press release with the National Institute of Information and Communications Technology to build a high-precision AI translation system specialised in translating financial texts into English. This is part of an effort to create an international financial centre. For more information, please click [here](#).

On 14 March 2022, the FSA issued a call for the exchange of crypto assets in light of the current intranational situation on the invasion of Ukraine. Payments to sanctioned parties may not be made without prior approval from

the relevant Minister for all payments, including payments with crypto assets. For more information, please click [here \(Japanese Only\)](#).

On 17 March 2022, the Japan Securities Dealers Association (“JSDA”) published comments on the “Reporting on Retail Distribution and Digitalisation Consultation Report” Submitted to the International Organisation of Securities Commissions. The JSDA commented on consideration of the proper internal rules, policies, processes, and tools for their online marketing and distribution, and review them on a regular basis, IOSCO members’ supervision on online marketing and distribution activities; and consideration of staff qualification and / licensing requirement for online marketing. For more information, please click [here](#).

On 24 March 2022, the FSA published the final amendments to the "Guidelines for Personal Information Protection for the Financial Sector" and the "Practical Guidelines for Security Policies Regarding the Personal Information Protection for the Financial Sector". The amendments include provisions for when financial companies disclose personal information to third parties located abroad, in relation to security, confidentiality and/or integrity, mandatory information leakage reporting and others with effect on 1 April 2022. For more information, please click [here \(Japanese Only\)](#).

On 25 March 2022, the FSA published the third warning describing measures to strengthen cybersecurity for financial institutions. As Russia reviews potential cyber-attack opportunities and has proposed concrete measures to strengthen cybersecurity measures for businesses and other entities, the FSA urged financial institutions to implement measures to mitigate risk, detect incidence early, and respond and recover appropriately in the event of an incident, as well as take appropriate measures to prevent cyber-attacks. The FSA also warned financial institutions to take action after confirming information and websites published by organisations specialising in cyber security. The FSA reminded financial institutions to immediately report cyberattack incident. For more information, please click [here \(Japanese Only\)](#).

On 30 March 2022, the FSA published revisions to the FAQ about the Anti-Money Laundering and Anti-Terrorist Financing Guidelines. The revisions concern what types of customers are eligible for “risk-based simplified customer due diligence” (“SDD”), whether listed companies, national and local governments are eligible for SDD, and what methods of “research” are used to implement ongoing customer management and so on. For more information, please click [here \(Japanese Only\)](#).

On 30 March 2022, the FSA unveiled the International Organisation of Securities Commissions Retail Market Conduct Task Force Consultation Report. The increasing participation of retail investors in securities markets poses a risk of misconduct. The Report presents a clear picture of evolving retail investor trends around the world and their impact on market behaviour. For more information, please click [here](#).

Enforcement

On 10 March 2022, the FSA released the administrative actions taken by Kanto Local Finance Bureau against Grace Technology Inc. Grace Technology Inc were found to have made false statements in securities reports and other reports that began in April 2017. The Bureau ordered to file the amendment reports for all misstatements under the Financial Instruments and Exchange Act. For more information, please click [here \(Japanese Only\)](#).

On 11 March 2022, the FSA released the surcharge payment order for insider trading by the recipient of information from an employee of Leoplace21 Corporation. The recipient was ordered to pay a surcharge of 18.5 million yen to the national treasury by 11 May 2022. For more information, please click [here \(Japanese Only\)](#).

On 11 March 2022, the FSA released the surcharge payment order for a market manipulation inspection of Mitsuba Corporation shares. The respondent was ordered to pay a surcharge of 825 thousand yen to the national treasury by 11 May 2022. For more information, please click [here \(Japanese Only\)](#).

On 11 March 2022, the FSA released the surcharge payment order for insider trading by an official who had a business relationship with Mitsui Sugar Co., Ltd. The respondent was ordered to pay a surcharge of 270 thousand yen to the national treasury by 11 May 2022. For more information, please click [here \(Japanese Only\)](#).

Korea



On 2 March 2022, the Financial Services Commission (“FSC”) approved regulatory revisions on easing reporting and filing duties when investing overseas through a foreign direct investment or a branch office with an aim to promote financial institutions’ overseas business expansion, including abolishing the advance reporting requirement for some offshore branch offices. For more information, please click [here](#).

On 7 March 2022, the FSC introduced revisions to the guidelines on corporate governance disclosure for listed companies with effect on 31 May 2022. Revisions include the inclusion of internal measures for shareholder protection in listed companies' corporate governance disclosure reports, and detailed explanation on board decisions on internal transaction with affiliated firms. For more information, please click [here](#).

On 11 March 2022, the Korea Exchange ("KRX") amended the enforcement rules of the stock market business regulations. The base price on the day of listing of stocks of a surviving company listed by M&A with the SPAC is determined as the price produced by dividing the closing price of the SPAC on the last trading day by the merger ratio. For more information, please click [here](#).

On 24 March 2022, the FSC announced the travel rule virtual asset service providers (VASPs), requiring VASPs to provide relevant information about users sending and receiving virtual asset when being asked to transfer KRW 1 million or more of virtual asset to another VASP, with effect on 25 March 2022, aiming to prevent money laundering activities using virtual assets. For more information, please click [here](#).

Enforcement

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

Malaysia



On 23 March 2022, The Securities Commission Malaysia ("SC") announced that it has registered two Initial Exchange Offering operators, Kapital DX Sdn Bhd and Pitch Platforms Sdn Bhd, to promote responsible innovation in the digital assets space. For further details, please click [here](#).

On 23 March 2022, the Bursa Malaysia Securities Berhad ("BM") issued a public consultation paper on the proposed amendments to the Main Market Listing Requirements and the ACE Market Listing Requirements with the aim to elevate the sustainability practices and disclosures of listed issuers with submission deadline on 18 May 2022. For further details, please click [here](#).

Enforcement

On 03 March 2022, the Court of Appeal ruled in favour of the SC and upheld the decision of the High Court in 2019 that Datin Chan Chui Mei, the former Deputy Managing Director of Stone Master Corporation Berhad had breached securities laws. Datin was ordered to pay RM11.54 million and a civil penalty of RM1 million to the SC. For further details, please click [here](#).

Philippines



On 3 March 2022, the Securities and Exchange Commission ("SEC") announced to operationalise Sections 26 and 27 of the Revised Corporation Code of the Philippines. Sections 26 and 27 depict the disqualification and removal of directors, trustees, and officers of corporations respectively. There are a set of conditions to be met before executing Section 26 and/or Section 27. For more information, please click [here](#) and [here](#).

On 4 March 2022, the Bangko Sentral ng Pilipinas ("BSP") introduced the regulations for the reporting standards for the registered Operators of Payment Systems ("OPS"). The regulations are in accordance with the National Payment Systems Act. To facilitate effective reporting, the OPS are expected to consolidate the data through independent validations and periodic reviews. The regulations are also implemented to support timely reporting to the BSP. For more information, please click [here](#).

On 7 March 2022, the Monetary Board ("MB") accepted the inclusion of the Philippine Domestic Dollar Transfer System and the Philippine Peso-US Dollar Payment versus Payment System as Systemically Important Payment Systems ("SIPS"). Both systems facilitate the exchange as well as transfer of funds between the United States Dollar and the Philippine peso. The adoption and designating of such systems validated Philippines' plan on financial digitalisation. For more information, please click [here](#).

On 16 March 2022, the BSP reiterated its plans to strengthen cybersecurity in the Philippines' financial system due to the fast-paced nature of digitalisation in the financial industry. The BSP had been introducing regulations to alleviate the risks of technology and cybersecurity since 2013. For more information, please click [here](#).

On 25 March 2022, the BSP approved the prudential reporting framework for Islamic Banks ("IBs") and Islamic Banking Units ("IBUs") in Philippines to encourage Islamic Banking in Philippines. The guidelines instructed the IBs and IBUs that their books and records should be carried out as per Shari'ah requirements. IBs and IBUs are also

expected to derive a supplemental report that illustrates unique accounts details, as part of the framework. The selection of the accounts is also being mandated. For more information, please click [here](#).

Enforcement

On 6 March 2022, the SEC instructed PawisngPinoy Online Investment to stop their inexistent investment schemes which appear to involve product distribution, real estate, and jewellery. The SEC also ordered the cessation of their internet presence. The parties involved are banned from activities that are related to transferring, disposing and convey of funds and assets. For more information, please click [here](#).

On 11 March 2022, the MB disqualified MER'S BUSINESS CENTER and PAYB BILLS PAYMENT AND REMITTANCE CENTER over its unauthorised business operations as Money Service Businesses. The mentioned businesses are operating without a valid license or a registration with the BSP. For more information, please click [here](#).

On 21 March 2022, the BSP and the National Bureau of Investigation announced that they arrested 4 individuals during enforcement operations that were executed on 19 January 2022. The individuals will be charged with violating Article 168 in relation to Article 166 of the Philippines' Revised Penal Code, as amended. For more information, please click [here](#).

On 24 March 2022, the SEC revoked Cashtrees Lending Corporation's licence as the corporation launched and operated 8 unregistered online lending platforms. In total, Cashtrees Lending Corporation had 16 violations of the SEC Memorandum Circular No. 10, Series of 2021, the disclosure, and reporting requirements. For more information, please click [here](#).

Singapore



On 1 March 2022, the Monetary Authority of Singapore ("MAS") published a response to the feedback received on the consultation paper seeking views on the issuance of a new AML/CFT Notice to financial institutions in relation to precious stones and precious metals activities dated 9 July 2021. For more information, please click [here](#).

On 18 March 2022, the MAS and the Carbon Disclosure Project signed a MoU to promote ESG disclosures and access to ESG data. The aim is to enable financial institutions and corporates to better measure and monitor their ESG performance and impacts with MAS' ESG data platform and CDP's comprehensive collection of self-reported data from global companies. For more information, please click [here](#).

On 30 March 2022, the MAS published a consultation paper seeking feedback on the draft public disclosure requirements for regulatory capital of Singapore-incorporated banks, with a submission deadline of 29 April 2022. For more information, please click [here](#).

Enforcement

A media search did not find any enforcement for Singapore during March.

Taiwan



On 8 March 2022, the Financial Supervisory Commission ("FSC") issued the "Regulations Governing Domestic Juridical Persons Opening Accounts for the Purpose of Handling Loan-related Receipts and Disbursements in Offshore Banking Units" to allow domestic juridical persons to open accounts for the purpose of handling loan-related receipts and disbursements in offshore banking units. For more information, please click [here](#).

On 30 March 2022, the FSC reported the latest sales statistics of foreign-currency denominated products by life insurance industry. For more information, please click [here](#).

Enforcement

On 8 March 2022, the FSC fined President Securities Corporation for violating the continuous quotation obligation, failing to perform the quotation obligation based on professional judgment, and failing to effectively adjust the market supply and demand according to market conditions. For more information, please click [here](#).

On 9 March 2022, the FSC fined KGI Securities Co., Ltd. for failing to implement internal control system. For more information, please click [here](#).

On 16 March 2022, the FSC fined the responsible person of Solar Applied Materials Technology Corporation for failing to formulate rules for the conduct of directors meetings, regulations governing the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcement. For more information, please click [here](#).

On 17 March 2022, the FSC fined the person responsible for the acts of Kinpo Electronics Inc for violating the Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee. For more information, please click [here](#).

Thailand



On 2 March 2022, the Securities and Exchange Commission (“SEC”) amended regulations on custody of clients’ assets in digital asset businesses to enhance investor protection. For more information, please click [here](#).

On 9 March 2022, the SEC teamed up with the World Bank Group to study securities business landscape under the changing environments to lay out sustainable business development policy. For more information, please click [here](#).

On 22 March 2022, the Bank of Thailand (“BOT”) clarifies S&P lowered credit ratings on four Thai commercial banks. For more information, please click [here](#).

On 23 March 2022, the SEC issued regulation prohibiting digital asset business operators from facilitating the use of digital assets as a means of payment. For more information, please click [here](#).

On 25 March 2022, the SEC issued Strategic Plan 2022-2024 aims to revive Thailand toward strength and sustainable growth. For more information, please click [here](#).

On 25 March 2022, BOT issued the Summary of Feedback on the Consultation Paper “Repositioning Thailand’s Financial Sector for a Sustainable Digital Economy”. For more information, please click [here](#).

On 30 March 2022, BOT announced the Monetary Policy Committee’s Decision to maintain the policy rate at 0.5 per cent. For more information, please click [here](#).

On 31 March 2022, BOT issued Press Release on the Economic and Monetary Conditions for February 2022. For more information, please click [here](#).

Enforcement

A media search did not find any enforcement for Thailand during March.

Vietnam



On 18 March 2022, the State Bank of Vietnam (“SBV”) issued the Action Plan of the banking sector to implement the Governance’s Resolution No. 11/NQ-CP released on 20 January 2022. The Action Plan aims to set the measurement and tasks in fulfilling the responsibilities of the banking sections. The banking sector shall review the monetary and credit policies and consider a proper business operation under the COVID-19 circumstances; to improve the legal framework and its administrative procedure; to increase the charter capital; and to implement social policies.

For more information, please click [here](#).

Enforcement

A media search did not find any enforcement for Vietnam during March.

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.

Disclaimer

About ComplianceAsia Consulting Limited

ComplianceAsia Consulting Limited (“ComplianceAsia”) is the longest established compliance consulting firm in Asia Pacific, established in 2003 with office in Hong Kong, Singapore, Shanghai, Tokyo and London. We have an unmatched track record of completing complex compliance consulting projects for financial firms in the APAC region. With 80 multilingual staff, including compliance experts with experience in dealing with the SFC, HKMA, MAS, CSRC, AMAC, JFSA and Asian exchanges, we provide independent, unbiased advice on Asian financial industry legislation and regulations.

The ComplianceAsia Group also includes AML Services Limited, OnlineCompliance.Training, CA College, CPTnow, and ComplianceAsia ESG Consulting.

About this publication

This publication contains general information only, and none of ComplianceAsia, or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser or consultant.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of ComplianceAsia, its related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. ComplianceAsia and each of its related entities are legally separate and independent entities.

@2022 ComplianceAsia Consulting Limited