



# CA | ComplianceAsia

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## Welcome to our Regulatory Newsletter for July 2022

### Executive Summary

There is a crucial compliance deadline for Hong Kong based fund managers under the SFC's requirements for the management and disclosure of climate related risk. Large Fund Managers (i.e. those with AUM of HK\$8 billion or more) must comply with the baseline requirements by 20 August 2022.

The baseline requirements cover governance, the investment management process, the risk management process and entity and, where relevant, entity level disclosure. At this stage Large Fund Managers should be close to if not completed developing their climate risk related policies and procedures and be in a position to make the initial disclosures to investor which are required to be made from 20 August 2022 onwards.

All Type 9 license holders managing funds should also be aware of the second deadline of 20 November 2022. At that point all fund managers regardless of AUM must be complying with the baseline requirements and Large Fund managers must comply with the enhanced requirements on scenario analysis, portfolio carbon footprint calculation and start Scope 1 and Scope 2 GHG emissions reporting.

If you need any assistance with finalising your policies and procedures or making proper disclosures to investors or with working towards the enhanced requirements, please contact Hiromi Iwakiri at [Hiromi.iwakiri@complianceasiaesg.com](mailto:Hiromi.iwakiri@complianceasiaesg.com) or Ivan Liu at [ivan.liu@complianceasiaesg.com](mailto:ivan.liu@complianceasiaesg.com)



Join the upcoming complimentary webinar

### Beyond Sanctions: Key consideration for financial services firms

**Event Details:**  
**Date:** Wednesday, 17 August 2022  
**Time:** 4:00PM HKT/SGT | 1:30PM IST | 6:00PM AEST  
**Duration:** 1 hour  
\*1 CPT hour is provided

Alex Dupertouzel  
Managing Director

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## Australia



On 5 July 2022, Australian Securities and Investment Commission (“ASIC”) released the regulatory Guide 276 Superannuation forecasts: Calculators and retirement estimates (RG 276) to help consumers review their financial situation. The guidance will give greater clarity about how a trustee can use calculators and retirement estimates as part of their strategies under the retirement income covenant. For more information, please click [here](#).

## Enforcement

On 1 July 2022, ASIC cancelled Quattro Management Pty Limited’s Australian financial services (“AFS”) license, due to the company never providing financial services since the AFS license was issued in 2009. For more information, please click [here](#).

On 1 July 2022, Nicholas James David Crouch of Crouch Amirbeagg failed to carry out his duties as a registered liquidator in an adequate and proper way. The ASIC Committee publicly reprimanded Mr. Crouch and directed him to not accept any further appointments as a liquidator during the period 29 June 2022 to 31 December 2022. For more information, please click [here](#).

On 1 July 2022, ISG Financial Services Limited’s (ISG) license was suspended until 30 September 2022, due to the company not having the required professional indemnity insurance coverage in place and failing to meet statutory audit and financial reporting lodgement obligations for itself and the Schemes. For more information, please click [here](#).

On 7 July 2022, ASIC alleged that Lanterne Fund Services Pty Ltd (Lanterne), failed to meet the obligations of its Australian financial services license, and failed to meet organisational competence requirements. The ASIC has started civil penalty proceedings in the Federal Court against Lanterne for operating a wholly deficient business, without compliance staff and failing to have an adequate risk management system in place. For more information, please click [here](#).

On 11 July 2022, from the period 1 March 2022 to 30 June 2022, ASIC took down five superannuation fund (“SMSF”) auditors from the registration list and imposed additional conditions on the registration of three others. The action was caused due to breaches of obligations within auditing and assurance standards, independence requirements, and registration conditions, and or because the individual was not fit and proper to remain registered. For more information, please click [here](#).

On 12 July 2022, Nizi Bhandari, of Bundoora, Victoria, was prosecuted by the Commonwealth Director of Public Prosecutions for various violations as a representative of Australian Dealer Group Pty Ltd as the sole director, responsible manager, and the key person of the Australian Dealer Group’s AFS license. Between January 2019, and March 2020, Mr. Bhandari engaged in dishonest conduct by providing unauthorised information to consumers about their superannuation. For more information, please click [here](#).

On 14 July 2022, ASIC banned Over the Counter (OTC) derivatives provider Sirius Financial Markets Pty Ltd. former executives Mr. Jonathan Schneider and Mr. Oskar Pecyna, from performing any executive or management roles in relation to a financial services business for eight years. ASIC also surrendered the company’s Australian Financial Services license. For more information, please click [here](#).

On 17 July 2022, The Commonwealth Director of Public Prosecutions convicted Mr. Keith James Flowers, formerly known as Nigel Flowers of Bathurst, New South Wales for acting dishonestly as a company director and stealing investor funds, using his power as the director, and transferring \$209,500 from the trust account to profit himself and Flowers Financial Management. The money was originally raised by long-term clients to fund a proposed initial public offering by Avior Australis Ltd. For more information, please click [here](#).

On 20 July 2022, ASIC alleged that Mr. Chris Marco, of Mount Hawthorn, defrauded \$36.5 million from nine investors back in July 2013 to October 2018. The Commonwealth Director of Public Prosecutions charged Mr. Marco at the Perth Magistrates Court with 50 counts of fraud under section 409 of the Criminal Code. For more information, please click [here](#).

On 28 July 2022, ASIC placed interim stop orders on Responsible Entity Services Limited and two Companies in the UGC Global Group to prevent them from issuing relevant managed investment scheme interests or shares to retail investors. This is due to deficiencies in the target market (TMD) based on their products and not

appropriately identifying the consumers they intended to target. Without a TMD, products can be marketed and sold to inappropriate investors. For more information, please click [here](#).

On 29 July 2022, HJ Shortland & Co's sole director Harris Shortland was incarcerated for a conviction, leading the financial services business to be suspended for six months while the appeal is determined against Mr. Shortland. The time will also be used to ensure HJ Shortland & Co work to meet the requirements of holding an AFS license. For more information, please click [here](#).

## Mainland China



On 1 July, the China Securities Regulatory Commission ("CSRC") announced the Taxation Policies Applicable to Traded Open-ended Funds after the inclusion of the Mainland and Hong Kong Stock Market Trading Interoperability Mechanism. After the inclusion of Exchange-traded Open-ended Funds (ETFs) into the interoperability mechanism for trading in the Mainland and Hong Kong stock markets, the existing taxation policies relating to mutual recognition of funds between the Mainland and Hong Kong will apply. For more information, please click [here](#).

(Chinese only)

On 7 July 2022, the Internet Information Office of China issued the Measures on Data Outbound Security Assessment ("Measures"), which shall come into effect on 1 September 2022. The Measures apply to the security assessment of data processors providing important data and personal information collected and generated in the course of their operations in the People's Republic of China to outside the country. The Measures are to clarify the specific provisions on data security assessments to promote digital economy and prevent cross-border data security leakage. The Measures stipulate the scope, conditions, and procedures of data security assessments and provide specific guidelines for the work of data security assessments. For more information, please click [here](#).

(Chinese only)

On 8 July 2022, the China Banking and Insurance Regulatory Commission ("CBIRC") issued a circular on the Measures on Capital Management of Financial Assets Investment Companies (for trial implementation) (the "Circular"), which shall come into effect from the date of issue.

The Circular provides: general provisions, capital supervision requirements, internal capital adequacy assessment procedures, management, and information disclosure. It applies to non-bank financial institutions approved by the CBIRC and established in the PRC, which mainly engaged in the conversion of bank debts to equity businesses. It also clarifies the capital adequacy ratio, the method of calculating risk-weighted assets, and sets out specific requirements for information disclosure with an aim to strengthen the capital supervision of financial asset investment companies. For more information, please click [here](#). (Chinese only)

On 13 July 2022, the China's National Development and Reform Commission ("NDRC") issued a notice on the preparation of the infrastructure sector Notice on the work related to the declaration and recommendation of new acquisitions of Real Estate Investment Trusts ("REITs"). The reporting requirements for new acquisitions of infrastructure REITs are suitably simplified. (a) For newly acquired projects, if there are no significant changes to the promoter (original equity owner), fund manager, asset-backed securities manager and operation and management institution, relevant information may not be provided in the reporting materials.

(b) The net real estate appraisal value of newly acquired projects will be reasonably determined in accordance with the actual situation of the projects and will no longer be subject to the requirement of not less than RMB 1 billion in principle for initial offerings.

(c) In the case of newly acquired projects, information on the expandability of the project sponsors (original equity holders), etc. may not be provided in the reporting materials.

(d) Information on issuing infrastructure REITs for newly acquired projects may not be provided in the reporting materials. At the same time, the reporting and recommendation procedures for new acquisition projects have been improved to ensure the quality of new acquisition projects, actively coordinate the implementation of the issuance conditions and guide the use of recovered funds for the construction of new projects. For more information, please click [here](#). (Chinese only)

On 29 July 2022, the CSRC and the Ministry of Finance jointly issued the "Provisions on Matters Relating to the Priority Use of Property of Securities Violators for Assumption of Civil Liability" (the "Provisions") with immediate effect. The Provisions include application subjects, application timeline, application materials, processing procedures, and clarifying the specific working mechanism for the administrative forfeiture money paid by the violator to be used to assume civil liability. For more information, please click [here](#). (Chinese only)

## Enforcement

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

### Hong Kong



On 4 July 2022, the Hong Kong Monetary Authority (“HKMA”) announced its collaboration with the People’s Bank of China, the Hong Kong Securities and Futures Commission (“SFC”) in developing mutual access between the Hong Kong and Mainland interest rate swap markets (“Swap Connect”) to promote the financial derivatives markets in both Mainland China and Hong Kong. The Swap Connect will enable investors to participate in the financial derivatives markets in the Mainland and Hong Kong through a connection between infrastructure Institutions in both places. For more information, please click [here](#).

On 5 July 2022, the Hong Kong Exchanges and Clearing Limited (“HKEX”) launched the Hong Kong International Carbon Market Council (“the Council”). The Council will lay the foundation for Hong Kong’s growth as a premier carbon hub in Asia and beyond, as well as contribute to global efforts towards achieving a low-carbon economy. For more information, please click [here](#).

On 5 July 2022, the SFC and the Commercial Crime Bureau of the Police conducted a joint operation against suspected bogus transactions amounting to over HK\$130m involving a company formerly listed on the Stock Exchange of Hong Kong Limited (“SEHK”). Further information will be disclosed as the investigations are still ongoing. For more information, please click [here](#).

On 6 July 2022, the HKEX launched the IR Connect, a new digital investor relations portal platform, to help Hong Kong-listed issuers build connectivity and regular dialogue with their stakeholders in a professional and cost-effective way. For more information, please click [here](#).

On 7 July 2022, the HKMA announced that it has joined the International Financial Consumer Protection Organisation (“FinCoNet”) as a member institution. FinCoNet was established in 2013 with a mission to ensure strong protection for financial consumers through effective supervision, conduct research and facilitate experience sharing in respect to financial consumer measures and supervisory arrangements. For more information, please click [here](#).

On 8 July 2022, the SFC issued a circular to licensed corporations and associated entities stating the latest Hong Kong’s Money Laundering and Terrorist Financing Risk Assessment Report (“the Report”). The Report shows that the money laundering risk of the securities sector remains at a medium level. For more information, please click [here](#).

On 8 July 2022, the SFC announced that Mr. Ashley Alder, Chief Executive Officer of the SFC, will be leaving to take up a new appointment in the United Kingdom as Chair of the Financial Conduct Authority in January 2023. Mr. Alder has successfully steered the SFC in pursuing a set of highly-focused and innovative regulatory policies as well as operational reforms to tackle risks and misconduct, uphold the quality and integrity of Hong Kong’s financial markets and maintain the confidence of investors throughout his 11-year tenure. For more information, please click [here](#).

On 19 July 2022, the HKMA together with the Banking Sector SME Lending Coordination Mechanism (“Mechanism”) announced a further 90-day repayment deferment for trade facilities under the Pre-approved Principal Holiday Scheme (“Scheme”). With the uncertainties lying ahead for import and export businesses and inflation continuing to rise around the world, the Mechanism decided to extend the repayment period of trade facilities under the Scheme for a further 90-day period until the whole Scheme expires. For more information, please click [here](#).

On 20 July 2022, the SFC published a report indicating an increase of 2% year-on-year in Wealth and Asset Management Business in Hong Kong at the end of 2021. The aggregate amount of Asset under Management and Fund Advisory business by licensed corporations and registered institutions increased 8% which shows that Hong Kong Wealth and Asset Management business remained resilient in 2021 despite the challenges. For more information, please click [here](#).

On 21 July 2022, the HKMA and Cyberport organised and encouraged the use of Anti-Money Laundering Regulatory Technology Lab to financial institutions which focuses on low-barrier, easy-to-implement technologies, such as robotic process automation, low-code/no-code platforms and visualisation tools. For more information, please click [here](#).

On 22 July 2022, the HKMA published a new code of practice entitled “Resolution Planning – Liquidity and Funding in Resolution under the Financial Institutions (Resolution) Ordinance (“FIRO”) which sets out HKMA’s expectations regarding the capabilities and arrangements that an authorised institution (“AI”) should have in place in order to address potential impediment to the orderly resolution that would arise if an AI were unable to assess its liquidity and funding needs. For more information, please click [here](#).

On 25 July 2022, the HKMA issued a revised Supervisory Policy Manual module on operational risk management. The revised module is intended to implement the Basel Committee on Banking Supervision’s revised principles for sound management of operational risk issued in March 2021. For more information, please click [here](#).

On 29 July 2022, the SEHK published the conclusions to its consultation on the Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers. The modifications are mainly related to the role of the remuneration committee, vesting period for share rewards and options, and share schemes of subsidiaries. For more information, please click [here](#).

## Enforcement

On 5 July 2022, the Independent Commission Against Corruption (“ICAC”) charged Au Yeung Yu-huan and Cheng Tsz-sing, who are both former insurance agents of Chubb Life Insurance Company Limited, for conspiring with other people to make false representations of insurance policies with a total amount of over HK\$1.2m commissions and bonuses. For more information, please click [here](#).

On 12 July 2022, the ICAC charged Wong Chau-ying and Ho Hang-ching, both former insurance agents of FWD Life Insurance Company (Bermuda) Limited (“FWD”), and Bernice Yeung, a secretary, for conspiring to defraud FWD of commissions totalling around HK\$220k by making false representations that a number of insurance policies were handled by the two insurance agents which took place between December 2018 and June 2019. For more information, please click [here](#).

On 14 July 2022, the ICAC increased the jail sentence of Kevin So Kam-wai, a former legal clerk of now defunct K.L. Leung & Co., from 47 months to 75 months for defrauding Sky Credit Limited and Jafoon Finance Company, two licensed money lenders of mortgage loans totalling up to HK\$20m by using false instruments and for laundering part of the mortgage loan amount which happened in November 2014. For more information, please click [here](#).

On 14 July 2022, the HKEX issued a disciplinary action against 6 former directors of China Creative Global Holdings Limited for failing to respond to the enquiries from the Listing Division with regards to the delay of the Company’s publication of their financial statements, the winding up of its major subsidiary and the disposal of its People’s Republic of China subsidiaries. For more information, please click [here](#).

On 15 July 2022, the ICAC charged Leung King-kei and Yu Shing-yin, both former AIA International Limited (“AIA”) insurance agents, for deceiving AIA into releasing commissions and compensations totaling about HK\$700k by falsely representing the occupations and their incomes for nine insurance policy applicants and medical claims after the insurance policies were successfully taken out which took place between July 2016 and July 2018. For more information, please click [here](#).

On 18 July 2022, the SFC banned Mr. Lam Ki Fung, a former relevant individual of Standard Chartered Bank (Hong Kong) Limited (“SCB”), from re-entering the industry for 3 years, from 12 July 2022 to 11 July 2025 for conspiring to fraudulently obtain a quarterly incentive payment of HK\$4,520.00 from SCB between April and December 2017. For more information, please click [here](#).

On 18 July 2022, the HKEX issued a disciplinary action against Enterprise Development Holdings Limited for not conducting due diligence on the information provided by the appointed Executive Director and Ms. Mao Jun Jie, former executive Director of the Company for providing incorrect and misleading information about her work experience. For more information, please click [here](#).

On 20 July 2022, the SFC reprimanded RBC Investment Services (Asia) Limited (“RBC”) and was fined HK\$7.7m for failing to segregate client money as required under the Securities and Futures (Client Money) Rules on 86 occasions involving individual transaction amounts ranging from HK\$52m to HK\$146m. For more information, please click [here](#).

On 25 July 2022, the SFC reprimanded and fined Rifa Futures Limited HK\$9m for noncomplying with know-your-client, anti-money laundering and counter-terrorist financing and other regulatory requirements such as

conducting due diligence on client supplied systems between May 2016 and October 2018. For more information, please click [here](#).

On 28 July 2022, the SFC reprimanded and fined KTF Capital Management Limited (“KTFCM”) HK\$400k for failing to comply with Securities and Futures (Financial Resources) Rules. It is found that KTFCM failed to maintain its required liquid capital of approximately HK\$2.8m between 13 and 18 December 2018 and notify the SFC when it became aware of its inability to comply with the financial resource’s requirements. For more information, please click [here](#).

On 28 July 2022, the ICAC charged Jia Yueping, a former insurance agent of AXA China Region Insurance Company Limited, for using a false instrument to renew her insurance agent registration. The case is adjourned to September 9 for sentencing, pending the defendant’s probation and community service order reports. For more information, please click [here](#).

On 28 July 2022, the SFC in collaboration with HKMA investigated on Chan Ka Hey (“Chan”), former relevant individual of Standard Chartered Bank (Hong Kong) Limited. It was found that Chan was not fit and proper to be a regulated individual as he has been falsifying customer’s signature by copying them onto a direct debit authorisation forms when handling customer inquiries in setting up direct debit authorisation for insurance policies in July 2018. Deceiving his employing bank and the insurance company. For more information, please click [here](#).

## India



On 4 July 2022, the Securities and Exchange Board of India (“SEBI”) advised all Recognised Stock Exchanges including Commodity Derivatives Exchanges/Depositories to design and implement an online web-based complaints redressal system to help investors lodge and track complaints. For more information, please click [here](#).

On 5 July 2022, the SEBI announced it has partially modified paragraph-51 of Annexure A of original circular dated 8 September 2017 with regards to the framework for cyber security and cyber resilience for KYC registration agencies. For more information, please click [here](#).

On 6 July 2022, the SEBI announced it has partially modified paragraph-51 of Annexure A of original circular dated 8 September 2017 with regards to framework for cyber security and cyber resilience for all Qualified Registrars to an issue and Share Transfer Agents (“QRTAs”). Any breaches experienced by QRTAs must be reported within 6 hours of detecting incidents to the SEBI. For more information, please click [here](#).

On 8 July 2022, the SEBI released a consultation paper to solicit public comments on applicability of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) to Mutual Funds (“MF”) units. Changes include modifying certain definitions and adding defences available to insiders. For more information, please click [here](#).

On 18 July 2022, the SEBI announced to all the Market Infrastructure Institutions, Companies who have listed/are intending to list their securities, other intermediaries and persons who are dealing in the securities market, that the fees and other charges payable to SEBI shall be subject to GST at the rate of 18% with effect from July 18, 2022. For more information, please click [here](#).

On 20 July 2022, the SEBI announced that entities are allowed to use e-KYC Aadhar Authentication services of Unique Identification Authority of India (“UIDAI”) in securities market as sub-KYC user agency (“sub-KUA”) under section 11A of the Prevention of Money-laundering Act, 2002. For more information, please click [here](#).

On 21 July 2022, the SEBI released consultation paper on proposed regulatory framework for the online bond platforms that are selling listed debt securities for the public comments. For more information, please click [here](#).

On 22 July 2022, the SEBI released consultation paper on the framework for working of the platforms providing “execution only” services in direct plans of mutual funds for public comments. For more information, please click [here](#).

On 27 July 2022, the SEBI announced extension of the timeline for applicability of the clauses 9 and 13 of the original circular dated 6 April 2022 issued on guidelines in pursuance of amendment to SEBI KYC Registration Agency (“KRA”) Regulations, 2011. For more information, please click [here](#).

On 27 July 2022, the SEBI announced partial modification to the original circular dated 16 June 2021 and to ensure uniformity in settlement of running account of Client's Funds lying with Trading Member ("TM"). The settlement of running account of funds of the client shall be done by the TM after considering the End of the day obligation of funds as on the date of settlement across all the exchanges on first Friday of the quarter/month. For more information, please click [here](#).

On 28 July 2022, the SEBI announced applicability of clause 2(IV)(A) of the original circular dated 23 May 2022 on "Development of passive funds" shall be 1 November 2022 due to the feedback received from stakeholders expressing certain challenges with respect to implementation of the said clause. For more information, please click [here](#).

On 28 July 2022, the Reserve Bank of India ("RBI") issued a notification stating that no entity in the card transaction/payment chain, other than the card issuers and/or card networks, shall store Card-on-File ("CoF") data, and any such data stored previously shall be purged with effect from 1 October 2022. For more information, please click [here](#).

On 29 July 2022, the SEBI released single operational circular for listing obligations and disclosure requirements ("LODR") for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper for effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place. For more information, please click [here](#).

## Enforcement

On 4 July 2022, the RBI imposed a monetary penalty of ₹2 lakh on Nav Jeevan Co-operative Bank Ltd., Ulhasnagar for non-compliance with the directions issued by RBI on Exposure Norms and Statutory / Other Restrictions – UCBs, by sanctioning certain loans in breach of the ceiling on unsecured advances. For more information, please click [here](#).

On 4 July 2022, the RBI imposed a monetary penalty of ₹1 lakh on Balangir District Central Cooperative Bank Limited, Balangir, Odisha for non-compliance with directions issued on disposal of non-banking assets. For more information, please click [here](#).

On 4 July 2022, the RBI imposed a monetary penalty of ₹2 lakh on Dhakuria Cooperative Bank Limited, Kolkata, West Bengal for non-adherence with the directions issued by RBI on (i) 'Exposure Norms and Statutory/Other Restrictions – UCBs' and (ii) Know Your Customer ("KYC") Direction. For more information, please click [here](#).

On 4 July 2022, the RBI imposed a monetary penalty of ₹1.05 crore on Kotak Mahindra Bank Limited ("the bank") for contravention of the directions issued by RBI, to the extent the bank failed to (i) credit the eligible amount to the Depositor Education and Awareness Fund within the period prescribed, (ii) credit the amount involved in the unauthorised electronic transactions to the customers' account within 10 working days from the date of notification by the customer, in certain cases, and (iii) maintain/ apply margin on advances to stock broker. For more information, please click [here](#).

On 8 July 2022, the RBI imposed a monetary penalty of ₹70 lakh on Bank of India for non-compliance with the RBI KYC directions, 2016 to the extent the bank failed to allot Unique Customer Identification Code to a large number of customers and failed to complete the process even within extended timelines. For more information, please click [here](#).

On 8 July 2022, the RBI imposed a monetary penalty of ₹5.72 crore on Federal Bank Ltd. ("the bank") for non-compliance with the RBI ("Financial Services provided by Banks") directions, 2016 to the extent the bank failed to ensure that no incentive was paid to its staff engaged in insurance broking/corporate agency services by the insurance company. For more information, please click [here](#).

On 8 July 2022, the RBI imposed a monetary penalty of ₹7.6 lakh on Dhani Loans and Services Limited, Gurugram ("the company") for non-compliance with the RBI KYC directions, 2016 to the extent of the company's failure to ensure categorisation of customers based on risk assessment and risk perception. For more information, please click [here](#).

On 12 July 2022, the RBI imposed a monetary penalty of ₹1.68 crore approximately on Ola Financial Services Private Limited for non-compliance with certain provisions of the Master Directions on Prepaid Payment Instruments ("PPIs"), 2021 and KYC Directions, 2016. For more information, please click [here](#).

On 18 July 2022, the RBI imposed a monetary penalty of ₹6 lakh on Shri Chhatrapati Rajarshi Shahu Urban Co-operative Bank Limited, Beed, (“the bank”) non-compliance with the directions issued by RBI on Frauds – Classification and Reporting to the extent the bank had delayed in reporting of frauds to RBI. For more information, please click [here](#).

On 22 July 2022, the RBI imposed a monetary penalty of ₹57.75 lakh on Suryoday Small Finance Bank Ltd. (“the bank”) for non-compliance ‘RBI (“Frauds classification and reporting by commercial banks and select FIs”) directions, 2016’ to the extent the bank failed to (i) furnish FMR to RBI, with respect to certain cases of fraud, within three weeks of their date of detection, and (ii) refer to State Police authorities’ certain cases of fraud committed by its staff. For more information, please click [here](#).

On 25 July 2022, the RBI imposed a monetary penalty of ₹45 lakh on Dombivli Nagari Sahakari Bank Ltd., Dombivli for non-compliance with the directions issued by RBI on ‘Frauds monitoring and reporting mechanism’ and ‘Maintenance of Deposit Accounts’. For more information, please click [here](#).

On 25 July 2022, the RBI imposed a monetary penalty of ₹2 lakh on The United Puri-Nimapara Central Co-operative Bank Ltd., for contravention of/ non-compliance with the directions issued by RBI on KYC. For more information, please click [here](#).

On 25 July 2022, the RBI imposed a monetary penalty of ₹3 lakh on Jila Sahakari Kendriya Bank Maryadit, Rajnandgaon for non-compliance with the provisions of the Banking Regulation Act, 1949 (the Act) and RBI KYC Directions. For more information, please click [here](#).

On 28 July 2022, the RBI imposed a monetary penalty of ₹1 lakh on The Moirang Primary Co-operative Bank Ltd., Moirang for non-compliance with RBI KYC Directions, 2016. For more information, please click [here](#).

## Indonesia



On 11 July 2022, the Indonesia Digital Economy and Finance Festival (“FEKDI”) 2022 was officially opened by the Governor of Bank Indonesia and Coordinating Minister for Economic Affairs. FEKDI 2022 showcases innovative products and services, and digital economic and financial policy synergy to accelerate the national economic recovery, as well as innovative products and services, policy implementation, and several achievements in terms of ecosystem development for the digital economy and finance. For more information, please click [here](#).

On 12 July 2022, the Bank Indonesia (“BI”) Deputy Governor, Doni P. Joewono remarked at FEKDI 2022 that the emergence of crypto assets has further motivated central banks to explore the design and issuance of Central Bank Digital Currency. A regulatory framework is required to overcome the risks posed by crypto assets to overall economic and financial stability. For more information, please click [here](#).

On 15 July 2022, Bank Indonesia’s Governor Perry Warjiyo stated that economic sustainability is a priority agenda of Indonesia’s G20 Presidency in 2022, to be achieved through the optimisation of Islamic social finance, waqf, and greater support for green finance. Governor Warjiyo took the opportunity to convey the three key strategies to optimise Islamic social finance: 1) Islamic social finance plays a strategic role in terms of socio-economic amelioration, particularly the post-pandemic recovery; 2) the three main drivers of optimisation and strengthening the role of Islamic social finance and economic recovery are governance, innovation, and digitalisation; 3) Synergy and collaboration between domestic and international institutions are required to strengthen the capacity of nazhir/amil and accelerate waqf project initiatives. For more information, please click [here](#).

On 16 July 2022, BI and the Reserve Bank of India signed a Memorandum of Understanding to improve mutual cooperation between the two central banks. Both banks committed to deepen relationships between them and strengthen the exchange of information and cooperation in the area of central banking, including payment systems, digital innovation in payments services, and regulatory and supervisory framework for Anti-Money Laundering and Combating the Financing of Terrorism. For more information, please click [here](#).

On 28 July 2022, BI Deputy Governor, Aida S. Budiman, explained at the Sharia Economic Festival for Eastern Indonesia, that there are three salient strategies to accelerate development of the sharia economy and finance, amid the challenges posed by global uncertainty: 1) aligning development efforts for the sharia economy and finance to accelerate the development of the national economic recovery ; 2) institutional strengthening by

reinforcing the Halal Value Chain (HVC) end-to-end to produce high quality local products; and 3) utilising digital technology, to help increase inclusivity. For more information, please click [here](#).

## Enforcement

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

### Japan



On 1 July 2022, the Japan Securities Dealers Association (“JSDA”) released a list of pressing topics. Every year in July, JSDA releases critical topics for the year and some new key issues were introduced such as “supporting cyber security measures for securities firms”, “implementation of trainings to maintain market functionality” under the theme of market infrastructure and “international collaboration and cooperation along with the exchange of information on emerging market support and transition finance” with regards to the purview of international markets. Topics under market intermediaries include “deregulation of public offerings for the purpose of M&A financing” and “measures to reduce the number of mishaps in the securities market and to facilitate the confirmation and reporting of the mishap”. For more information, please click [here](#). (Japanese only)

On 8 July 2022, the FSA released an update of “reference cases” regarding the “Independent Agent Exemption” of fund managers with respect to the definition of “Investment Manager”. This regards the amendment of the Financial Instruments and Exchange Act which was established to create a new notification-based system regarding the investment management business pertaining to Special Businesses during a Transition Period. For more information, please click [here](#).

On 12 July 2022, the FSA released a “Report of the Technical Committee for ESG Evaluation and Data Providers”. The Technical Committee for ESG Evaluation and Data was established by the FSA in February 2022 and is chaired by Tetsuo Kitagawa. The report discusses the current situation with issues pertaining to ESG evaluation and data such as conflicts of interest and human resources. It also offers recommendations to ESG evaluators and data providers on further improvement of ESG evaluation and data quality. For more information, please click [here](#).

On 12 July 2022, the FSA released an invitation for Public Comments regarding “the Code of Conduct for ESG Evaluation and Data Providers”. Since February 2022, the Technical Committee for ESG Evaluation and Data Providers have discussed a wide range of issues pertaining to ESG evaluation and data. Per discussions with the Technical Committee, the FSA has compiled the attached Code of Conduct for ESG Evaluation and Data Providers and is seeking a wide range of opinions. The comment period is open until 5 September 2022. For more information, please click [here](#).

On 13 July 2022, the FSA released a Joint Statement from the Japan – US Finance Ministerial Meeting held on 12 July in Tokyo, Japan. The meeting was held in-person between the Minister of Finance and Minister of State for Financial Services, Japan, Suzuki Shunichi and the Secretary of the U.S. Treasury, Janet Yellen. Topics covered included the ongoing war between Russia and Ukraine, both countries’ support for Ukraine, the establishment of a Financial Intermediary Fund addressing funding gaps in pandemic prevention, and the commitment to achieve net-zero by 2050 and more. For more information, please click [here](#).

On 21 July 2022, the Financial Services Agency (“FSA”) introduced a report from the Financial Action Task Force (“FATF”) regarding the digital transformation in the area of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). The report touches on the Data Protection, Technology and Private Sector Information Sharing, and additionally talks about various systems used in jurisdictions such as the United Kingdom and Singapore to use information sharing tools to assist in AML/CFT. For more information, please click [here](#).

On 28 July 2022, the FSA released a Proposal under the Open Policy Lab Initiative regarding Diversity, Equity & Inclusion in the Financial Sector in Japan. The proposal touches on the reasons behind the gender gaps in Japan due to the lack of support from accelerator programs or gender biasness, and the solutions to these gender challenges such as eliminating gender imbalance through provision of a community for female CEOs, etc. For more information, please click [here](#).

## Enforcement

On 6 July 2022, the FSA released a surcharge payment order based on the results of an inspection of insider trading involving the shares of FamilyMart Co. The respondent was ordered to pay JPY 1.67 million by 6 September 2022. For more information, please click [here](#). (Japanese only)

On 15 July 2022, the FSA released administrative measures against ES-CON Asset Management for not acting appropriately in their duty by undermining the independence of real estate appraisers and for inappropriately selecting a real estate appraisal to benefit their parent company's real estate acquisition. The respondent was ordered to halt their business from 15 July 2022 to 14 October 2022, and to conduct improvement measures such as clarification of its management stance regarding its compliance with laws and regulations, formulate measures to prevent recurrence, and to report in writing to the FSA by 15 August 2022. For more information, please click [here](#). (Japanese only)

## Korea



On 6 July 2022, the Financial Services Commission (“FSC”) announced a series of measures to improve the interest rate disclosure system in the banking sector. These measures are designed to protect the rights of financial consumers and include the following: Improve disclosure of net interest spread (NIS) comparisons and disclosure of loan and deposit rates to provide consumers with accurate and adequate interest rate information; Reform the billing system to ensure reasonable and transparent billing, and strengthen the self-examination and internal control of billing in the banking industry; Pilot the intermediary business of online deposit products, strengthen the requirement to explain personal credit assessment to consumers, let banks disclose their performance in meeting consumers' interest rate cut demand, and promote interest rate competition among banks. For more information, please click [here](#).

On 13 July 2022, the FSC announced pre-emptive market stabilisation measures to help stabilise the corporate money market, as volatility in corporate bond and CP markets intensified due to the impact of recent market rate hikes, and some companies faced financing difficulties. The operations of the Korea Development Bank (“KDB”) and Korea Credit Guarantee Fund (“KODIT”)’s corporate bond and CP purchase program will be extended until March 2023, and the maximum purchase limit will be expanded to 6 trillion won. For more information, please click [here](#).

On 22 July 2022, the FSC and Financial Supervisory Service (“FSS”), together with major banks, financial industry associations and other relevant institutions, decided to set up a consulting agency to jointly promote the soft landing of the deferred repayment plan for small merchants and small and medium-sized enterprises, and held the first meeting. The authorities will work to prepare a tight-knit support system to support the soft landing of term extensions and deferred payment schemes through consultations of the body, closely linked to the financial sector stabilisation measures announced by the government on 14 July. For more information, please click [here](#).

On 28 Jul 2022, the FSC Chairman Kim Joo-hyun presided over a joint meeting with relevant institutions and announced measures to improve the stock short-selling system and strengthen the supervision and punishment of illegal short-selling. At the meeting, the participants agreed that investors are increasingly concerned about the use of short-selling for illegal transactions, and the supervision and punishment of illegal short-selling activities are ineffective, and investors' trust in the domestic stock market needs to be resolved. In this regard, relevant departments unanimously agreed to strengthen the supervision, investigation, and punishment of illegal short selling activities, promptly improve the short selling system, and put an end to illegal short selling. For more information, please click [here](#).

## Enforcement

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

## Malaysia



On 14 July 2022, the Audit Oversight Board (“AOB”) of the SC called upon auditors to improve the consistency of their audit quality. This call was prompted by findings in the AOB’s Annual Inspection Report for 2021 that was published on 14 July 2022. Key highlights in the report were that 24% of audit engagements inspected were imposed with specific remediation measures, and 5 out of 6 Major Audit Firms had a minimum of 1 engagement that required significant improvements. For more information, please click [here](#).

On 23 July 2022, Bursa Malaysia (“BM”) held its second virtual marketplace fair, which encourages members of the public to join and gain insight on the Malaysian stock market. BM hopes that more people will join in the future to increase their investment confidence and knowledge. For more information, please click [here](#).

On 24 to 28 July, the Asia/Pacific Group on Money Laundering (“APG”) concluded their annual hybrid event hosted in Kuala Lumpur. The APG adopted mutual evaluation follow-up reports and made important governance and

organisational decisions on the future of the APG. The president of the FATF attended the meeting and the APG reviewed the FATF's strategic direction and how it impacts the APG. For more information, please click [here](#).

On 28 July 2022, the Securities Commission Malaysia ("SC") concluded its Industry Dialogue 2022, which emphasised collaborative efforts between the SC and the market participants. The SC Chairman stressed the priorities of the SC and the importance of modernising and digitalising the entire value-chain within the capital market. For more information, please click [here](#).

On 29 July 2022, the BNM published its "Exposure Draft on Registration Procedures and Requirements on Professionalism of Adjusters" and invites written feedback from members of the public by 1 September 2022. For more information, please click [here](#).

## Enforcement

On 14 July 2022, the SC fined Amirruddin bin Nin RM2.25 million for failing to cooperate with an SC money laundering investigation over the course of 979 days from 2017 to 2020. The SC used this case to remind the public that non-compliance with SC's investigating officers are punishable offences. For more information, please click [here](#).

## Philippines



On 6 July 2022, a Memorandum of Understanding was signed between the Philippine Stock Exchange and the Bank of China (Hong Kong) Limited – Manila Branch to support bilateral investment and trade through capital market linkages between the Philippines and the People's Republic of China. For more information, please click [here](#).

## Enforcement

On 5 July 2022, the Securities and Exchange Commission ("SEC") ordered a revocation for Wellcons Unlimited Systems Inc., for continuing to offer investment services to the public without having the authority to solicit or accept investments from the public despite an SEC Cease and Desist Order being issued. For more information, please click [here](#).

On 18 July 2022, The Philippines Stock Exchange imposed sanctions against ABS-CBN Corporation for violating Article VII of the Consolidated Listing and Disclosure Rules due to ABS-CBN's failure to disclose material information. For more information, please click [here](#).

On 19 July 2022, the SEC made the Cease and Desist Order permanent issued against Pesokwento. The SEC issued the order against Pesokwento for employing prohibited, unfair and abusive debt collection practices. For more information, please click [here](#).

On 26 July 2022, the SEC dismissed the Petition for Calling of Meeting/ Election of Officer regarding Urban Deca Homes Tisa Condominium Corporation, filed with the SEC requesting assistance in the calling of a meeting and election of the officers for the alleged non-calling of its annual meeting and election of officers/ board of trustees. For more information, please click [here](#).

## Singapore



On 8 July 2022, the Monetary Authority of Singapore ("MAS") released a consultation paper to seek public opinions on the proposed exemption for an Approved Exchange on Recognised Market Operator that provides clearing and settlement services from regulation as clearing facilities. The deadline for submission is the 9<sup>th</sup> of September 2022. For more information, please click [here](#).

On 14 July 2022, the MAS announced that the Bilateral Currency Swap Arrangement (BCSA) with the People's Bank of China ("PBC") will be renewed for another 5 years until 2027. This arrangement allows both countries to liquidate currencies. For more information, please click [here](#).

On 26 July 2022, the MAS and Google Cloud launched the Point Carbon Zero Programme with an aim to jumpstart climate fintech solutions in Asia. The key features of the programme include mentorships, funding, and data access

to help hone the accuracy of participants' solutions in measuring sectoral and corporate-level carbon emissions, as well as help participants track and manage their own carbon footprints. For more information, please click [here](#).

On 29 July 2022, the MAS signed a Memorandum of Understanding (MOU) with the International Financial Services Centre Authority to strengthen the supervisory and compliance of cross-border operations of financial services in Singapore and India which include stock exchanges and technical cooperation. For more information, please click [here](#).

## Enforcement

On 8 July 2022, the MAS fined Mr. Go Choo Huat \$70,000 for purchasing foreign currency and/or remitting payments to third parties without holding a license under the Money-Changing and Remittance Businesses Act. For more information, please click [here](#).

## Taiwan



On 13 July 2022, the Financial Supervisory Commission, Taiwan ("FSC") co-signed a Memorandum of Understanding (MoU) for Fintech cooperation with the Israel Securities Authority ("ISA"). This MoU aims to provide a framework for cooperation and referrals in respect of Fintech, innovation and investments between both authorities, promoting Fintech development. For more information, please click [here](#).

## Enforcement

On 1 July 2022, the FSC fined Zheng Certified Public Accountant for obstructing the on-site inspections and failing to perform a customer identity verification procedure. For more information, please click [here](#).

On 5 July 2022, the FSC fined the Responsible Person of Clean Air Technology Limited NT\$240,000 for failing to complete and seal the financial statement for 2021 Q4 presented upon regulatory filing. For more information, please click [here](#).

On 13 July 2022, the FSC fined the Responsible Person of CONCRAFT HOLDING CO., LTD NT\$240,000 for loan and take back for more than 1 year, which is violation of Article 3(2) of the Regulations Governing Loaning of Funds for Making Endorsements/Guarantees by Public Companies. For more information, please click [here](#).

On 15 July 2022, the FSC fined the Responsible Person of GTIC Gold Refinery (S) Co.,Ltd, NT\$720,000 for failing to produce Q2 & Q4 2021, Q2 & Q4, 2020 financial statement. For more information, please click [here](#).

On 25 July 2022, the FSC sanctioned Horizon Securities for failing to implement control and verification mechanisms, price verification procedures and assessment mechanisms, and failing to confirm customer identity or the identification of actual beneficiaries, which is a violation of Securities Management-Related Laws and Regulations. A fine of NT\$480,000 was imposed in accordance with the violation. For more information, please click [here](#).

On 26 July 2022, the FSC fined the Responsible Person of Taiwan Land Development Corporation, NT\$480,000 for failing to produce the financial statements from 2021 and Q1 of 2022. For more information, please click [here](#).

## Thailand



On 6 July 2022, the Securities and Exchange Commission ("SEC") jointly created and launched with the UNDP Thailand, the Thailand SDC Investor Map (the "Map"). The Map aims to highlight investor sentiment and suggest supportable business models in order to balance the market opportunity in the financial industry. For more information, please click [here](#).

On 20 July 2022, the SEC sought public comments on proposed amendments to the regulations regarding IPO. The SEC further clarify the characteristics of a company to issue shares for sale to public and disclosure requirements of listed companies. For more information, please click [here](#).

## Enforcement

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

## Vietnam



On 4 July 2022, Governor Nguyen Thi Hong of the State Bank of Vietnam “SBV” exchanged the Memorandum of Understanding (MoU) signed between the State Bank of Vietnam and the UK National Crime Agency to strengthen cross-border anti-crime cooperation. For more information, please click [here](#).

On 5 July 2022, the State Bank of Vietnam (“BV”) launched Decision No. 1033/QD-NHNN approving the banking sector’s Action Plan to implement the Scheme on “Raising awareness, generalizing skills and developing human resources for the national digital transformation by 2025, with orientations to 2030”. For more information, please click [here](#).

On 6 July 2022, the SBV held a Virtual Conference and shared the proactive coordination and implementation of Decree No. 31/2022/ND-CP on 2% interest rate support for bank loans extended to enterprises, cooperatives, and household businesses. For more information, please click [here](#).

On 7 July 2022, the State Securities Commission (“SSC”)s collaborated with the British Embassy and Ernst&Young Vietnam to organise a workshop on strengthening information Disclosure of ESG for listed companies on Vietnam’s securities market within the framework of the ASEAN Low Carbon Energy Program. The workshop series is aimed to increase participants’ awareness and competence in sustainable finance and ESG discourse from a range of industry backgrounds. For more information, please click [here](#).

On 11 July 2022, Governor Nguyen Thi Hong of the SBV had a meeting with the Vice Chairman of the National Assembly of Laos, Mr. Sommad Pholsena. During the meeting, they discussed the results of the cooperation between the two countries’ central banks over the past time, in particular the experience of sharing monetary policy management strategies, inflation control, as well as other issues of mutual interest. For more information, please click [here](#).

On 20 July 2022, the SBV in cooperation with the Bank of Korea (“BoK”) and Korea University, held a Kick-off Seminar on the theme of “Strengthening the Capacity of Macroeconomic Analysis and Forecasting for Monetary Policy Implementation” under BoK Knowledge Partnership Program (BOK-KPP). The program has been assessed as being of the most effective and useful technical programs within the Vietnam banking sector. For more information, please click [here](#).

## Enforcement

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

## Suggestions

Please send any comments or suggestions or other information you would like included in the next issue to [newsletter@complianceasia.com](mailto:newsletter@complianceasia.com). In addition, if there are others in your organisation who you believe will benefit from this newsletter, please do let us know.

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