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Welcome to our Regulatory Newsletter for October 2022

Executive Summary

This Month in Hong Kong, the Securities and Futures Commission (“SFC”) reprimanded and fined Asia Research & Capital Management Limited (“ARCM”) HKD1.75 million due to failing to comply with the European Union’s short selling reporting requirements and for failing to promptly notify the SFC of such material regulatory breaches. The former Manager-in-Charge (“MIC”) of Compliance, Mr. Billy Wong Yim Chi, was also banned for a period of two months for failing to discharge his duties as an MIC.

Over in Japan, the Financial Services Agency (“FSA”) released an English version of the “Current Status and Challenges in Anti-Money Laundering (“AML”), Counter Financing of Terrorism (“CFT”), and Counter-Proliferation Financing (“CPF”)” report. The report outlines the FSA’s initiatives on AML/CFT/CPF, the risks that may impact financial institutions in Japan, and frequently asked questions about the guidelines on these topics.

Meanwhile in Australia, the Australian Securities and Investment Commission (“ASIC”) announced that they have issued their first fine for greenwashing infringements. Tlou Energy Limited (“Tlou”) were fined AUD\$53,280 over four infringement notices issued by ASIC over concerns raised about alleged false or misleading sustainability-related statements made to the Australian Securities Exchange (“ASX”). The notices were issued due to the fact that Tlou claimed in two ASX announcements that electricity produced by Tlou would be carbon neutral, Tlou had environmental approval and the capability to generate certain quantities of electricity from solar power, Tlou’s gas-to-power project would be low emissions and Tlou was equally concerned with producing ‘clean energy’ through the use of renewable sources as it was with developing its gas-to-power project.



Australia



On 14 October 2022, the Australian Securities and Investment Commission (“ASIC”) released their Annual Report 2021-22. Regulatory efficiency remains a priority for ASIC. A dedicated unit was established to coordinate work across ASIC on how law is administered from a functional perspective, to make it easier for business to get things done. The report includes the new requirements which have been implemented to the regulatory regime in the last year, the full report can be accessed [here](#). For more information, please click [here](#).

On 19 October 2022, ASIC released a report detailing its recent analysis of negative audit quality findings at the six largest audit firms, as well as better practice recommendations. The top root causes of negative audit quality findings, across the sample reviewed, was skill deficiency in individual auditors, followed by application of professional scepticism and auditor mindset. Audit firms are encouraged to consider potential underlying root causes more widely, including a focus on supervision and review and exploring further relevant remedial actions to improve audit quality. For more information, please click [here](#).

On 25 October 2022, ASIC released two reports detailing the standards of practice within wholesale financial markets. REP 741 outlines key conduct risks in fixed income markets, including misleading or deceptive conduct, insider trading and market manipulation. It also summarises ASIC’s observations of differences in the maturity of participants’ management of these risks. REP 742 reports on differing levels of sophistication in the management of conflicts of interest. Better practices involved proactive and systematic identification, mitigation, and management of conflicts of interest. Poorer practices were ad hoc, manual, and reflected a lack of prioritisation by participants. For more information, please click [here](#).

On 27 October 2022, ASIC published its insights from over 8000 reports made by financial services and credit licensees under the regime 1 October 2021 and 30 June 2022. The insights include: less licensees reported under the regime than expected; licensees are too slow to investigate breaches; more improvements are required in offering remediation to customers. This demonstrates how the industry is monitoring and responding to non-compliance, and that compliance with the regime itself requires greater regulatory attention. ASIC will continue to work with stakeholders to address issues that have arisen from the implementation of the regime by providing additional guidance where needed. For more information, please click [here](#).

Enforcement

On 4 October 2022, Mr. Craig Gore was fined AU\$ 2,000 by the Brisbane Magistrates Court for managing of a corporation whilst being disqualified. Between 2010 and 2014 Mr. Gore was found to be involved with the management of three entities whilst he was disqualified on account of his personal insolvency and bankruptcy status. For more information, please click [here](#).

On 6 October 2022, ASIC cancelled the AFS license of Mr. James B Cogan due to Mr. Cogan’s inactivity in conducting financial services. For more information, please click [here](#).

On 6 October 2022, ASIC cancelled the AFS license of CMH Financial Group Pty Ltd (CMH) due to CMH failing to maintain the required external dispute resolution membership of the Australian Financial Complaints Authority (“AFCA”). CMH still has the opportunity to appeal this decision. For more information, please click [here](#).

On 11 October 2022, ASIC banned Mr. Peter Gribble from controlling or acting as an officer of a financial services business for a period of three years. This measure was in response to Mr. Gribble’s failures to accept determinations by the AFCA whilst he was a director at two companies - AFS licensee Qsmart Securities Pty Ltd (Qsmart), and AFS licensee Quantum Funds Management Limited (Quantum). For more information, please click [here](#).

On 12 October 2022, ASIC permanently banned Mr. James Carlos Reynolds of Totem Wealth Pty Ltd (Totem) from providing financial services. Mr. Reynolds was found to not be fit and proper to offer financial services due to his conduct. Mr Reynolds lacked the honesty, integrity, professionalism and sound judgement expected of someone working in the financial services industry. For more information, please click [here](#).

On 17 October 2022, Ultiqa Lifestyle Promotions Ltd (Ultiqa) were ordered to pay AU\$900,000 penalty by the Federal Court. This fine came following an investigation which found Ultiqa to be delivering inappropriate investment advice to customers by encouraging them to invest in a company-run lifestyle scheme. For more information, please click [here](#).

On 17 October 2022, ASIC made interim stop orders which stopped Holon Investments Australia Limited (Holon) from distributing three crypto funds to retail investors. The orders came due to ASIC identifying that Holon had insufficient Target Market Determination (TMD) measures which increased the risk on potential investors. For more information, please click [here](#).

On 17 October 2022, Mr. Trevor William King was charged with 74 offences of creating falsified documents. Mr. King was previously the former operator of two credit brokerage firms, and during this period, he created falsified documents in order to support client loan applications. For more information, please click [here](#).

On 18 October 2022, the Federal Court issued Austal Limited (Austal) with a AU\$ 650,000 fine in response to the company failing to adhere to continuous disclosure laws. Austal's former CEO, David Singleton, was also fined AU\$ 50,000 for his involvement. For more information, please click [here](#).

On 21 October 2022, ASIC placed an interim stop order on Westlawn Financial Services Limited (Westlawn) on distributing their fund (Westlawn Income Fund) to retail investors due to a non-compliant Target Market Determinations (TMD). Financial product issuers are reminded that under DDO, they must define target markets for their products appropriately, having regard to the risks and features of their products. Issuers also need to consider how their products will reach the target market and have appropriate distribution conditions in place to ensure the product is directed towards the target market. For more information, please click [here](#).

On 25 October 2022, ASIC began legal action against BPS Financial Pty Ltd (BPS) for making false and deceptive statements in relation to a virtual asset. The digital token, *Qoin*, was promoted to be a liquid and cash-convertible asset when BPS knew this to be false. For more information, please click [here](#).

On 26 October 2022, the Federal Court issued a penalty fine of AU\$ 20 million to Commonwealth Securities Limited (CommSec) and another penalty fine of AU\$ 7.12 to Australian Investment Exchange Limited (AUSIEX) in relation to compliance failures. CommSec and AUSIEX contravened the Market Integrity Rules on multiple occasions. For more information, please click [here](#).

On 26 October 2022, ASIC disqualified Michael Higgs from managing corporations for 2 years as a result of his involvement in the failure of two companies. Mr. Higgs was found to have failed to meet his obligations as director and oversaw numerous legal breaches including missed tax obligations and insufficient record keeping. For more information, please click [here](#).

On 27 October 2022, ASIC fined Tlou Energy Limited (Tlou) AU\$ 53,280 for 'greenwashing' infringements. This is the first 'greenwashing' enforcement that ASIC has delivered against a listed company. For more information, please click [here](#).

Mainland China



On 14 October 2022, The China Banking and Insurance Regulatory Commission ("CBIRC") revised and promulgated the Rules on Corporate Group Finance Companies, (hereinafter referred to as the "Rules"), in order to further strengthen the supervision of the finance companies of corporate groups (hereinafter referred to as "finance companies") and guide them to operate steadily in compliance with the law and regulations. These shall come into force on November 13, 2022. The revision of the Rules is an important measure to implement the Central Government's decision to strengthen financial supervision, prevent and control financial risks for the further opening up of the economy. For more information, please click [here](#).

On 14 October 2022, The China Securities Regulatory Commission ("CSRC") agreed in principle to carry out the pilot project of the first order of in-kind stock distribution to investors by private equity venture capital funds. The CSRC will promote the orderly implementation of the in-kind distribution of PE and VCF, by having a timely summary evaluation of the pilot process, gradually expanding the scope of the pilot, and continuing to promote the improvement of the in-kind distribution of exit mechanisms of PE and CVF to support the economy, innovation and entrepreneurship. For more information, please click [here](#) (Chinese only).

On 21 October, The Shanghai Stock Exchange issued a notice to announce the updates made on the "Fund Business Guidelines of the Shanghai Stock Exchange No.1- Handling of the business (Revised in October 2022)", which came into effect from the date of issuance. The purpose of the guidelines is to standardise working procedures within development, insurance, listing and disclosure of investment fund information. The revised guidelines now include

separate definitions of the various types of Exchange Traded Funds (ETFs), which includes, stock exchange traded funds (ETFs), bond ETFs, cross-border ETFs and commodity ETFs. For more information, please click [here](#). (Chinese only)

Enforcement

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

Hong Kong



On 17 October 2022, the Hong Kong Mortgage Corporation Limited (“HKMC”) published its Social, Green and Sustainability Financing Framework (“SGS Framework”). The HKMC will use the SGS Framework as the basis to structure and issue social, green and sustainability bonds and asset-backed securities. For more information, please click [here](#).

On 19 October 2022, the Insurance Authority (“IA”) welcomed the announcement of the 2022 Policy Address by the Chief Executive and supported the measures therein to facilitate the development of Hong Kong’s insurance industry, strengthening its role as a global risk management centre and regional insurance and reinsurance hub. The IA is actively liaising with Mainland regulators and other relevant authorities on a number of market development initiatives. It will step up its promotional efforts to build a stable and vibrant ecosystem for insurance-linked securities. For more information, please click [here](#).

On 24 October 2022, the HKMA announced the official launch of Commercial Data Interchange (“CDI”), a key initiative under its “Fintech 2025” strategy to create a next-generation data infrastructure and form an ecosystem for secure and seamless data exchange in Hong Kong. With the launch of CDI, financial institutions could embrace more innovative applications to digitalise and streamline a wide range of financial processes, such as Know-Your-Customer (KYC), credit assessment, loan approval and risk management. To ensure that all CDI participants follow a common set of rules for proper, fair and secure exchange of commercial data, the HKMA also launched the CDI Framework detailing the governance model and structure. For more information, please click [here](#).

On 26 October 2022, the HKMA together with the Bank for International Settlements Innovation Hub Hong Kong Centre, the Bank of Thailand, the Digital Currency Institute of the People’s Bank of China and the Central Bank of the United Arab Emirates issued a report entitled “Project mBridge: Connecting economies through CBDC” to deliver the results and key lessons learnt of the pilot project. This represented the largest cross-border Central Bank Digital Currency (CBDC) pilot to date, and among the first multi-CBDC projects to settle real-value, cross-border transactions on behalf of corporates. The HKMA and project team will continue to work towards developing the mBridge platform into a Minimum Viable Product and ultimately a production-ready system. For more information, please click [here](#).

On 26 October 2022, the HKMA designated 9 authorised institutions as Primary Liquidity Providers (“PLPs”) for the offshore RMB market in Hong Kong after reviewing their performances over the past two years and that they are all active participants in the CNH market, and performing their PLP roles effectively. The HKMA will continue to provide each of the PLPs with a dedicated RMB repo facility of RMB2 billion to facilitate their liquidity management when they carry out market-making activities and provide liquidity in the CNH market. For more information, please click [here](#).

On 27 October 2022, the Bank for International Settlements published the results of the 2022 Triennial Survey of Foreign Exchange Derivatives Market Turnover. The results of the survey reaffirmed Hong Kong’s position as a major international financial centre. Hong Kong continued to be the fourth largest global foreign exchange market, the third largest over-the-counter (OTC) interest rate derivatives market and the top global offshore Renminbi business hub. For more information, please click [here](#).

On 28 October 2022, the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) welcomed the launch of Core Climate, the international carbon marketplace set up by HKEX. Core Climate will provide an effective and transparent trading method of voluntary carbon credits and instruments across Asia and beyond, to connect capital with climate-related products and opportunities. For more information, please click [here](#).

On 31 October 2022, the HKMA together with Invest Hong Kong organised the seventh edition of the city’s flagship fintech event, Hong Kong FinTech Week 2022. Participants from all over the world gathered to share insights, contribute innovative ideas and establish business connections. HKMA also announced new initiatives to further develop fintech in Hong Kong such as Green Bond Tokenisation, AML Regtech Labs, Cross-boundary fintech co-operation, and more. For more information, please click [here](#).

Enforcement

On 5 October 2022, the HKEX issued a disciplinary action against Good Resources Holdings Limited and its executive director and chairman for engaging in several market malpractices such as deposits with a value of RMB1 billion which were subject to the pledges. Mr. Chen was aware of the pledge contracts and loan agreements but failed to report these transactions to the Company. For more information, please click [here](#).

On 6 October 2022, the SFC obtained an order in the Court of First Instance against Mr. Wen Yibo, chairman and executive director of Sound Global Ltd. (“Sound Global”), to purchase shares held by the other stakeholders of the company at a price to be determined by the Court. He was found to have orchestrated a scheme to falsify the company’s bank balance and amend bank statements and balance confirmations. Additionally, Mr. Wen was ordered to pay SFC’s costs on an indemnity basis and has been disqualified for 12 years. For more information, please click [here](#).

On 12 October 2022, the SFC reprimanded and fined Asia Research & Capital Management Limited (“ARCM”) HKD1.75 million for failing to comply with the European Union’s short selling reporting requirements and to promptly notify the SFC of its material regulatory breaches. In addition, Mr. Billy Wong Yim Chi, ARCM’s former Head of Compliance and Operations and Manager-In-Charge for Compliance, was banned for two months from 10 October 2022 for failing to discharge his duties as ARCM’s MIC for Compliance. For more information, please click [here](#).

On 14 October 2022, the Eastern Magistrates’ Court convicted Mr. Danny Fung Kwong Shing, former account executive of Fulbright Securities Limited, for engaging in fraud or deception in transactions involving securities under the Securities and Futures Ordinance in a criminal prosecution brought by the SFC. Mr. Fung admitted during the hearing that he employed a fraudulent scheme to affect securities transactions in eight stocks between two client’s securities trading accounts under his control with no authorisation. For more information, please click [here](#).

On 24 October 2022, the HKEX issued a disciplinary action against Mr. Chen Jintian and Mr. Chen Jianhua, two former directors of Biosino Bio-technology and Science Incorporation for not responding in a timely manner with regards on the Listing Divisions enquiries related to repayment of certain loans granted to a subsidiary of the Company prior to the disposal of the subsidiary. For more information, please click [here](#).

On 25 October 2022, the ICAC charged Ma Zhonghong, a merchant, and his co-defendants Chim Pui-chung, substantial shareholder of Asia Resources Holdings Limited (“Asia Resources”), Ricky Chim Kim-lun, chairman of Asia Resources, and Wong Poe-lai for conspiring to defraud the company by concealing a backdoor listing agreement and dealing with crime proceeds of HKD42 million that took place between 1 July 2013 and 15 November 2015. For more information, please click [here](#).

On 27 October 2022, the Eastern Magistrates’ Court convicted Mr. Lau Chi Ho after he pleaded guilty to illegal short selling in prosecutions brought by the SFC. According to the investigation, Mr. Lau sold shares of two listed securities when he did not have any of those shares and later bought back the shares to cover his short-sold positions which happened on two occasions in June, 2019. For more information, please click [here](#).

On 28 October 2022, the SFC publicly criticised Gold Dragon Worldwide Asset Management Limited (“Gold Dragon”) for failing to disclose dealings in the shares of Shanghai Dongzheng Automotive Finance Co., Limited in contravention of the Code on Takeovers and Mergers. Between March 2021 and April 2022, Gold Dragon executed 53 trades in Shanghai Dongzheng’s H shares during an offer period and did not disclose any of the dealings as required by Rule 22 of the Takeovers Code. For more information, please click [here](#).

On 31 October 2022, the SFC banned Ms. Tang Shiyi, a former licensed representative of China Galaxy International Securities (Hong Kong) Co., Limited and China Galaxy International Futures (Hong Kong) Co., Limited (collectively, “CGI”) from re-entering the industry for 10 months, following the failure in obtaining CGI’s approval to open and maintain two securities trading accounts with an external brokerage firm and conducted 148 personal trades. In addition, she also violated CGI’s staff dealing policy by engaging in a stock on CGI’s restricted list. For more information, please click [here](#).

India



On 3 October 2022, the Securities and Exchange Board of India (“SEBI”) issued a circular regarding the extension of the timeline for entering the details of the existing outstanding non-convertible securities in the ‘Security and Covenant Monitoring’ system hosted by Depositories. For more information, please click [here](#).

On 6 October 2022, SEBI issued a circular stating the ‘Demat Debit and Pledge Instruction’ (DDPI) execution. The circular is for transferring securities, stock exchanges, and depositories towards settlement obligations and pledging of securities. For more information, please click [here](#).

On 10 October 2022, SEBI released a provision review regarding the Electronic Book Provider (EBP) platform. Changes include the modification of the book building process, introduction of the concept of ‘anchor investor’ as an option, to enable them to assess the demand and receive assurance from prospective investors towards subscription. The existing EBP framework like threshold limits for applicability, Bidding limits for arrangers, Penalty in case of default have also been modified. For more information, please click [here](#).

On 13 October 2022, SEBI issued a circular regarding the Suspension, Cancellation, or Surrender of the Registration Certificate of the Credit Rating Agency (CRA). This circular facilitates the orderly migration of credit ratings of listed non-convertible securities, securitized debt instruments, security receipts, municipal debt securities, commercial paper, and other regulated products. For more information, please click [here](#).

On 13 October 2022, SEBI issued a circular to stipulate every Social Stock Exchange (“SSE”) shall constitute a Social Stock Exchange Governing Council to have an oversight on its functioning, with composition and terms of reference as specified by the Board. For more information, please click [here](#).

On 19 October 2022, SEBI issued a circular to make a Request for Quote (RFQ) platform for trade execution and settlement of trades, which would enable sophisticated, multi-lateral negotiations to take place with straight – through - processing of clearing and settlement to complete a trade. For more information, please click [here](#).

On 27 October 2022, SEBI issued a circular stating a clarification of the blocking mechanism in the Demat account of clients undertaking sale transactions because of the representations received from Depositories and Custodians. For more information, please click [here](#).

On 28 October 2022, SEBI issued a circular for the reduction in denomination of debt securities and non-convertible redeemable preference shares from various market participants. The provisions of this circular shall be applicable to all issues of debt securities and non-convertible redeemable preference shares, on private placement basis, through new ISINs, on or after January 1, 2023. For more information, please click [here](#).

On 31 October 2022, SEBI issued a circular to standardise the rating scales used by Credit Rating Agencies (CRAs). Guidelines pertaining to Issuer Rating/ Corporate Credit Rating, Standard descriptors for Rating Watch & Rating Outlook, Ratings of Capital Protection Oriented Schemes, Applicability and Monitoring are issued with regard to rating scales used by CRAs. For more information, please click [here](#).

On 31 October 2022, SEBI issued a circular regarding the revision of specifications related to the International Securities Identification Number (ISIN), which is the measure taken to deepen and boost liquidity in the corporate bond market and trends observed in the market. For more information, please click [here](#).

Enforcement

On 3 October 2022, the Reserve Bank of India (“RBI”) imposed a monetary penalty of ₹20.00 lakh on Vasai Vikas Sahakari Bank Ltd., Vasai, Maharashtra for non-compliance with RBI directions on ‘Frauds monitoring and reporting mechanism’. The bank failed to adhere to specific directions issued by RBI under Supervisory Action Framework (“SAF”). For more information, please click [here](#).

On 3 October 2022, the RBI took legal action against Nagpur Nagarik Sahakari Bank Ltd for non-compliance with RBI ‘Placement of Deposits with other Banks by Primary Co-operative Banks’ directions. The penalty of ₹18.50 lakh has been imposed in the exercise of powers vested in RBI conferred for breaches of prudential inter-bank exposure limit, at both a counterparty as well as gross level. For more information, please click [here](#).

On 3 October 2022, the RBI imposed a fine of ₹28.00 lakh on Rajarambapu Sahakari Bank Ltd. Peth, Sangli for the failure of compliance on 'Customer Protection – in terms of 'Unauthorized Electronic Banking Transactions. The bank failed to provide a link for its customers to file complaints, with the option to report unauthorised electronic banking transactions. For more information, please click [here](#).

On 3 October 2022, the RBI imposed a fiscal penalty of ₹50,000 on The Lunawada Peoples Co-operative Bank Ltd., Mahisagar for violating policies against the 'Loans and advances to directors, relatives, and firms/concerns.' This penalty has been imposed since the bank sanctioned three loans to the relatives of its directors. For more information, please click [here](#).

On 10 October 2022, the RBI imposed a monetary penalty of ₹48.00 lakh on The Kerala State Co-operative Bank Ltd., Thiruvananthapuram for non-compliance with the provisions of and directions issued by RBI on 'Gold Loan - Bullet Repayment'. For more information, please click [here](#).

On 17 October 2022, the RBI imposed a monetary penalty of ₹6 lakh on The Pratap Co-operative Bank Ltd., Mumbai for failing to put in place a system for periodically updating KYC accounts and conducting periodic reviews of risk accounts. For more information, please click [here](#).

On 17 October 2022, the RBI imposed a monetary penalty of ₹2.00 lakh on The Co-operative Bank of Rajkot Ltd., Rajkot for contravention of the Banking Regulation Act as found during a statutory inspection in 2021. For more information, please click [here](#).

On 17 October 2022, the RBI imposed a monetary penalty following a statutory inspection on The Meghraj Nagarik Sahakari Bank Ltd in 2021 of ₹25,000 for contravention of directions issues by RBI on 'Loans and advances to directions.' For more information, please click [here](#).

On 31 October 2022, the RBI imposed a monetary penalty of ₹30.00 lakh on The Jammu and Kashmir State Co-operative Bank Limited, Srinagar, Jammu and Kashmir for not establishing sufficient compliance regulations to follow with policies regarding 'Income Recognition, Assets Classification, Provisioning, and Other Related Matters. For more information, please click [here](#).

On 31 October 2022, the RBI imposed a monetary penalty of ₹5.00 lakh on LIC Housing Finance Limited, Mumbai for non-compliance with certain provisions of "The Housing Finance Companies (NHB) Directions. For more information, please click [here](#).

On 31 October 2022, the RBI imposed a monetary penalty of ₹1,76,00,000 on Vakrangee Limited for non-compliance with certain provisions of the White Label ATM (WLA) directions. For more information, please click [here](#).

On 31 October 2022, the RBI imposed a monetary penalty of ₹2.00 lakh on The City Co-operative Bank Ltd., Mysore, Karnataka for non-adherence / violation of directions issued under Management of Advances-UCBs. For more information, please click [here](#).

On 31 October 2022, the RBI imposed a monetary penalty of ₹5.00 lakh on The Mysore Merchants Co-operative Bank Ltd., Mysore, Karnataka for non-adherence / violation of directions issued under Management of Advances-UCBs. For more information, please click [here](#).

Indonesia



On the 12 October 2022, Bank Indonesia ("BI") Governor Perry Warjiyo outlined three main issues in the development of any Central Bank Digital Currency (CBDC): 1) it must function as a sovereign public good that matches public needs, as well as the mandate and objectives of the central bank; 2) it must be able to help overcome financial inclusion barriers; and 3) it must have interconnectivity, interoperability, and integration with existing financial market infrastructure and payment systems, as well as the potential for cross-border payments. For more information, please click [here](#).

Enforcement

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

Japan



On 7 October 2022, the Financial Services Agency (“FSA”) released an English version of the “Current Status and Challenges in Anti-Money Laundering (“AML”), Counter Financing of Terrorism (“CFT”), and Counter-Proliferation Financing (“CPF”)” report. The report includes the FSA’s initiatives on AML/CFT/CPF, the risks that may impact financial institutions in Japan, and frequently asked questions about the guidelines on these topics. For more information, please click [here](#).

On 13 October 2022, the JSDA released a Fact Book outlining the current trends they are seeing in the securities market and industry in Japan this year. The Fact Book includes economic and market trends in the stock/bond market, a general overview of the securities industry and performance and statistical data in the industry. For more information, please click [here](#).

On 19 October 2022, the JSDA released survey results on the perceptions of individual investors on securities investments. The online survey was conducted nationwide in Japan on 5,000 securities investors above the age of 20. The results also include sentiments regarding stock investments, satisfaction levels towards the financial institutions, and awareness of ESG investments. For more information, please click [here](#). (Japanese only)

Enforcement

On 21 October 2022, the FSA released a surcharge payment order based on the results of an inspection of market manipulation against an employee of Kansai Mirai Financial Group. The respondent has been ordered to pay a surcharge of JPY 1.63M by 21 December 2022. For more information, please click [here \(Japanese\)](#).

On 21 October 2022, the FSA released a surcharge payment order based on the results of insider trading by an individual who received information from an employee of Kansai Mirai Financial Group, Inc. The respondent has been ordered to pay a surcharge of JPY 310,000 by 21 December 2022. For more information, please click [here \(Japanese\)](#).

On 21 October 2022, the FSA issued a surcharge payment order for market manipulation in relation to shares of Nippon Sheet Glass Co., Ltd against an individual. The respondent has been ordered to pay JPY 2.15M by 21 December 2022. For more information, please click [here \(Japanese\)](#).

On 21 October 2022, the FSA issued a recommendation for a surcharge payment order for the recommendation of transactions related to the implementation of a tender offer by an employee of Taisei Corporation. The respondent has been ordered to pay JPY 210,000 by 21 December 2022. For more information, please click [here \(Japanese\)](#).

Korea



On 5 October 2022, the Financial Services Commission (“FSC”) announced the launch of the New Start-Up Fund, a customised debt adjustment program for micro-enterprises and individual industrial and commercial households affected by the pandemic. At the launch ceremony, 19 financial industry groups and financial institutions signed a memorandum of understanding (MOU) for the new launch fund. From October 4, 76 on-site outlets across the country became available for applications for the New Start Fund. For more information, please click [here](#).

On 7 October 2022, the FSC prepared measures to rewrite accounting regulations to support SMEs to better comply with accounting and external audit regulations. The main measures include (a) exempting small listed companies (which assets are of less than KRW 100 billion) from external audit requirements for their internal accounting control systems, (b) launching and operating an accounting support centre for SMEs on the Korea Exchange (“KRX”), (c) narrowing the scope of large unlisted companies with the same accounting regulations as public companies, and (d) applying simplified auditing standards to unlisted smaller companies. For more information, please click [here](#).

On 26 October 2022, the FSC held a meeting with securities firms to explain the plan for implementing market stabilisation measures. The meeting examined the liquidity situation of securities firms and the money market. The authorities stated that as part of the market stabilisation measures announced at the earlier emergency meeting,

a liquidity support program would be provided to securities firms. The Korea Securities Finance Corporation (“KSFC”) offers more than 3 trillion won in liquidity support to securities firms taking effect immediately. From 27 October the Korea Development Bank will start buying more than 2 trillion won worth of commercial paper issued by securities firms. The implementation of these schemes, the authorities anticipate that securities firms in temporary liquidity shortages will be able to access liquidity depending on their circumstances. For more information, please click [here](#).

On 28 October 2022, the FSC and Financial Supervisory Service (“FSS”) held a supervisory meeting with the Consumer Loan Finance Association to examine the situation in the credit business sector with a focus on low-income groups. The financial authorities reviewed the status of credit availability to low-income groups in credit businesses, examined the borrowing of credit businesses and heard the views presented by the Consumer Loans Finance Association. For more information, please click [here](#).

Enforcement

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

Malaysia



On 18 October 2022, Securities Commission Malaysia (“SC”) announced that the SC signed the IOSCO Asia Pacific Regional Committee’s Multilateral Memorandum of Understanding for Supervisory Cooperation at the 17 October 2022 IOSCO Annual Meeting. The Supervisory MMoU seeks to establish a formal framework for cooperation between capital market regulators in the Asia Pacific. It sets out requirements for the lawful exchange of information and cooperation between regulators in the region. For more information, please click [here](#). For more information on the Supervisory MMoU, please click [here](#).

On 19 October 2022, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) published a public consultation paper on proposed amendments to the main market listing requirements of REITS and ETFs with Waqf features. Waqf is an Islamic endowment typically linked with social development and public good objectives. The amendments aim to enhance disclosure and reporting requirements to promote greater transparency. Such disclosures include immediate announcements of changes in Shariah advisors, disclosure of the name of waqf recipients, and distribution entitlements. For more information, please click [here](#).

Enforcement

On 4 October 2022, Bursa Malaysia publicly reprimanded, fined, and ordered to strike off 2 Dealer’s Representatives (DRs) for improperly using trade information to carry out front-running activities, using a client’s account to carry out a significant number of personal trades, and facilitating cross trades at inflated prices between the DR’s institutional clients and other client accounts. Bursa Malaysia reiterated that it will not hesitate to take appropriate actions against persons who compromise client protection and perform such misconduct. For more information, please click [here](#).

On 26 October 2022, the SC announced that it had revoked the Capital Market Services License of LT International Futures (M) Sdn Bhd for contravening its licence condition effective 22 September 2022. The company, which dealt in derivatives, had failed to comply with the minimum financial threshold for its adjusted net capital since May 2021 and arising from this, has been suspended by the SC since June 2021. For more information, please click [here](#).

Philippines



On 6 October 2022, the Securities and Exchange Commission (“SEC”) authorised the country’s first corporate debt vehicle under the corporate debt vehicle rules issued by the SEC in 2020. ATRAM Unitized Corporate Debt Vehicle, Inc. will operate as a closed-end investment company. For more information, please click [here](#).

On 13 October 2022, the Anti-Money Laundering Council (“AMLC”) promulgated rules and regulations for the implementation of the Expanded Anti-Trafficking in Persons Act of 2022. The rules focus on reporting suspicious activities and transactions as well as providing access to non-bank financial records. For more information, please click [here](#).

On 18 October 2022, the BSP's Monetary Board announced that it was expanding trust entities market access by allowing them to invest unit investment trust funds with minimal non-resident funds in BSP Securities. For more information, please click [here](#).

Enforcement

A media search did not find any enforcement for the Philippines during October.

Singapore



On 4 October 2022, the Monetary Authority of Singapore ("MAS") with McKinsey & Company and Convergence Blended Finance hosted the inaugural Transition Finance Towards Net Zero conference. The conference focused on the theme of scaling "blended finance" which involves the use of concessional and catalytic capital to draw in private capital at commercial rates for financing projects with sustainable outcomes. It featured applications of blended finance and saw the launch of a S\$5million Asia Climate Solutions Design Grant by MAS and Convergence Blended Finance. For more information, please click [here](#).

On 5 October 2022, the MAS launched its Sustainable Finance Advisory Panel ("SFAP"), which comprised senior multi-disciplinary sustainability experts to provide guidance on its strategies and initiatives. The SFAP will assist MAS in building a sustainable ecosystem in Singapore. It works towards its goal of advancing an orderly and inclusive transition in the region. For more information, please click [here](#).

On 5 October 2022, the MAS launched the ESG Impact Hub (the "Hub"). The Hub seeks to encourage co-location and collaboration between environment, social and governance ('ESG') FinTech start-ups and solution providers, financial institutions, and real economy stakeholders. For more information, please click [here](#).

On 7 October 2022, the MAS launched the National Strategy for Countering the Financing of Terrorism ("CFT"), providing a roadmap for the development of future action plans to combat terrorism financing ("TF"). The Strategy spells out a five-pronged strategy to prevent, detect, investigate, and enforce against TF. For more information, please click [here](#).

On 26 October 2022, the MAS released a consultation paper on the proposed regulatory approach for stablecoin-related activities. This paper sets out MAS' policy thinking regarding the overall regulatory approach on stablecoin-related issuance and intermediation activities and highlights the key requirements that will be imposed on such activities. Deadline for submission is on 21 December 2022. For more information, please click [here](#).

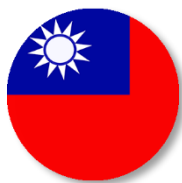
On 26 October 2022, the MAS released a consultation paper on the proposed regulatory measures for digital payment token services. It sets out proposed regulatory measures for licensees and exempt payment service providers that carry on a business of providing a digital payment token service under the Payment Services Act 2019. Deadline for submission is on 21 December 2022. For more information, please click [here](#).

On 28 October 2022, The Monetary Authority of Singapore's (MAS) Cyber Security Advisory Panel (CSAP), comprising cybersecurity experts from around the world, discussed actions to deal with new financial sector cyber risks. Suggestions included carrying out joint cyber exercises, strengthening the security of mobile devices, partnering cloud service providers on cyber risk management, building cyber security into DLT systems at the design stage, and preparing for a post-quantum computing landscape For more information, please click [here](#).

Enforcement

On 10 October 2022, the MAS issued a 10-year prohibition order to Mr. Raj Sriram, former Deputy CEO of Private Banking of BSI Bank Limited, prohibiting him from providing financial advisory services for failing to file suspicious transaction reports due to his negligence. The review was performed by MAS after the investigation and conditional warning to Mr. Sriram by the Singapore Police Force. For more information, please click [here](#).

Taiwan



A media search did not find any Regulatory Updates for Taiwan in October.

Enforcement

On 5 October 2022, the Financial Supervisory Commission sanctioned Masterlink Securities Co., Ltd. for failing to strictly control the account opening contracts of accounts that had not been completely opened and failing to follow the necessary procedures for handling customer complaints. For more information, please click [here](#).

Thailand



On 19 October 2022, the Securities and Exchange Commission (“SEC”) signed a Memorandum of Understanding with the Dubai Financial Services Authority to promote cooperation and open dialogue about technology-enabled financial innovations in the financial services sector, including FinTech and Regulatory Technology (RegTech). It provides a framework for ease of cooperation between the two authorities on matters pertaining to regulations and policies in financial services in both markets as well as emerging trends. For more information, please click [here](#).

Enforcement

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

Vietnam



On 6 October 2022, the SBV and the Asian Development Bank (“ADB”) held a workshop themed “The Role of Financial Institutions in Supporting Sustainable Development”. The difficulties in balancing capital and ensuring the ration between short-term capital for medium and long-term loans for banks was discussed, highlighting the importance of unlocking other capital resources other than bank credit channels to meet the demand of green growth. For more information, please click [here](#).

On 18 October 2022, the National Payment Corporation of Vietnam (Napas) organised a Launching Ceremony of the money transfer service between Mobile Money accounts and bank payment accounts. Mobile Money is being trialled on a pilot scale for 11 months and from August 2022, 2.2 million accounts had been made. For more information, please click [here](#).

Enforcement

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

Suggestions

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

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