

Asia Pacific Financial Services Regulatory Update

Q3 2024

October 2024

CENTRE *for*
**REGULATORY
STRATEGY**
ASIA PACIFIC

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Introduction

Dear clients and colleagues,

The Deloitte Asia Pacific Centre for Regulatory Strategy is pleased to share with you the key regulatory updates from the Asia Pacific (AP) region for Q3 2024. During this quarter, the Asia-Pacific region witnessed significant regulatory developments aimed at enhancing governance, managing risks, and maintaining financial stability.

Governance & Strategic/ Reputational Risk:

The Japan Financial Service Agency (JFSA) published a detailed report on financial product governance. The recommendations included expanding principles for arrangers and exploring the potential impact of shortening the stock settlement cycle. Discussions also revolved around the review of investment crowdfunding regulations and a reassessment of the "firewall regulation". In India, the Reserve Bank of India (RBI) issued a Master Direction focused on willful defaulters to provide clear guidelines on classifying and addressing deliberate defaults, signaling a robust stance against threats to financial integrity

Supervisory Approach:

The Australian Prudential Regulation Authority (APRA) released its Corporate Plan, outlining a strategic roadmap to uphold the stability and resilience of the country's financial institutions. The plan focuses on maintaining the strength of banks, insurers, and superannuation trustees, highlighting APRA's supervisory approach to ensure the soundness of the country's financial sector. Meanwhile, in Mainland China, the National Financial Regulatory Administration (NFRA) initiated a public consultation on Compliance Management Measures for Financial Institutions aimed at establishing a comprehensive compliance management regime for Chinese firms

Financial Risk:

New Zealand's Financial Markets Authority (FMA) sought public input on proposed changes to Derivative Issuer licenses, particularly regarding leverage and investor suitability. This move reflected efforts to improve regulatory conditions and investor protection within the derivative trading space, highlighting New Zealand's commitment to fostering a more secure and transparent financial market ecosystem. In the Philippines, the Bangko Sentral ng Pilipinas (BSP) reduced reserve requirement ratios for banks demonstrated a strategic manoeuvre to address financial system distortions and enhance liquidity conditions.

These efforts to strengthen governance practices, enhance supervisory approaches, and mitigate financial risks underscore a shared commitment to fostering stability and resilience within the financial sector. For queries or more information on these updates or other regulatory topics, please get in touch.

Best regards,
The ACRS Co-leads

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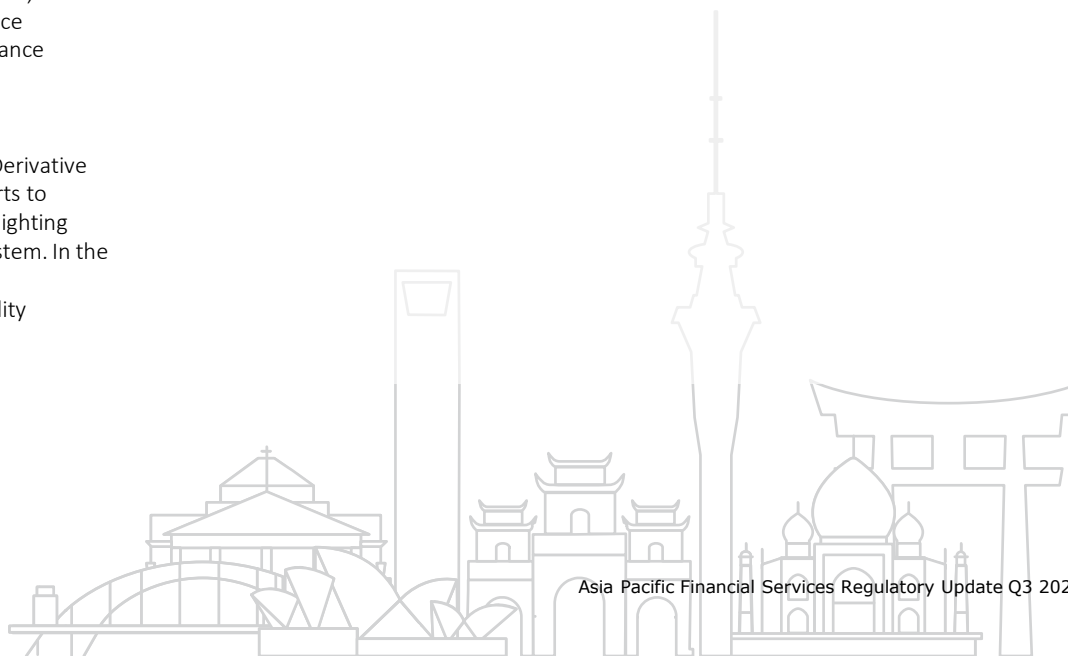
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Regulatory Hot Topics – Top six most talked about themes this quarter



Taxonomy

1. Governance & Strategic / Reputational Risk
2. Financial Risk
3. Operational Risk
4. Conduct Risk
5. Financial Crime
6. Consumer Protection
7. Data & Technology
8. Financial Products, Instruments & Services
9. Financial Market Infrastructure
10. Systemic / Currency Stability
11. Enforcement
12. Supervisory Approach
13. Climate & Sustainability

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Australia (1/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	ASIC APRA	APRA and ASIC issue final rules and information for the Financial Accountability Regime	<p>On 11 July 2024, the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC) jointly issued an information package to insurers and superannuation trustees to support preparations for the Financial Accountability Regime (FAR).</p> <p>FAR takes effect from 15 March 2025 for the insurance and superannuation industries and is already in effect for the banking industry. The regime aims to improve the risk governance cultures of entities, their directors, and senior executives by enforcing a strengthened responsibility and accountability framework. The release of these materials follows public consultation which concluded April 2024.</p> <p>The new information package includes:</p> <ul style="list-style-type: none"> • An amendment to the Regulator Rules, outlining information on key functions for inclusion in the FAR register of accountable persons; and • A joint letter from APRA and ASIC following the consultation process, detailing issues raised from industry and the regulators' response. <p>This information completes the existing package of FAR guidance materials, with further details on proposed industry engagements and timeframes available on APRA's website.</p> <p>APRA and ASIC issue final rules and information for the Financial Accountability Regime APRA</p> <p>ASIC and APRA issue final rules and information for the Financial Accountability Regime ASIC</p> <p>FAR implementation for insurance and superannuation entities APRA</p>	FAR effective on (Superannuation & Insurance): 15 March 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
2	APRA	<p>APRA finalises targeted changes to strengthen banks' liquidity and capital requirements</p> <p>APRA proposes update to bank capital framework to strengthen crisis preparedness</p>	<p>On 24 July 2024, APRA finalised reforms to banks' liquidity and capital requirements after consultation in November 2023. These changes were made in response to the United States and European banking crisis of early last year and are designed to strengthen the ability of banks to respond to future stress events.</p> <p>The measures include:</p> <ul style="list-style-type: none"> Banks subject to the Minimum Liquidity Holdings regime will be required to adjust the value of their liquid assets regularly for movements in market prices; and All banks must be operationally ready to provide certain key information regarding their financial position when requesting exceptional liquidity assistance from the Reserve Bank of Australia. <p>The final versions of the updated <i>Prudential Standard APS 210 Liquidity</i> and corresponding guidance are effective 1 July 2025.</p> <p>On 10 September 2024, APRA also released a discussion paper on proposed changes to the capital framework for banks. The proposed changes aim to simplify and improve the effectiveness of bank capital in a crisis by phasing out the use of AT1 capital instruments (hybrid bonds). These instruments will be replaced with cheaper and reliable forms of capital capable of absorbing losses more effectively in times of stress.</p> <p>APRA finalises targeted changes to strengthen banks' liquidity and capital requirements APRA</p> <p>Proposed changes to liquidity and capital requirements for authorised deposit-taking institutions APRA</p> <p>APRA proposes update to bank capital framework to strengthen crisis preparedness APRA</p>	Updated APS 210 effective on 1 July 2025
3	RBA Treasury	<p>RBA and Treasury Joint Paper on Central Bank Digital Currency and the Future of Digital Money in Australia</p> <p>Financial Innovation and the Future of CBDC in Australia</p>	<p>On 18 September 2024, the Reserve Bank of Australia (RBA) and Treasury jointly released a report outlining recent findings from its ongoing research on central bank digital currency (CBDC). The report concluded that there is currently no clear public interest for a retail CBDC, given that Australians are generally well served by the capabilities and resilience of the current retail payments system. However, the report outlines potential benefits for a CBDC to enhance the function of wholesale markets in Australia.</p> <p>In a speech delivered on 18 September 2024, RBA Assistant Governor Brad Jones announced that the RBA will launch Project Acacia next month with the aim of exploring improvements in efficiency, transparency, and resilience through tokenisation and new settlement infrastructure. The RBA has also committed to a 3-year applied research program on the future of digital money in Australia.</p> <p>The RBA and Treasury reiterated that legislative change would likely be required if a public policy case emerged in favour of issuing a retail CBDC.</p> <p>RBA and Treasury Joint Paper on Central Bank Digital Currency and the Future of Digital Money in Australia RBA</p> <p>Financial Innovation and the Future of CBDC in Australia RBA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	APRA	APRA finalises revised Interest Rate Risk in the Banking Book requirements	<p>On 8 July 2024, APRA issued the final revised <i>Prudential Standard APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book</i> (APS 117) following multiple industry consultations on reform in November 2022 and December 2023. In its response paper, APRA reaffirmed the requirement for all banks to manage their material risks, including Interest Rate Risk in the Banking Book (IRRBB), commensurate with the entity's nature, scale, and complexity.</p> <p>The finalised standard is expected to reduce volatility in the IRRBB capital charge compared to the existing framework, with the changes focussing on:</p> <ul style="list-style-type: none"> Addressing concerns about the treatment of embedded gains and losses; and Adjusting the observation period for the capital charge methodology. <p>APRA's announcement is accompanied by the final revised practice guide and relevant reporting standards. The revised APS 117 will be effective 1 October 2025.</p> <p>APRA finalises revised Interest Rate Risk in the Banking Book requirements APRA</p> <p>Interest Rate Risk in the Banking Book APRA</p>	Revised APS 117 effective on 1 October 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	ASIC APRA	<p>Super trustees urged to strengthen oversight of retirement strategy implementation</p> <p>APRA strengthens core prudential standard to support outcomes for members in super</p>	<p>On 2 July 2024, APRA and ASIC jointly urged superannuation trustees to strengthen their oversight of retirement strategies to improve member outcomes. This announcement follows a recent industry survey that highlighted significant gaps in the industry’s approach to financial advice. As well as a lack of urgency embracing the intent of the Retirement Income Covenant an obligation designed to ensure that trustees of superannuation funds consider the retirement income needs of their members.</p> <p>Key findings included:</p> <ul style="list-style-type: none"> • Only incremental progress had been made by trustees to measure retirement income strategies; and • Although many trustees are taking steps to better understand the retirement needs of their members, only 20% of planned improvements were expected to be completed by mid-2024. <p>Additionally, on 4 July 2024, APRA released an updated <i>Prudential Standard SPS 515 Strategic Planning and Member Outcomes</i> (SPS 515) and related guidance, with the intention of strengthening trustees’ obligation to act in the best financial interests of members.</p> <p>The revised standard and guidance set out the following:</p> <ul style="list-style-type: none"> • Design principles for a robust expenditure management framework; • Better practice for trustees to obtain a yearly attestation that reasonable steps are taken to meet the requirements in SPS 515; and • APRA’s view that this attestation should confirm controls are in place and operating effectively to prevent unjustified expenditure. <p>The updated SPS 515 will take effect from 1 July 2025.</p> <p>Super trustees urged to strengthen oversight of retirement strategy implementation APRA</p> <p>Industry update - Pulse check on retirement income covenant implementation APRA</p> <p>APRA strengthens core prudential standard to support outcomes for members in super APRA</p>	Updated SPS 515 effective on 1 July 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
6	ASIC	<p>ASIC continues action on misleading claims to deter greenwashing conduct</p> <p>ASIC urges businesses to prepare for mandatory climate reporting</p>	<p>On 23 August 2024, ASIC published a report detailing the regulator’s interventions on greenwashing misconduct over a 15-month period to 30 June 2024.</p> <p>Over the period, ASIC’s surveillance resulted in 47 regulatory interventions related to:</p> <ul style="list-style-type: none"> • Insufficient disclosure on the scope of ESG investment screens and methodologies; • Investments inconsistent with disclosed ESG investment screens and investment policies; and • Sustainability-related claims made without reasonable grounds or without sufficient detail. <p>The report also includes findings and recommendations from ASIC’s surveillance activities between 1 April 2023 and 30 June 2024.</p> <p>Additionally, on 18 September 2024, ASIC urged businesses and financial institutions to prepare for new mandatory climate reporting requirements. Commencing 1 January 2025, Australian organisations will be required to prepare annual sustainability reports containing mandatory climate-related financial disclosures.</p> <p>ASIC continues action on misleading claims to deter greenwashing misconduct ASIC</p> <p>REP 791 ASIC’s interventions on greenwashing misconduct: 2023–2024 ASIC</p> <p>ASIC urges businesses to prepare for mandatory climate reporting ASIC</p>	Mandatory climate reporting requirements effective on 1 January 2025
7	DISR	<p>People come first in Australia’s new AI Safety Standard</p>	<p>On 5 September 2024, the Department of Industry, Science and Resources (DISR) announced the introduction of the Voluntary AI Safety Standard to guide Australian businesses while developing, procuring, and deploying AI systems and services.</p> <p>The Standard includes 10 voluntary guardrails, which includes the implementation of risk management processes and performance testing for AI models as well as accountability, transparency, human oversight, and stakeholder engagement amongst others.</p> <p>These measures are aimed to help organisations:</p> <ul style="list-style-type: none"> • Protect people and communities from harms; • Avoid reputational and financial risks; • Increase trust and confidence in AI systems, services, and products; • Align with the legal needs and expectations of the Australian population; and • Operate more seamlessly in an international economy. <p>The Standard follows the Australian Government’s interim response to their consultation of Safe and Responsible AI used domestically, and follows similar actions taken by other jurisdictions.</p> <p>People come first in Australia's new AI Safety Standard DISR</p> <p>Voluntary AI Safety Standard DISR</p>	-

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8	ASIC	ASIC receives new powers under financial market infrastructure reforms	<p>On 19 September 2024, ASIC received new powers under the new Australian Financial Infrastructure (FMI) laws. The new powers, resulting from recently passed legislation, are designed to strengthen the existing regulatory regime while ensuring ASIC and the RBA have strong and reliable authority to monitor, manage and respond to risks related to FMIs.</p> <p>The new law significantly enhances ASIC’s regulatory toolkit, clarifies the scope of the Australian licensing regime for overseas markets and clearing and settlement (CS) facilities, and empowers ASIC to promote fair and effective provision of services through these facilities.</p> <p>ASIC receives new powers under financial market infrastructure reforms ASIC</p>	-
9	ASIC APRA RBA	<p>APRA outlines new priorities in 2024-25 Corporate Plan</p> <p>ASIC expands strategic priorities for the coming 12 months</p> <p>The Reserve Bank’s Corporate Plan 2024/25</p>	<p>On 28 August 2024, APRA published its 2024-25 Corporate Plan, outlining its key priorities to maintain the stability of Australia’s financial sector over the next four years. APRA aims to ensure the continued resilience of APRA-regulated entities, while also responding to new and heightened risks. Initiatives outlined in the Corporate Plan include strengthening bank capital and liquidity standards, increasing minimum standards for operational resilience, and raising industry standards on cyber risk management.</p> <p>On 22 August 2024, ASIC released its 2024-25 Corporate Plan, revealing its focus areas for the next twelve months. Australia’s public and private markets and emerging financial products will form a new pillar of ASIC’s expanded strategic priorities, emphasising a commitment to strengthening integrity across Australia’s markets. This is alongside existing priorities including, improving consumer outcomes, addressing financial system climate change risk, better retirement outcomes and member services, and advancing digital and data resilience and safety.</p> <p>On 30 August 2024, the Reserve Bank of Australia (RBA) published its 2024-25 Corporate Plan, detailing the RBA’s vision and priorities for the period from 2024/25 to 2027/28. The RBA aims to serve through forward-looking monetary policy decision-making, while maintaining the promotion of the public interest. The RBA’s strategic priorities include price stability and full employment; the stability of the financial system; and a secure, stable, and efficient payments system.</p> <p>APRA outlines new priorities in 2024-25 Corporate Plan APRA</p> <p>ASIC expands strategic priorities for coming 12 months ASIC</p> <p>Corporate Plan 2024/2025 RBA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
10	ASIC	ASIC calls on product issuers to review distribution practices for DDO compliance	<p>On 10 September 2024, ASIC released a report calling on product issuers to review existing practices to ensure compliance with Design and Distribution Obligations (DDO). This follows recent surveillance conducted by ASIC, which investigated whether organisations are taking reasonable steps to support the distribution of their products.</p> <p>ASIC’s review highlighted:</p> <ul style="list-style-type: none"> • Many issuers had limited due diligence arrangements to assess and monitor third party distributors; • Some issuers of high-risk products relied on broad search terms in online marketing; • Many issuers used poor quality consumer questionnaires, and • Only some issuers monitored consumer outcomes and product performance. <p>The report recommends issuers improve distribution practices regarding the selection and oversight of distributors, training staff, marketing materials, consumer questionnaires, and information and monitoring outcomes. In addition, ASIC released minor updates to <i>Regulatory Guide 274 Product Design and Distribution Obligations</i> to provide greater clarity on the appropriateness requirement for Target Market Determinations (TMDs). Product issuers will not be required to update their TMDs on account of these changes.</p> <p>ASIC calls on product issuers to review distribution practices for DDO compliance ASIC</p> <p>RG 274 Product design and distribution obligations ASIC</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	NFRA	NFRA releases Insurance Anti-Fraud Measures	<p>On 22 July 2024, the National Financial Regulatory Administration (NFRA) unveiled the Insurance Anti-Fraud Measures ("the Measures") to combat insurance fraud, enhance risk management, protect consumer rights, and foster high-quality industry growth.</p> <p>Effective from August 1, 2024, the new Measures will introduce a thorough anti-fraud system for the insurance industry focusing on regulation, institutional duties, industry defences, and collaborative work. This initiative aims to enhance fraud prevention and risk management across the sector. The rules, detailed in 6 chapters and 37 articles, assign clear roles for all stakeholders, require regular assessments of fraud management systems by the NFRA, and demand strong anti-fraud measures from insurance companies. The focus includes better management of fraud risks especially in policy-oriented insurance, roles of industry organisations, leveraging big data for anti-fraud efforts, and enhancing cooperation with law enforcement and other governmental bodies.</p> <p>NFRA releases Insurance Anti-Fraud Measures - NFRA</p>	Effective on August 1, 2024
2	NFRA	NFRA releases Insurance Asset Risk Classification Measures for public consultation	<p>On 2 August 2024, the NFRA published a draft revision of the Insurance Asset Risk Classification Measures ("Consultative Document") to solicit public opinion.</p> <p>The Consultative Document details several significant revisions aimed at improving the insurance industry's regulatory environment:</p> <ul style="list-style-type: none"> • Enhances regulatory framework by clarifying insurance companies' comprehensive risk management responsibilities; • Refines classification criteria for fixed-income assets to align with commercial banks, considering risk management status and collateral quality; • Introduces detailed standards for equity and real estate assets, requiring thorough risk assessment; • Optimizes asset classification process with refined roles for the board, senior management, and departments; and • Mandates internal and external audits for insurance companies to reinforce oversight. <p>NFRA releases Insurance Asset Risk Classification Measures for public consultation – NFRA</p>	Consultation ended on 2 September 2024

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3	NFRA	NFRA issues the Notice on Strengthening and Improving the Supervision of Internet Property Insurance Business	<p>On 9 August 2024, the NFRA issued the Notice on Strengthening and Improving the Supervision of Internet Property Insurance Business ("the Notice") aiming to regulate the internet property insurance sector, mitigate industry risks, protect consumer rights, and facilitate the digital and intelligent transformation of the property insurance industry.</p> <p>The Notice serves as a supplementary guide to the existing regulations on internet insurance business, aiming to strengthen compliance, risk management, and service quality in the industry. It tackles key issues in the internet property insurance market to foster its healthy progression. The document outlines the scope of internet property insurance, sets operating conditions, and defines the permissible range of insurable risks across different regions.</p> <p>It also establishes regulatory expectations for operational rules, risk management, internal controls, and service provisions. The Notice highlights the importance of robust risk control systems, strict oversight of service providers, and improved service standards for specific insurance products. Looking ahead, the NFRA is dedicated to continuously refining its regulatory approach to internet insurance, ensuring strict supervision and risk mitigation, while supporting the industry's transformation and enhancing the overall quality of insurance services offered through digital platforms.</p> <p>NFRA issues the Notice on Strengthening and Improving the Supervision of Internet Property Insurance Business - NFRA</p>	-
4	NFRA	NFRA consults public on the draft Compliance Management Measures for Financial Institutions	<p>On 16 August 2024, the NFRA initiated a public consultation on the draft Compliance Management Measures for Financial Institutions ("the draft Measures").</p> <p>The draft Measures, spanning sixty-five articles across five chapters, establish a robust compliance management framework:</p> <ul style="list-style-type: none"> • Chapter One, the General Provisions, outlines the legal foundation, applicability, principles, definitions, and regulatory bodies; • Chapter Two details compliance responsibilities, mandating the appointment of a Chief Compliance Officer at headquarters and Compliance Officers at provincial branches, defining their roles and the compliance department's functions. This structure ensures clear lines of responsibility, effective communication, and oversight; • Chapter Three focuses on safeguards, requiring financial institutions to staff compliance departments adequately with skilled professionals; • Chapter Four addresses supervision, detailing penalties for non-compliance, especially for directors, senior management, and compliance officers who neglect their duties; and • The final chapter, the Supplementary Provisions, specifies implementation timelines and transitional arrangements. <p>The NFRA will meticulously consider all comments received, refine the Measures accordingly, and release them at an appropriate time. The aim is to guide financial institutions in enhancing their compliance capabilities, ensuring that their operations and employee conduct remain firmly within the bounds of legality and regulatory compliance.</p> <p>NFRA consults public on the draft Compliance Management Measures for Financial Institutions - NFRA</p>	Consultation ended on 17 September 2024

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5	NFRA	NFRA consults public on the draft Interim Measures for the Supervision and Administration of Micro-Credit Companies	<p>On 23 August 2024, the NFRA released a draft of the Interim Measures for the Supervision and Administration of Micro-Credit Companies (“the draft Interim Measures”) for public consultation until 23 September 2024.</p> <p>The initiative seeks to regulate micro-credit companies by enhancing supervision and promoting their stable development. The draft Interim Measures propose strict rules for micro-credit operations, including caps on loan amounts, bans on illegal activities, and limitations on lending to unlicensed entities. It also outlines conditions for bond issuance and asset securitisation; strengthens corporate governance and risk management; and introduces specific requirements for online micro-credit companies. Consumer protection is emphasized with disclosure and marketing guidelines, and a whitelist system is proposed for partner institution collaboration.</p> <p>The measures grant provincial agencies the power to revoke licenses of non-compliant companies and define local regulatory powers. After public consultation, the NFRA will refine the Interim Measures before implementing them.</p> <p>NFRA consults public on the draft Interim Measures for the Supervision and Administration of Micro-Credit Companies - NFRA</p>	Consultation ended on 23 September 2024
6	NFRA	NFRA issues directive titled Notice on Strengthening the Management of Mobile Internet Applications in the Banking and Insurance Industries	<p>On 14 September 2024, the NFRA issued a directive titled Notice on Strengthening the Management of Mobile Internet Applications in the Banking and Insurance Industries (“the Notice”).</p> <p>This directive aims to enhance information technology supervision in the banking and insurance sectors, guiding financial institutions, including banks, insurers, and financial holding companies, in the orderly and standardised development of mobile internet applications (mobile apps). The overarching goal is to elevate the quality of financial services provided to the public.</p> <p>The Notice outlines 18 specific requirements across four main areas:</p> <ul style="list-style-type: none"> • Firstly, it calls for enhanced overall management, requiring financial institutions to designate a lead department for mobile app management, maintain an inventory of mobile apps, establish entry and exit mechanisms, and control the number of apps; • Secondly, it advocates for full lifecycle management, stipulating standardised procedures for demand analysis, design, development, testing, release, and monitoring of mobile apps, with a focus on compatibility and adaptability; • Thirdly, it underscores the importance of risk management, obliging financial institutions to comply with regulatory requirements regarding app registration, cybersecurity, data protection, outsourcing, business continuity, and personal information protection; and • Lastly, it reinforces supervision, instructing all levels of the NFRA to intensify oversight of mobile app management. <p>NFRA issues directive titled Notice on Strengthening the Management of Mobile Internet Applications in the Banking and Insurance Industries - NFRA</p>	-

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7	PBoC	The PBoC unveils new regulations for non-bank payment institutions	<p>On 1 July 2024, the People's Bank of China (PBOC) promulgated the Regulatory Rules for the Supervision and Administration of Non-Bank Payment Institutions ("the Rules"), which took immediate effect.</p> <p>The Rules, comprising six chapters and seventy-seven articles, encompass a comprehensive framework including general provisions, establishment, change, and termination, payment business rules, supervision and management, legal liabilities, and supplementary provisions. Their primary objective is to refine the existing regulations, providing a robust institutional foundation for the healthy development of payment institutions.</p> <p>Key highlights include:</p> <ul style="list-style-type: none"> • Clarification of Administrative Licensing Requirements: The Rules detail the application materials, licensing conditions, and approval procedures for the establishment, change, and termination of payment institutions, in line with the administrative licensing matters outlined in the Regulations. This enhances regulatory transparency and optimises the business environment; • Refinement of Payment Business Rules: The Rules specify the classification of payment services and the relationship between new and existing business licences, ensuring a smooth transition. They also mandate user rights protection mechanisms and requirements for adjusting service fees, safeguarding users' rights to information and choice; • Enhanced Supervisory Responsibilities and Legal Liabilities: The Rules outline the procedures for reporting significant matters and risk events, as well as for conducting enforcement inspections. They reinforce the management of payment institution equity, preventing circumvention of regulations by non-major shareholders or beneficial owners through concerted action arrangements. The Rules also detail the enforcement powers of the PBOC to deal with non-compliant entities; and • Transition Period Arrangements: Existing payment institutions are required to meet the establishment conditions and the ratio of net assets to average daily reserve fund balance before the end of the transition period. The transition period extends from the implementation date of the Rules to the expiry date of the payment business licence, with a minimum of twelve months. <p>The PBoC unveils new regulations for non-bank payment institutions – PBoC</p>	Effective on 1 July 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	HKMA / SFC	The HKMA and the SFC welcome the PBoC's new measure on Northbound Swap Connect margin collateral arrangement	<p>On 9 July 2024, the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) have expressed their support for a new measure by the PBoC that allows offshore investors to use Mainland Chinese government and policy bank bonds held through Northbound Bond Connect as margin collateral for Northbound Swap Connect transactions.</p> <p>This initiative aims to offer investors an alternative to cash collateral, reducing liquidity costs and enhancing capital efficiency. It is expected to activate offshore investors' bond holdings and increase the appeal of onshore bonds. The move also seeks to foster synergy between Bond Connect and Swap Connect, boosting participation in these schemes. Following the expansion of eligible collateral for the HKMA's RMB Liquidity Facility, this new arrangement marks another step in financial collaboration between Hong Kong and the mainland, supporting the internationalisation of the renminbi.</p> <p>The HKMA and SFC are working on the groundwork for implementation, including establishing rules for collateral provision and bond transfers, with further details to be announced later.</p> <p>The HKMA and the SFC welcome the PBoC's new measure on Northbound Swap Connect margin collateral arrangement - HKMA</p>	-
2	FSTB / HKMA	Consultation conclusions for legislative proposal to implement regulatory regime for stablecoin issuers in Hong Kong released	<p>On 17 July 2024, the Financial Services and the Treasury Bureau (FSTB) and the HKMA published the consultation conclusions on the proposed regulatory regime for fiat-referenced stablecoin (FRS) issuers in Hong Kong.</p> <p>108 submissions were received during the consultation process, the majority of which supported the introduction of a regulatory framework to manage risks and ensure transparency. The Secretary for Financial Services and the Treasury, Christopher Hui, and the HKMA's Chief Executive, Eddie Yue, emphasised the importance of this regime in aligning with international standards and mitigating financial stability risks. The FSTB and HKMA will consider the feedback to finalise the proposal and aim to introduce a bill to the Legislative Council soon.</p> <p>The consultation conclusions are accessible on their respective websites, and the HKMA is also reviewing applications for a stablecoin issuer sandbox, with participant announcements pending.</p> <p>Consultation conclusions for legislative proposal to implement regulatory regime for stablecoin issuers in Hong Kong released - HKMA</p>	-
3	HKMA	Consultation Conclusions on Review of Three-Tier Banking System	<p>On 5 August 2024, the HKMA released its findings from a public consultation on revising the three-tier banking system, proposing a shift to a two-tier system.</p> <p>The consultation, which began on 26 June 2023, suggested merging deposit-taking companies (DTCs) into restricted licence banks (RLBs) over a five-year transition, maintaining RLB capital and deposit size requirements. Receiving seven submissions and general support from the industry, the HKMA adjusted the proposal to ease the transition for DTCs and their customers. Key adjustments include allowing DTCs to automatically convert to RLB status if they meet capital requirements and letting converted RLBs maintain existing deposits under certain conditions.</p> <p>Consultation Conclusions on Review of Three-Tier Banking System - HKMA</p>	-

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4	HKMA	HKMA and Cyberport Launch GenA.I. Sandbox to Bolster A.I. Adoption in Financial Sector	<p>On 13 August 2024, the HKMA, along with the Hong Kong Cyberport Management Company Limited, introduced the new Generative Artificial Intelligence (GenA.I.) Sandbox at FINETech2.</p> <p>This event, a follow-up to the successful inaugural FINETech in April 2024, focused on the role of AI in finance and gathered over 300 professionals from various sectors. The GenA.I. Sandbox aims to facilitate responsible innovation in AI within the banking industry by offering a platform for piloting AI use cases with risk management and supervisory support. HKMA's CEO, Eddie Yue, emphasised its importance for enhancing risk management and customer experience. The HKMA is dedicated to capacity building in AI and plans to host more FINETech events focusing on Greentech and Distributed Ledger Technology to promote fintech adoption.</p> <p>HKMA and Cyberport Launch GenA.I. Sandbox to Bolster A.I. Adoption in Financial Sector - HKMA</p>	-
5	HKMA HKAB	HKMA and HKAB set up joint Taskforce on SME Lending	<p>On 23 August 2024, Eddie Yue, CEO of the HKMA, and CEOs of three chairman banks of the HKAB addressed the media regarding SME lending and property mortgage lending.</p> <p>They discussed the support provided to SMEs post-COVID, with around 14,000 SMEs benefiting from recently launched measures worth over HK\$31 billion. The banks reaffirmed their commitment to SME financing and credit standards. A joint Taskforce on SME Lending will be established to address difficulties in obtaining bank financing and to improve communication between the HKMA, banks, and businesses.</p> <p>The HKMA will monitor banks' SME support strategies and work on improving transparency and efficiency in residential mortgage lending approvals.</p> <p>HKMA and HKAB set up joint Taskforce on SME Lending - HKMA</p>	-
6	HKMA SFC	HKMA launches Project Ensemble Sandbox to accelerate adoption of tokenisation	<p>On 28 August 2024, the HKMA launched the Project Ensemble Sandbox, a platform for experimenting with tokenised asset transactions and interbank settlements.</p> <p>The initial focus includes four themes:</p> <ul style="list-style-type: none"> • Fixed income and investment funds; • Liquidity management; • Green and sustainable finance; and • Trade and supply chain finance. <p>The HKMA aims to strengthen Hong Kong's position as a financial hub and is working with the SFC to develop a regulatory framework for tokenised assets. The SFC will also co-lead tokenisation initiatives for the asset management industry. Additionally, the HKMA plans to collaborate internationally to advance the Sandbox. Both the HKMA's CEO Eddie Yue and the SFC's CEO Julia Leung highlighted the importance of innovation and regulation working together to shape Hong Kong's financial future.</p> <p>HKMA launches Project Ensemble Sandbox to accelerate adoption of tokenisation - HKMA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	SFC	SFC to launch new online application and submission system for investment products	<p>On 29 July 2024, SFC introduced e-IP, a new online application and submission system for investment products.</p> <p>Built on the WINGS portal, e-IP offers a comprehensive platform for users to manage product applications, track progress, update profiles, and pay fees. The system launch will include a three-month parallel run with existing channels to aid market participants' transition. Prior to the launch, a briefing session was conducted, and resources such as user guides and demo clips was provided. e-IP aims to facilitate digital processing and improve efficiency in handling investment product applications for both applicants and the SFC.</p> <p>SFC to launch new online application and submission system for investment products - SFC</p>	-
8	SFC	SFC consults on proposals to abolish mixed media offers	<p>On 16 August 2024, the SFC initiated a two-month consultation on proposals to eliminate mixed media offers (MMOs) to move towards a completely electronic public offering process and improve regulatory efficiency in Hong Kong.</p> <p>The SFC proposes amending legislation to remove the exemption that allows MMOs, thereby ending the practice of issuing printed application forms with electronic prospectuses for securities listed on The Stock Exchange of Hong Kong Limited (SEHK). The SFC also plans to stop granting waivers for MMOs in public offerings of collective investment schemes. According to SFC's Julia Leung, this proposal supports ongoing efforts to digitise the listing process, benefitting issuers and investors alike and ensuring Hong Kong's IPO process remains streamlined and effective.</p> <p>SFC consults on proposals to abolish mixed media offers - SFC</p>	Deadline for public comments was 18 October 2024
9	SFC HKEX	Modifications to requirements for specialist technology companies and de-SPAC transactions	<p>On 23 August 2024, the SFC and SEHK have jointly announced temporary changes to the Listing Rules and updated guidance materials, effective from 1 September 2024.</p> <p>These changes concern the minimum initial market capitalisation for specialist technology companies and the independent third-party investment requirements for special purpose acquisition companies (SPAC) de-SPAC transactions (the process where a private company goes public by merging with a SPAC). The modifications aim to adapt to evolving market conditions and reflect the Exchange's experience with listings and transactions under these regimes.</p> <p>Joint announcement of the SFC and the Exchange in relation to modifications to requirements for specialist technology companies and de-SPAC transactions - SFC</p>	
10	SFC CSRC	SFC announces arrangements to facilitate distribution of research reports of eligible ETFs under Stock Connect	<p>On 9 September 2024, the SFC outlined the conditions for intermediaries to distribute research reports on eligible Mainland exchange-traded funds (ETFs) under the Stock Connect scheme in Hong Kong.</p> <p>Following the successful inclusion of ETFs in Stock Connect in July 2022 and its subsequent expansion in July 2024, the CSRC has allowed Mainland securities companies to forward research reports on eligible Hong Kong ETFs under Stock Connect. In response, the SFC has issued a circular detailing the requirements for distributing research reports on eligible Mainland ETFs in Hong Kong.</p> <p>SFC announces arrangements to facilitate distribution of research reports of eligible ETFs under Stock Connect - SFC</p> <p>Circular to intermediaries - Distribution of research reports of eligible Mainland ETFs under Stock Connect - SFC</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
11	HKMA	HKMA commences Phase 2 of e-HKD Pilot Programme and expands Project e-HKD to explore new forms of digital money	<p>On 23 September 2024, the HKMA announced the launch of Phase 2 of the e-HKD Pilot Programme, now called Project e-HKD+, to investigate broader applications of digital currencies like e-HKD and tokenised deposits.</p> <p>Eleven groups of companies will test use cases under three themes: tokenised asset settlements, programmability, and offline payments. This phase aims to understand challenges in creating a digital money ecosystem and will help prepare for a potential future e-HKD issuance. An e-HKD Industry Forum will be set up for collaboration, alongside an e-HKD sandbox for development and testing.</p> <p>Results are expected to be shared by the end of 2025.</p> <p>HKMA commences Phase 2 of e-HKD Pilot Programme and expands Project e-HKD to explore new forms of digital money - HKMA</p>	Results of Pilot Programme made public by end of 2025
12	HKMA	Generative Artificial Intelligence in the Financial Services Space	<p>On 27 September 2024, the HKMA released a report titled <i>Generative Artificial Intelligence in the Financial Services Space</i>.</p> <p>The report examines the impact of GenA.I. on the financial industry, focusing on its potential to enhance operational efficiency, risk management, and customer engagement. In line with the "All banks go Fintech" initiative under the HKMA's "Fintech 2025" strategy, it discusses the promotion of Fintech, particularly AI, across the financial sector.</p> <p>The document shares findings from interviews about the adoption of GenA.I., its applications, and challenges, while also addressing risk management issues such as data privacy, cybersecurity, and algorithmic bias. It concludes with recommendations for governance and deployment strategies to foster responsible innovation.</p> <p>Generative Artificial Intelligence in the Financial Services Space - HKMA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	SEBI	Information to be filed by schemes of AIFs availing dissolution period/additional liquidation period and conditions for in-specie distribution of assets of AIFs	<p>On 9 July 2024, the Securities and Exchange Board of India (SEBI) issued a circular detailing new Alternative Investment Funds (AIF) norms.</p> <p>These include requirements for AIFs approaching dissolution to file an information memorandum with SEBI, along with a due diligence certificate. AIFs seeking additional liquidation time must follow a specified format.</p> <p>In-specie distributions of unliquidated investments require 75% investor approval by value. Managers, trustees, and key management personnel of AIFs are responsible for ensuring compliance with these new provisions.</p> <p>Information to be filed by schemes of AIFs availing dissolution period/additional liquidation period and conditions for in-specie distribution of assets of AIFs – SEBI</p>	Effective on 9 September 2024
2	SEBI	SEBI issues SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024	<p>On 8 July 2024, SEBI amended the <i>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</i>, through the <i>SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024</i>.</p> <p>The amendment introduces a new provision that allows listed entities to publish a window advertisement in newspapers featuring a Quick Response Code and a link to their financial results on their website and stock exchange(s). This is conditional upon obtaining prior approval from the debenture trustee for existing non-convertible securities and for new issuances, either disclosing the practice in the offer document or securing the trustee's approval.</p> <p>SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024 - SEBI</p>	Effective on 7 August 2024
3	SEBI	SEBI issues Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2024	<p>On 11 July 2024, SEBI issued the <i>Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2024</i>, amending the <i>Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012</i>.</p> <p>The amendment adds a new Chapter (III-D) concerning Migrated Venture Capital Funds, which allows older venture capitalists to move to the updated AIF framework, establishes investment restrictions and eligibility criteria. It offers flexibility in tenure extensions and liquidation periods, provides guidelines for fund management, risk management, and investor protection, and imposes a 3-year listing restriction on units of migrated funds.</p> <p>This notification is applicable to entities registered as Venture Capital Funds under the <i>Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996</i>.</p> <p>Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2024 - SEBI</p>	Effective on 11 July 2024

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4	RBI	RBI issues Master Direction on Treatment of Wilful Defaulters and Large Defaulters	<p>On 30 July 2024, the Reserve Bank of India (RBI) issued a Master Direction on the treatment of wilful defaulters, aiming to establish comprehensive guidelines and preserve the financial system's integrity. The directive outlines procedures for classifying wilful defaulters and the consequences for deliberate defaults.</p> <p>Key aspects include:</p> <ul style="list-style-type: none"> Regulated Entities (REs) must identify and classify individuals/companies as wilful defaulters based on specific criteria, such as intentional default on loans of ₹25 lakh or more; Classification as a wilful defaulter requires proof of certain actions after a right to be heard, including failure to pay despite capacity, diversion of funds, disposal of secured assets, or failure to infuse equity; REs must adopt a Board Approved Policy for identifying and reviewing default cases, with decisions made by a Review Committee; Stringent measures against wilful defaulters include potential criminal action, public disclosure, debarment from institutional finance, and disqualification from loan restructuring; Internal auditors and audit committees must monitor adherence to the classification process and prevent recurrence; Involvement of statutory auditors in defaults must be reported to the National Financial Reporting Authority (NFRA)/ Institute of Chartered Accountants of India (ICAI) and the RBI/ Indian Banks Association (IBA); Timely reporting to Credit Information Companies (CICs) is mandatory; Thorough investigations into wilful default are required before transferring loans of ₹25 lakh or more; and Post-resolution, removal of names from the List of Wilful Defaulters is necessary. <p>The Master Directions will become effective 90 days after publication on the RBI's website.</p> <p>Master Direction on Treatment of Willful Defaulters and Large Defaulters – RBI</p>	Effective on 28 October 2024
5	SEBI	SEBI notifies Securities and Exchange Board of India (Alternative Investment Funds) (Fourth Amendment) Regulations, 2024	<p>On 5 August 2024, SEBI notified the <i>Securities and Exchange Board of India (Alternative Investment Funds) (Fourth Amendment) Regulations, 2024</i>, to amend the <i>Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012</i>.</p> <p>The amendment substitutes Clause C of Regulation 17, restricting Category II Alternative Investment Funds (AIFs) from borrowing funds or using leverage for investments, except for temporary funding and operational needs. These exemptions must not exceed thirty days, occur more than four times a year, or surpass ten percent of investable funds.</p> <p>Additionally, Category II AIFs can create encumbrances on equity of investee companies in certain infrastructure sectors, conditional on the board's specifications, to facilitate the investee company's borrowing.</p> <p>Securities and Exchange Board of India (Alternative Investment Funds) (Fourth Amendment) Regulations, 2024 - SEBI</p>	Effective on 5 August 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
6	RBI	RBI notifies Foreign Exchange Management (Debt Instruments) (Third Amendment) Regulations, 2024	<p>On 2 August 2024, the RBI notified the <i>Foreign Exchange Management (Debt Instruments) (Third Amendment) Regulations, 2024</i>, amending the <i>Foreign Exchange Management (Debt Instruments) Regulations, 2019</i>.</p> <p>The summary of the amendments is as follows:</p> <ul style="list-style-type: none"> • A new sub-paragraph "F" has been introduced, allowing non-residents to purchase or sell Sovereign Green Bonds if they maintain a securities account with a depository in the IFSC in India, subject to RBI's terms and conditions; • Clause (4B) was inserted, specifying that the consideration for non-residents' purchase of Sovereign Green Bonds must be made through an inward remittance. Additionally, it can come from funds in a foreign currency account compliant with RBI and/or IFSC Authority regulations; and • Clause (2B) was added, stating that the sale or maturity proceeds of the bonds, net of taxes, may be remitted outside India by non-residents. <p>Foreign Exchange Management (Debt Instruments) (Third Amendment) Regulations, 2024 - RBI</p>	Effective on 2 August 2024
7	RBI	RBI notifies Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2024	<p>On 16 August 2024, the RBI notified the <i>Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2024</i>, amending the <i>Foreign Exchange Management (Non-debt Instruments) Rules, 2019</i>.</p> <p>Key highlights include:</p> <ul style="list-style-type: none"> • Insertion of new rule (9A) detailing the swap of equity instruments and equity capital between residents and non-residents, aligning with Central Government rules and RBI regulations. It also notes the requirement for Government approval when necessary; and • Replacement of the explanation in sub-rule (7) of Rule 23 clarifies certain aspects. It specifies that investments by entities owned and controlled by NRIs or OCIs on a non-repatriation basis are excluded from indirect foreign investment calculations. <p>Rule 9A applies to transfers of equity instruments between residents and non-residents.</p> <p>Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2024 - RBI</p>	Effective on 16 August 2024

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8	SEBI	SEBI issues guidelines for borrowing by Category I and Category II AIFs and maximum permissible limit for extension of tenure by LVFs	<p>On 19 August 2024, SEBI released guidelines allowing Category I and Category II AIFs to borrow funds to cover temporary shortfalls in investor contributions for investments, aiming to facilitate business operations.</p> <p>The borrowing is subject to the following conditions:</p> <ul style="list-style-type: none"> • Disclosure of borrowing intent in the scheme’s Private Placement Memorandum (PPM); • Emergency borrowing only as a last resort when investment opportunities are immediate, and funds are delayed; • Borrowing limits set at the lower of 20% of the proposed investment, 10% of investable funds, or the commitment pending from other investors; • Borrowing costs to be borne by the investors responsible for the delay; • Prohibition on using borrowing to address shortfalls due to different investor drawdown timelines; • Mandatory periodic disclosures by the manager regarding borrowed amounts and terms; • A mandatory thirty-day cooling-off period between borrowing instances; and • LVF schemes must comply with the new requirements by November 18, 2024, and update their extension periods in the quarterly report for the period ending December 31, 2024. <p>Additionally, schemes may revise their original tenure when adjusting the extension period, provided they obtain consent from all investors. By 18 November 2024, LVF schemes are required to submit an undertaking to SEBI confirming that consent from all investors for the revised tenure has been obtained.</p> <p>Guidelines for borrowing by Category I and Category II AIFs and maximum permissible limit for extension of tenure by LVFs - SEBI</p>	Undertaking required to be submitted to SEBI regarding revised tenures by 18 November 2024
9	INRDAI	IRDAI issues Amendment to Master Guidelines on Anti Money Laundering/Combating the Financing of Terrorism (AML/CFT)	<p>On 12 August, the Insurance Regulatory Development Authority of India (IRDAI) issued a circular on the <i>Prevention of Money-Laundering (Maintenance of Records) Amendment Rules, 2024</i>. The circular revised its Master Guidelines on anti-money laundering (AML)/ counter terrorist financing (CFT) in line with the amendments to the <i>Prevention of Money Laundering ("PML") Rules, 2005</i>, notified on 19th July 2024.</p> <p>The key amendments are:</p> <ul style="list-style-type: none"> • Para 12.2 is substituted to require insurers to adopt the procedure specified in Rule 9 (1C) of PML Rules for Know Your Customer (KYC) compliance; • Para 12.3 is omitted; • New paras 12.10 and 12.11 are inserted, mandating insurers to: <ul style="list-style-type: none"> I. Furnish updated KYC information to the Central Know Your Customer Registry (CKYCR) upon obtaining additional or updated KYC details from clients; and II. Retrieve and update KYC records from the CKYCR when informed of updates to an existing client’s KYC information. <p>Insurers must adhere to these modifications and update KYC records in accordance with the new guidelines.</p> <p>Amendment to Master Guidelines on Anti Money Laundering/Combating the Financing of Terrorism (AML/CFT) - INRDAI</p>	Effective on 12 August 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	OJK	OJK publishes Transparency Basic Credit Interest Rates for Conventional Commercial Banks	<p>On 12 August 2024, the Financial Services Authority of the Republic of Indonesia (OJK) issued a regulation mandating transparency in the Prime Lending Rate (SBDK) for conventional commercial banks.</p> <p>Key points of the regulation include:</p> <ul style="list-style-type: none"> • Mandatory disclosure of SBDK to ensure clarity and accessibility for the public; • Requirement for banks to publish SBDK on their websites and through other OJK-designated channels; • Regular updates of SBDK and notification of changes to OJK; • Enhancement of transparency, enable informed consumer choices, and promote competition; and • OJK to enforce compliance, with potential administrative sanctions for non-compliance. <p>This regulation is part of OJK’s broader initiative to foster transparency, fairness, consumer protection, and market discipline in the banking sector.</p> <p>Transparency and Publication of Basic Credit Interest Rates for Conventional Commercial Banks – OJK</p>	-
2	OJK	Implementation of Anti-Fraud Strategy for Financial Services Institutions	<p>On 23 July 2024, the OJK introduced a regulation to govern the <i>Implementation of Anti-Fraud Strategies for Financial Services Institutions</i>.</p> <p>Key aspects of the regulation are:</p> <ul style="list-style-type: none"> • Classification of fraudulent acts, including corruption, misuse of assets, fraudulent financial statements, and more; • Involvement of Financial Services Institutions (LJK), controlled organisations, consumers, and cooperative parties; • Obligation for LJK to prepare and implement an anti-fraud strategy based on four pillars: prevention, detection, investigation, reporting, and sanctions, along with monitoring, evaluation, and follow-up; • Requirement for LJK to establish a fraud detection system and enhance understanding among internal and external parties, supported by proper risk management; • Duty to have a dedicated work unit or function for anti-fraud strategy implementation, tailored to LJK’s business complexity; and • Guidelines for submitting reports to OJK on anti-fraud strategies, corrections, and significant fraud incidents, emphasizing completeness, accuracy, timeliness, and integrity. <p>Implementation of Anti-Fraud Strategy for Financial Services Institutions - OJK</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	OJK	OJK announces Second Amendment to Financial Services Authority Regulation Number 18/POJK.03/2017 concerning Reporting and Requesting Debtor Information Through the Financial Information Services System (SLIK)	<p>On 22 July 2024, OJK announced amendments to an earlier <i>OJK Regulation (18/POJK.03/2017) on Debtor Information Reporting and Requests</i> through the Financial Information Services System (SLIK).</p> <p>Key Points to be noted in this regulation include:</p> <ul style="list-style-type: none"> Enhanced Reporting Requirements, introducing stricter requirements for financial institutions in reporting debtor information; System Integration, promoting better integration of SLIK with other financial systems; Debtor Information Access, revising the procedures and conditions under which debtor information can be requested and accessed; and Compliance and Penalties, reinforcing compliance measures, including penalties for financial institutions that fail to meet the updated reporting standards. <p>This regulation is part of OJK's ongoing efforts to strengthen the financial information infrastructure in Indonesia, ensuring that debtor information is managed effectively and transparently to support financial stability.</p> <p>Second Amendment to Financial Services Authority Regulation Number 18/POJK.03/2017 concerning Reporting and Requesting Debtor Information Through the Financial Information Services System (SLIK) – OJK</p>	-
4	Bank Indonesia	BI publishes new regulation regarding banking foreign funding ratio	<p>On 30 July 2024, Bank Indonesia (BI) introduced a new regulation aimed at managing and mitigating the risks associated with foreign funding, in order to safeguard the stability of both the banking sector and the broader financial system in Indonesia.</p> <p>The regulation introduces the concept of a Bank's Foreign Funding Ratio (RPLN), setting its maximum limit at 30%. It includes various short-term liabilities while excluding components like current accounts owned by non-residents.</p> <p>Key aspects of the regulation include defining the scope of the RPLN and mandating regular monitoring and reporting. It also emphasizes risk management. Additionally, the regulation outlines supervision and enforcement by Bank Indonesia to ensure compliance, thereby contributing to the nation's financial stability through balanced and sustainable bank funding structures.</p> <p>Banking Foreign Funding Ratio – Bank Indonesia</p>	Effective on 30 July 2024
5	Bank Indonesia	BI introduces new regulation regarding money market and foreign exchange market	<p>On 11 July 2024, BI introduced regulation Number 6 of 2024 to oversee the money market and foreign exchange market operations in Indonesia.</p> <p>Aimed at bolstering stability and efficiency, the regulation establishes clear rules and guidelines. These guidelines address market operations, supervision and reporting, risk management, and market conduct. All of which are crucial for upholding the integrity and stability of Indonesia's financial markets in line with international standards.</p> <p>It details operational frameworks and specifies compliance obligations. Additionally, it underscores the need for robust risk management and dictates ethical trading behavior.</p> <p>Money Market and Foreign Exchange Market – Bank Indonesia</p>	Effective on 11 July 2024

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6	Bank Indonesia	BI introduces regulation on competency standardisation in the field of payment systems	<p>On 9 July 2024, BI introduced a regulation on the standardisation of competencies in the payment systems sector (PBI SK SP). This was done to ensure that professionals in Indonesia’s payment systems possess the required skills for effective performance.</p> <p>The regulation includes the establishment of competency standards, certification requirements, promoting training and development, and BI’s oversight for compliance.</p> <p>The regulation updates terminology, aiming to enhance HR competency, integrity, and consumer protection. It covers various payment system activities and is part of Indonesia’s initiative to modernise and secure its payment systems against the evolving financial landscape.</p> <p>Competency Standardisation in the Field of Payment Systems – Bank Indonesia</p>	Effective on 9 July 2024
7	Bank Indonesia	BI introduces regulation on banking foreign funding ratio	<p>On 1 August 2024, BI introduced a regulation providing detailed guidelines on how banks should manage their foreign funding to ensure financial stability and compliance with international standards.</p> <p>Key features of the regulation include:</p> <ul style="list-style-type: none"> • Foreign Funding Ratio (FPR) Requirements: Sets specific limits on the proportion of a bank’s funding that can come from foreign sources to reduce risks from exchange rate fluctuations and foreign market instability; • Risk Management: Requires banks to establish strong risk management practices to monitor and control risks linked to foreign funding, including liquidity and currency risks; • Compliance and Reporting: Mandates regular reporting of FPR to Bank Indonesia and adherence to prescribed limits, with outlined compliance measures and penalties for non-compliance; and • Implementation Timeline: Provides a schedule for banks to meet the new FPR requirements, giving them time to adapt their operations and funding strategies. <p>Implementation Regulations for Banking Foreign Funding Ratio – Bank Indonesia</p>	Effective on 1 August 2024

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1	JFSA	JFSA issues Strategic Priorities (July 2024-June 2025)	<p>On 30 August 2024, the Japan Financial Services Agency (JFSA) published its strategic priorities for business year 2024, outlining key areas of focus for the period from July 2024 to June 2025.</p> <p>The three main priorities are:</p> <ul style="list-style-type: none"> • Contributing to Sustainable Economic Growth through Financial Mechanisms; • Ensuring the Stability and Reliability of the Financial System and the Provision of High-quality Financial Services; and • Enhancing the FSA's administrative capacities. <p>The JFSA also details what strategy the JFSA will take to address these priorities, including strengthening the supervisory framework for financial groups, promoting sustainable finance, and responding to the transformation of financial services using digital technology.</p> <p>The JFSA Strategic Priorities (July 2024-June 2025) - JFSA</p>	-
2	JFSA SESC	The SESC publishes Monitoring Priorities for Securities Businesses (July 2024 - June 2023)	<p>On 2 August 2024, the Securities and Exchange Surveillance Commission (SESC) published the priorities for its securities business monitoring for business year 2024.</p> <p>The SESC will examine the following industry-wide themes in cooperation with relevant JFSA divisions:</p> <ul style="list-style-type: none"> • Internal control environments that focus on appropriate investment solicitation and customer-centric sales operations; • Business model changes along with progress in digitalisation, etc., and the development of internal control environments in response to such changes; • Sufficiency of cybersecurity measures in response to progress in digitalisation, including countermeasures against unauthorised access in online trading, and system risk management. This includes management of system development and operation and management of trustees; • Firm establishment of internal control environments for AML/CFT; and • Implementation of measures to improve or prevent the recurrence of matters pointed out in internal audits or self-regulatory organisation (SRO) examinations. <p>Monitoring Priorities for Securities Businesses (July 2024 - June 2023) - JFSA</p>	-
3	JFSA	JFSA publishes Recommended and Expected Practices for Venture Capital (Draft)	<p>On 4 July 2024, the JFSA published the draft <i>Recommended and Expected Practices for Venture Capital (VC)</i> for public consultation.</p> <p>The proposed "Recommended Practices" for VCs include:</p> <ul style="list-style-type: none"> • Fiduciary duty and governance; • Management of conflicts of interest; and • Information disclosure. <p>The "Expected Practices" for VCs include:</p> <ul style="list-style-type: none"> • Enhancing the value of portfolio companies; and • ESG and diversity. <p>Recommended and Expected Practices for Venture Capital (Draft) - JFSA</p>	Public consultation closed on 3 August 2024

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4	JFSA	JFSA publishes monitoring results pertaining to the implementation status of customer-oriented business conduct by distributors of financial instruments (program year 2023 report)	<p>On 5 July 2024, the JFSA published the program year 2023 report on implementation progress of customer-oriented business practices by distributors of financial instruments, such as investment trusts.</p> <p>The JFSA introduced the "Principles for Customer-Oriented Business Conduct" and has been engaging distributors to ensure customer-oriented practices through monitoring based on these principles. This report identifies common issues observed across distributors and arrangers involved in the structuring of financial instruments, based on the monitoring findings.</p> <p>Monitoring results pertaining to the implementation status of customer-oriented business conduct by distributors of financial instruments (program year 2023 report) - JFSA</p>	-
5	JFSA	JFSA publishes the fourth report by the expert panel on sustainable finance	<p>On 9 July 2024, The JFSA published the fourth report by the Expert Panel on Sustainable Finance (EPSF).</p> <p>Since December 2020, the EPSF has held 24 meetings and released three reports, one for each business year. The fourth report summarises discussions and key opinions on both international and domestic developments in sustainable finance, as well as the efforts and challenges faced by stakeholders from July 2023 to June 2024.</p> <p>The Fourth Report by the Expert Panel on Sustainable Finance - JFSA</p>	-
6	JFSA BOJ	JFSA and BOJ publish progress in common data platform and next steps	<p>On 1 July 2024, the JFSA and the Bank Of Japan (BOJ) published a summary of the progress and next steps regarding the Common Data Platform.</p> <p>The JFSA and the BOJ have been working on initiatives to integrate data with the aim of further improving their monitoring capabilities and reducing the burden on financial institutions. In business year 2023, the FSA and the BOJ considered practical operations and began collecting granular data in a phased manner to establish a new framework for data collection and management (common data platform).</p> <p>Progress in Common Data Platform and Next Steps - JFSA</p>	-

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7	JFSA	JFSA publishes Report of the Working Group on Financial Markets of the Financial System Council - Toward the Establishment of Financial Product Governance	<p>On 2 July 2024, the JFSA published the <i>Report of the Working Group on Financial Markets of the Financial System Council - Toward the Establishment of Financial Product Governance</i>. This report summarises the discussions from the last three meetings since April 2024 and outlines several key recommendations.</p> <p>These recommendations include:</p> <ul style="list-style-type: none"> • Adding supplementary principles for product governance for arrangers (such as asset management companies) to the "Principles for Customer-Oriented Business Conduct"; • Initiating practical discussions on the benefits and challenges of shortening the stock settlement cycle to T+1; • Reviewing regulations on investment crowdfunding; and • Reassessing the "firewall regulation." <p>The Report of the Working Group on Financial Markets of the Financial System Council - Toward the Establishment of Financial Product Governance - JFSA</p>	-
8	JFSA	JFSA releases 2024 Monitoring Report for Improving Internal Audits of Financial Institutions	<p>On 10 September 2024, the JFSA published the <i>2024 Monitoring Report for Improving Internal Audits of Financial Institutions</i>.</p> <p>Since the release of its June 2019 report titled the <i>Current Situation and Issues for Improving Internal Audits of Financial Institutions</i>, the JFSA has continued to monitor internal audit improvements, including through the publication of the "2023 Progress Report" in October 2023.</p> <p>Since then, the JFSA has maintained its monitoring of major banking groups, regional financial institutions, major securities companies, and major insurance companies. The 2024 monitoring report summarises the results of these efforts, along with the JFSA's concerns and expectations.</p> <p>2024 Monitoring Report for Improving Internal Audits of Financial Institutions - JFSA</p>	-
9	JFSA	JFSA releases specifications on field testing on the economic value-based evaluation and supervision approach for insurance companies	<p>On 6 September 2024, the JFSA published the specification document and template for the field testing on the economic value-based evaluation and supervision approach for insurance companies.</p> <p>The field testing has the following objectives:</p> <ul style="list-style-type: none"> • To understand the status of each company's response, practical challenges, and the quantitative impact regarding the calculation of economic value-based insurance liabilities and other related matters; and • To use the results from this testing to assess financial conditions based on forward-looking analysis. <p>The field testing on the economic value-based evaluation and supervision approach for insurance companies - JFSA</p>	-
10	JFSA	JFSA publishes Annual Report on Insurance Monitoring 2024	<p>On 3 July 2024, the JFSA published the <i>Annual Report on Insurance Monitoring 2024</i>.</p> <p>The report summarises the JFSA's efforts from July 2023 to June 2024 to enhance the transparency of insurance supervision and share key issues with insurance companies.</p> <p>Annual Report on Insurance Monitoring 2024 - JFSA</p>	-

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1	BNM	BNM releases policy document on claims settlement practices	<p>On 1 July 2024, Bank Negara Malaysia (BNM) released a policy document regarding claims settlement practices.</p> <p>This Policy Document sets out the minimum standards on handling and assessing general insurance and general takaful claims. These standards must be met by licensed insurers and licensed takaful operators conducting general business, as well as by registered adjusters.</p> <p>Claims Settlement Practices - BNM</p>	-
2	BNM	BNM issues licensing and regulatory framework for digital insurers and takaful operators	<p>On 9 July 2024, BNM released a policy document amending the licensing and regulatory framework for digital insurers and takaful operators (DITO).</p> <p>This policy document sets out requirements that account for differences in the business and operating models of licensed DITOs to unlock their full potential, while ensuring appropriate safeguards are in place to manage the associated risks.</p> <p>Licensing and Regulatory Framework for Digital Insurers and Takaful Operators – BNM</p>	Effective on 2 January 2025
3	SCM	SCM publishes Guiding Principles on Business Continuity	<p>On 19 August 2024, the Securities Commission Malaysia (SCM) released new guiding principles on business continuity.</p> <p>The principles serve as guidance on the SCM's expectations on business continuity as well as a platform to increase awareness on the importance of having an effective business continuity arrangement.</p> <p>Guiding Principles on Business Continuity - SCM</p>	Effective on 19 August 2024
4	SCM	SCM publishes Guidelines on Technology Risk Management	<p>On 19 August 2024, the SCM released <i>Guidelines on Technology Risk Management</i> ("Guidelines").</p> <p>These Guidelines set out the following requirements:</p> <ul style="list-style-type: none"> • Roles and responsibilities of the board of directors and senior management in the oversight and management of technology risk; • Frameworks, policies and procedures that should be developed and implemented by capital market entities; • Requirements for managing technology risk; and • Reporting and notification requirements to the SCM. <p>Guidelines on Technology Risk Management – SCM</p>	Effective on 19 August 2024

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5	SCM	SCM releases Guidelines on Digital Assets	<p>On 19 August 2024, the SCM released the <i>Guidelines on Digital Assets</i> ("Guidelines").</p> <p>In line with digital currencies and digital tokens being prescribed as securities, the Guidelines outline the requirements for fundraising through digital token offerings. They also detail the operationalization of initial exchange offering (IEO) platforms and the provision of digital asset custody.</p> <p>Guidelines on Digital Assets - SCM</p>	Effective on 19 August 2024
6	SCM	SCM releases Guidelines on Financial Market Infrastructures	<p>On 19 August 2024, the SCM released the <i>Guidelines on Financial Market Infrastructures</i> ("Guidelines").</p> <p>The purpose of the issuance of these Guidelines is to:</p> <ul style="list-style-type: none"> • Ensure that existing FMIs relevant to the capital market operate in a safe and efficient manner, and comply with the CPMI-IOSCO Principles for Financial Market Infrastructures; and • To clarify the SCM's approach to the approval and recognition of Central Counterparties (CCPs), the guidelines are set out pursuant to section 38 of the Capital Markets and Services Act 2007 (CMSA). This is particularly in response to the implementation of international regulatory reform measures. <p>Guidelines on Financial Market Infrastructures - SCM</p>	Effective on 19 August 2024
7	SCM	SCM releases Guidelines on Compliance Function for Fund Management Companies	<p>On 19 August 2024, the SCM released the <i>Guidelines on Compliance Function for Fund Management Companies</i> ("Guidelines").</p> <p>These Guidelines are aimed at ensuring that there are controls and compliance established in order to ensure investor protection and market confidence. In addition, these Guidelines were also drawn up to ensure that fund management activities are carried out in compliance with regulatory requirements.</p> <p>Guidelines on Compliance Function for Fund Management Companies - SCM</p>	Effective on 19 August 2024
8	SCM	SCM publishes Guidelines on Electronic Contract Notes	<p>On 19 August 2024, the SCM released the <i>Guidelines on Electronic Contract Notes</i> ("Guidelines").</p> <p>These Guidelines set out the requirements for Capital Markets Services Licence (CMSL) holders who undertake the following regulated activities:</p> <ul style="list-style-type: none"> • Dealing in securities; or • Trading in futures contracts, and who intend to issue and deliver electronic contract notes. <p>Guidelines on Electronic Contract Notes - SCM</p>	Effective on 19 August 2024
9	SCM	SCM publishes Guidelines on Recognised Markets	<p>On 19 August 2024, the SCM released the <i>Guidelines on Recognised Markets</i> ("Guidelines").</p> <p>These Guidelines set out the requirements for:</p> <ul style="list-style-type: none"> • The registration of a person as a recognised market operator (RMO); and • On-going requirements applicable to a RMO. <p>Guidelines on Recognized Markets - SCM</p>	Effective on 19 August 2024

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1	FMA	FMA consults public on potential changes to the conditions of Derivatives Issuer licenses	<p>On 14 June 2024, The Financial Markets Authority (FMA) – Te Mana Tātai Hokohoko – announced it is seeking public feedback on potential changes to the standard conditions imposed on Derivative Issuer (DI) licences.</p> <p>The changes relate to leverage and the suitability of investors for derivative trading. The proposed changes have been identified in the FMA's 2020 Derivatives Issuer Sector Risk Assessment (SRA) and subsequent monitoring of the financial sector.</p> <p>Derivatives Issuer Licenses - FMA</p>	Consultation closed on 7 August 2024
2	FMA	FMA publishes climate-related disclosures guidance	<p>On 19 July 2024, The FMA published its final guidance for Climate Reporting Entities (CREs) on meeting their record keeping obligations.</p> <p>The guidance outlines principles and the FMA's expectations on CREs for creating, keeping, and maintaining proper records. This ensures that climate statements comply with the Financial Markets Conduct Act (FMCA) and the Aotearoa New Zealand Climate Standards framework. The FMA is responsible for the independent monitoring and enforcement of the Climate Related Disclosures (CRD) regime.</p> <p>The purpose of climate standards is to:</p> <ul style="list-style-type: none"> • Provide for, or promote, climate-related disclosures; and • Encourage entities to routinely consider the short, medium, and long-term risks and opportunities that climate change presents for their activities or the activities of their group. This approach enables entities to demonstrate how they are addressing these considerations and allows investors and other stakeholders to assess the merits of their strategies. <p>The guidance was finalised following consultation earlier this year.</p> <p>Climate-Related Disclosures Guidance - FMA</p>	Effective on 30 August 2024
3	FMA	FMA publishes Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill	<p>On 20 August 2024, the Government released a cabinet paper setting out proposals to, among other things, introduce an <i>Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill</i> (AML/CFT Amendment Bill).</p> <p>In total, the cabinet paper proposes that the AML/CFT Amendment Bill make 25 amendments to the <i>Anti-Money Laundering and Countering Financing of Terrorism Act 2009</i> (AML/CFT Act). The cabinet paper stated that all 25 recommendations are drawn from the statutory report. The 25 amendments do not cover all the remaining recommendations from the statutory report – these will be tackled as part of a more substantive future update to the AML/CFT Act.</p> <p>Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill - FMA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	New Zealand Government	New Zealand develops legislation on open banking & consumer data rights	<p>On 25 July 2024, the New Zealand Government announced it is in the process of developing its own statutory framework for consumer data rights, through the <i>Customer and Product Data Bill</i> ("Bill") and requested public comments on the Bill.</p> <p>The Bill is currently progressing through parliament, but its finalisation and implementation as law could take some time. The overarching purpose of the Bill is to allow customers to consent for their data to be shared across businesses and to trusted third parties. The Bill provides the baseline framework for how this regime will broadly apply but will be subject to sector-specific regulations and standards once implemented.</p> <p>Open Banking & Consumer Data Rights – New Zealand Government</p> <p>Customer and Product Data Bill – New Zealand Parliament</p>	Deadline for public comments was 5 September 2024
5	FMA	FMA publishes research paper on AI in financial services	<p>On 10 September 2024, the FMA released a research paper focusing on the use of Artificial Intelligence (AI) in Financial Services.</p> <p>The FMA's research, part of its occasional paper series, examines the use of AI in New Zealand's financial services, including asset management, banking, financial advice, and insurance. Stuart Johnson, FMA Chief Economist, highlighted the need for oversight to balance AI's benefits with governance and risk concerns.</p> <p>The study emphasises the importance of robust governance structures as AI adoption presents both opportunities and risks. The FMA is committed to responsible financial innovation and aims to support a balanced regulatory approach by understanding current and future AI applications. The research identifies data quality, technology choice, and documentation as crucial for minimizing risks and ensuring ethical AI use. The FMA is supportive of technological advancements and aims to improve consumer experiences.</p> <p>A roundtable discussion is scheduled for October 1, 2024, to further discuss AI usage and risk management in the financial sector.</p> <p>AI in Financial Services – FMA</p>	Roundtable hosted on 1 October 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BSP	BSP makes amendments to foreign exchange regulations covering reporting guidelines and penalty provisions	<p>On 12 July 2024, Bangko Sentral ng Pilipinas (BSP) released Circular No. 1197 which detailed changes to the <i>Manual of Regulations on Foreign Exchange Transactions</i> (FX Manual).</p> <p>Other changes detailed in the circular include:</p> <ul style="list-style-type: none"> • Authorised/covered transactions; • FX cover requirements and risk management; • FX forwards and swaps; and • Revisions, additions and deletions to annexes of the FX Manual. <p>Penalties will be imposed depending on whether reports are erroneous, delayed, are both, or are not submitted. The amounts to be paid will also be based on the type of financial institution, with the lowest for representative offices and the highest for universal, commercial, and Islamic banks. A maximum penalty of P1 million will be imposed for each transactional violation or P100,000 per day for continuing violations."</p> <p>Amendments to foreign exchange regulations covering reporting guidelines and penalty provisions – BSP</p>	-
2	BSP	BSP releases regulatory framework for merchant payment acceptance activities	<p>On 19 July 2024, BSP released a regulatory framework covering payments to merchants to ensure that sellers can smoothly and safely receive the funds sent by their customers for the sale of goods and services.</p> <p>Circular No. 1198 sets out the minimum standards that operators of payment systems (OPS) must follow if they want to engage in the business of accepting and processing payment transactions on behalf of their partner sellers. Some examples of OPS are banks, e-wallets and remittance centres.</p> <p>The following are the topics covered by the framework for merchant payment acceptance activities:</p> <ul style="list-style-type: none"> • Registration and Capital Requirements; • Governance; • Operational Risk; • Information Technology Risk Management; • AML/CFT; and • End-user Protection. <p>Apart from licensing and registration requirements, the BSP said OPS must also comply with regulations on payments to merchants and pricing mechanism. They were also told to follow reportorial requirements, including submissions of their annual audited financial statements.</p> <p>Regulatory Framework for Merchant Payment Acceptance Activities – BSP</p>	-

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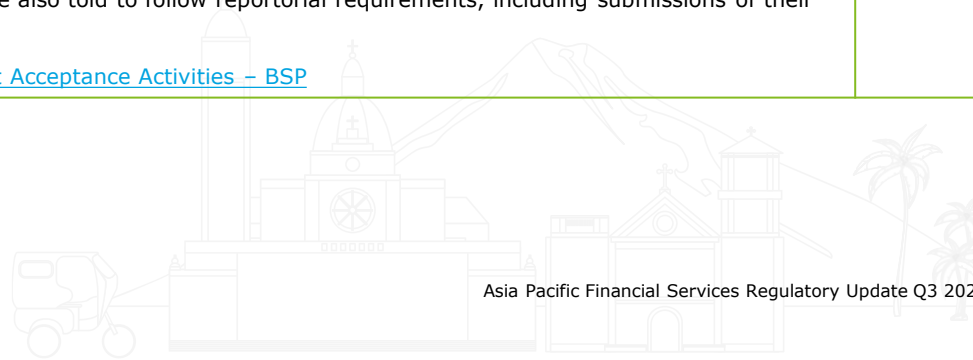
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3	BSP	BSP releases regulations regarding divestment of equity investments	<p>On 8 August 2024, BSP released amended regulations regarding divestment of equity investments.</p> <p>Equity investments not allowed under applicable laws shall be divested immediately and without the need of notice from the BSP. Divestment may be made for the whole transaction or, in case of divisible transactions, on the portion not allowed under applicable laws.</p> <p>Divestment of disallowed equity investments will be applicable for transactions that are non-compliant with regulatory requirements, failed to meet the conditions for approval, or entered into violation of existing agreements in relation to the extension of financial assistance to the bank by the Philippine Deposit Insurance Corporation.</p> <p>The BSP has stated that disallowed equity investments should be divested within six months from receipt of notice from the central bank.</p> <p>Divestment of Equity Investments – BSP</p>	-
4	BSP	BSP announces circular on discount window facility	<p>On 24 September 2024, BSP announced Circular No. 1202 detailing that it will enhance its rediscounting facility, adding advances against government and BSP securities, helping align its credit operations with global best practices.</p> <p>Under the change, the rediscounting facility will be replaced by the Discount Window Facility (DWF), which will begin operations when BSP Circular No. 1202 takes effect two months after its publication.</p> <p>Currently, BSP only rediscounts loans, accepting government securities (GS) as additional collateral. Under the DWF, banks will be able to directly offer GS and BSP securities in exchange for advances. This gives the BSP an additional mode to influence credit volume consistent with its objectives of maintaining price and financial stability. DWF lines approved under the new circular can be tapped by banks either by rediscounting loans or by offering their GS and BSP securities for advances. Banks can tap existing rediscounting lines until these lines expire a year after their effectivity, but only for rediscounting loans."</p> <p>The Bangko Sentral's Discount Window Facility - BSP</p>	Effective on 24 November 2024

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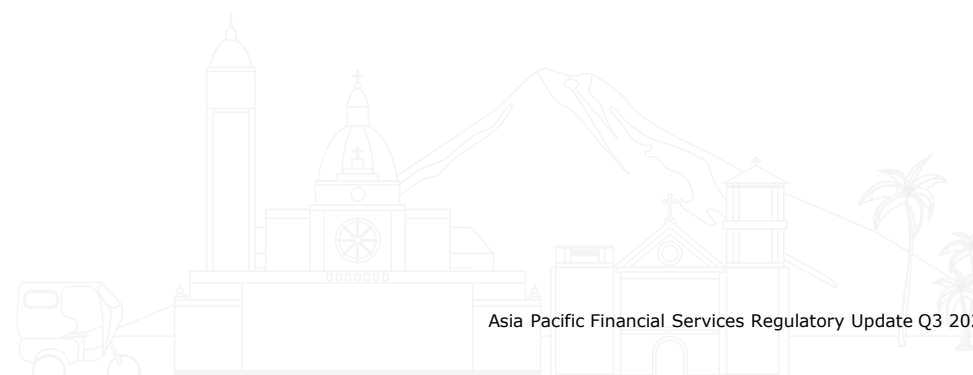
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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	MAS	MAS issues consultation Paper on Proposed Amendments to Financial Services and Markets (Resolution of Financial Institutions) Regulations 2024	<p>On 12 September, the MAS sought comments on the Consultation Paper on Proposed Amendments to the <i>Financial Services and Markets (Resolution of Financial Institutions) Regulations 2024</i>.</p> <p>The proposed amendments focus on the following:</p> <ul style="list-style-type: none"> To extend the statutory bail-in regime to the insurance sector, the proposal includes scoping in Singapore-incorporated licensed insurers and designated insurance holding companies (referred collectively as “insurers”) as Division 6 FIs. Additionally, it aims to expand the scope of eligible instruments to cover those issued by insurers; and To prescribe the maximum duration of temporary stays on the early termination rights of reinsurers. <p>Consultation Paper on Proposed Amendments to Financial Services and Markets (Resolution of Financial Institutions) Regulations 2024 - MAS</p>	Consultation closed on 11 October 2024
2	MAS	MAS publishes FAQs on the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013	<p>On 4 September 2024, the MAS provided updates to the FAQs on the <i>Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013</i>.</p> <p>The updates to the reporting guidelines for derivatives contracts involve several key changes. They outline the reporting obligations, the types of derivatives contracts that must be reported, the information required in reports, and the process for generating Unique Transaction Identifiers (UTIs).</p> <p>The guidelines clarify that certain long-term derivatives contracts booked in Singapore must be reported within six months, and changes to contract details require updates under the same UPI. Reporting entities must re-report all outstanding derivatives contracts with a maturity of at least six months as of a specified date, and changes to reportable data must be updated promptly. The UTI guidelines specify action types for interim and final UTIs and provide clarity on significant derivatives holders and trade lifecycle events. The updates also address the reporting of FX swaps and the requirements for updating interim UTIs.</p> <p>FAQs on the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013</p>	-
3	MAS	MAS revises Guidelines on Licensing and Conduct of Business for Fund Management Companies	<p>On 28 August 2024, the MAS revised the “Guidelines on Licensing and Conduct of Business for Fund Management Companies” (“Guidelines”).</p> <p>The updated Guidelines no longer reference Registered Fund Management Companies (RMFCs) and focus on Fund Management Companies (FMCs) with asset limits. The updates impose age restrictions on ventures and exclude secondary market investments. They also clarify limits on non-qualifying investments and detail the allocation of remaining capital, including provisions for follow-on investments.</p> <p>Guidelines on Licensing and Conduct of Business for Fund Management Companies – MAS</p>	-

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4	MAS	MAS revises Guidelines on Licensing for Payment Service Providers	<p>On 26 August 2024, the MAS revised the "Guidelines on Licensing for Payment Service Providers [PS-G01]".</p> <p>Revisions have been made to the Admission Criteria, and a new section regarding License Application Requirements has been added. This section now mandates that applicants provide a legal opinion from a qualified law firm summarizing their business model and evaluating the regulation of their services or products.</p> <p>New applicants are also required to undergo an independent assessment of their anti-money laundering and consumer protection policies by an External Auditor. Upon receiving in-principle approval, they must have an independent evaluation of their technology and cybersecurity risks. Entities notifying MAS under the "Transitional Regulations 2024" must submit an auditor's attestation regarding their business activities and compliance.</p> <p>Guidelines on Licensing for Payment Service Providers - MAS</p>	-
5	MAS	MAS publishes Consultation Paper on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports under the Code on Collective Investment Schemes	<p>On 15 August 2024, the MAS sought views on the "Consultation Paper on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports" under the "Code on Collective Investment Schemes".</p> <p>The MAS proposed to amend the requirements for preparing financial statements for authorised collective investment schemes (Authorised Schemes) under the "Code on Collective Investment Schemes" (CIS Code).</p> <p>Instead of following the Statement of Recommended Accounting Practice 7 (RAP 7), financial statements will now need to adhere to the Singapore Financial Reporting Standards (International) (SFRS(I)). This change aims to enhance the comparability of financial statements across different fund jurisdictions and capital market issuers in Singapore. Additionally, MAS will retain specific disclosures from RAP 7 that are not included in SFRS(I) by incorporating them into the CIS Code, ensuring that fund investors receive critical information.</p> <p>Consultation Paper on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports under the Code on Collective Investment Schemes - MAS</p>	Consultation closed on 14 September 2024
6	MAS	MAS Collaborates with Banks and Technology Partners on Quantum Security	<p>On 14 August 2024, the MAS, along with DBS, HSBC, OCBC, UOB, SPTel, and SpeQtral, signed a Memorandum of Understanding (MoU) to collaborate on quantum security and explore the use of Quantum Key Distribution (QKD) in financial services.</p> <p>QKD aims to secure the exchange of cryptographic keys, addressing cybersecurity threats posed by quantum computing, which could potentially compromise standard cryptographic methods. In February 2024, MAS issued an advisory to financial institutions on quantum-related cybersecurity risks and launched a quantum track under FSTI 3.0 to fund related projects. The MoU's objectives include conducting a QKD (Quantum Key Distribution) proof-of-concept sandbox for financial applications. It also aims to validate QKD's security features, such as eavesdropping detection and unauthorized access prevention, and enhance technical competencies for adopting quantum security.</p> <p>MAS Collaborates with Banks and Technology Partners on Quantum Security - MAS</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	MAS	MAS publishes Consultation Paper on Proposed Measures in Relation to the Provision of Cross-Border Money Transfer Services to the People's Republic of China (PRC)	<p>On 5 August 2024, the MAS sought feedback on its proposal to continue suspending non-specified remittance channels to China, extending the restriction to all customers sending money to the People's Republic of China (PRC).</p> <p>MAS initially issued the suspension under "MAS Notice PSN11", effective from 1 January 2024 to 31 March 2024, and later extended it to 30 September 2024. This action follows reports of remittance issues in China, where recipients' accounts were frozen, or funds forfeited. The MAS now proposes maintaining the suspension of these channels until further notice.</p> <p>Consultation Paper on Proposed Measures in Relation to the Provision of Cross-Border Money Transfer Services to the People's Republic of China (PRC) – MAS</p>	Consultation closed on 6 September 2024
8	MAS	MAS publishes Circular on Establishing the Sources of Wealth of Customers	<p>On 26 July 2024, the MAS published a "Circular on Establishing the Sources of Wealth of Customers".</p> <p>This circular offers guidance to financial institutions (FIs) in the wealth management sector on determining the sources of wealth (SOW) for their customers. It emphasises the need for FIs to develop policies and procedures that are tailored to individual customer profiles rather than using a generic approach.</p> <p>Key principles for establishing SOW include:</p> <ul style="list-style-type: none"> • Focusing on material sources of wealth; • Using reliable corroborative information; and • Obtaining relevant evidence while exercising judgment on critical documents. <p>Additionally, Senior Management is responsible for overseeing higher-risk accounts, particularly when significant portions of a customer's wealth lack corroboration. They must also ensure that ongoing monitoring aligns with the customer's risk profile and the information collected during the Source of Wealth (SOW) establishment process.</p> <p>Circular on Establishing the Sources of Wealth of Customers - MAS</p>	-
9	MAS	MAS Proposes to Impose Minimum Interest Coverage on All REITs	<p>On 16 July 2024, the MAS published a consultation paper proposing new leverage requirements for Real Estate Investment Trusts (REITs), including a minimum interest coverage ratio (ICR) of 1.5 times for all REITs and an aggregate leverage limit of 50%.</p> <p>This move simplifies current leverage rules by applying the ICR threshold consistently to all REITs, replacing the previous requirement of a 2.5 times ICR for REITs seeking leverage above 45%. The proposed measures aim to ensure REITs can meet their interest payments while promoting prudent borrowing. Additionally, MAS suggests that REITs disclose sensitivity analyses in their financial reports to show how changes in market conditions, such as fluctuations in EBITDA and interest rates, could impact their ICRs.</p> <p>MAS Proposes to Impose Minimum Interest Coverage on All REITs – MAS</p>	-

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10	MAS	MAS publishes Circular on Updates to Singapore's (I) Money Laundering National Risk Assessment (ML NRA), and (II) Terrorism Financing National Risk Assessment (TF NRA)	<p>On 16 July 2024, the MAS updated Singapore's "Money Laundering National Risk Assessment" (ML NRA), and "Terrorism Financing National Risk Assessment" (TF NRA).</p> <p>These updates apply to all Financial Institutions (FIs) and reflect Singapore's monitoring of ML (money laundering) risks through its supervisory and law enforcement agencies. The Suspicious Transaction Reporting Office, along with feedback from private sector entities and foreign authorities, also influences these updates.</p> <p>Since the last ML NRA, Singapore has conducted thematic risk assessments on legal persons, terrorism financing, virtual assets, and environmental crime-related money laundering. Working with the industry, as risks become more complex due to geopolitical factors, macroeconomic events, and sophisticated structures.</p> <p>The ML NRA now covers new sectors, including digital payment token service providers and precious stones and metals dealers.</p> <p>Moreover, the TF NRA 2024 outlines the latest TF threats and vulnerable sectors, considering developments since 2020. The key TF risk areas in 2024 are like those in 2020, with money remittances, banks, and digital payment token service providers posing high to medium-high risks. The refreshed TF NRA informs law enforcement agencies (LEAs), financial intelligence units (FIUs), regulators/supervisors, policy makers, and the private sector on Singapore's latest and emerging TF threats, risks, and vulnerabilities. This will enable them to adopt a targeted and risk-focused approach when updating and implementing CFT strategies and risk mitigation measures.</p> <p>FIs are advised to use the ML and TF NRAs as references to evaluate the effectiveness of AML/CFT risk-based controls and monitor customer accounts and transactions.</p> <p>Circular on Updates to Singapore's (I) Money Laundering National Risk Assessment (ML NRA), and (II) Terrorism Financing National Risk Assessment (TF NRA) - MAS</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	FSC	FSC releases Draft Amendment to Certain Provisions of the Regulations Governing the Business of Electronic Payment Institutions	<p>On 2 July 2024, the Financial Services Commission (Taiwan) (FSC Taiwan) released the <i>Draft Amendment to Certain Provisions of the Regulations Governing the Business of Electronic Payment Institutions</i>.</p> <p>Amendments have been made to regulate electronic payment accounts, and new definitions have been introduced. These definitions include terms for delivery platforms, delivery platform operators, taxi service platforms, taxi service platform operators, parking service platforms, and parking service platform operators.</p> <p>Draft Amendment to Certain Provisions of the Regulations Governing the Business of Electronic Payment Institutions – FSC (Taiwan)</p>	-
2	FSC	FSC releases Reference Guidelines for the Introduction of Zero Trust Architecture in the Financial Industry	<p>On 18 July 2024, FSC released <i>Reference Guidelines for the Introduction of Zero Trust Architecture in the Financial Industry</i>.</p> <p>In its strategy for implementing a zero-trust architecture, the FSC has referred to the U.S. Cybersecurity and Infrastructure Security Agency (CISA) Zero Trust Maturity Model, adjusting to fit the characteristics of Taiwan's financial sector and its existing cybersecurity capabilities.</p> <p>The strategy is divided into four levels of phased indicators, recommending that institutions map out the complete access paths for high-risk areas (including identity, devices, networks, applications, and data). The approach aims to reduce the attack surface from the outside in, enhancing defence in depth, and to expand the protection surface from the inside out. Based on the phased indicators, cybersecurity control measures will be introduced step by step.</p> <p>Reference Guidelines for the Introduction of Zero Trust Architecture in the Financial Industry – FSC (Taiwan)</p>	-
3	FSC	FSC announces pilot of a "financial assessment model" to replace the current method of evaluating monthly income for unsecured credit business	<p>On 8 August 2024, the FSC announced the pilot of a "financial assessment model" to replace the current method of evaluating monthly income for unsecured credit business.</p> <p>The FSC stated that with the development of fintech and big data analytics, some banks have recently established big data analysis models to assess customers' repayment capabilities or financial assessment models to measure customers' monthly income. These efforts aim to address situations where certain customers find it difficult to provide financial proof.</p> <p>To align with the trends in fintech development, the FSC encourages banks to propose financial innovation solutions on a trial basis, which could replace the current practice of requiring financial proof documents.</p> <p>Pilot use of a "financial assessment model" to replace the current method of evaluating monthly income for unsecured credit business – FSC (Taiwan)</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	FSC	FSC releases revised Guidelines for Entrusting Third Parties to Handle Operations for Insurance Companies	<p>On 20 August 2024, the FSC revised and issued <i>Guidelines for Entrusting Third Parties to Handle Operations for Insurance Companies</i> (Guidelines).</p> <p>In response to the increasing use of emerging technologies such as cloud services by the insurance industry as part of financial technology development and digital transformation, the demand for outsourcing operations to external professional institutions has continued to grow. To help the insurance industry build a comprehensive risk management framework for outsourced operations and enhance the efficiency and flexibility of outsourcing, the FSC revised the Guidelines.</p> <p>The key revisions are as follows:</p> <ul style="list-style-type: none"> • Adoption of a risk-based approach by the insurance industry to manage outsourcing risks, with strengthened control over significant outsourced operations; • A significant reduction in the scope of operations requiring prior approval; • Only the first case needs to be approved by the FSC; • Outsourcing the distribution of consumer publications no longer requires reporting to the competent authority; and • Loosening restrictions on collaborative partners. <p>Revised and issued "Guidelines for Entrusting Third Parties to Handle Operations for Insurance Companies." – FSC Taiwan</p>	-
5	FSC	FSC provides guidance on the scope and calculation formulas for own capital and risk capital of insurance companies	<p>On 12 September 2024, the FSC released guidance regarding scope and calculation formulas for own capital and risk capital of insurance companies.</p> <p>The "Calculation Reports and Filing Manuals for Own Capital and Risk Capital" have been established by the FSC (Taiwan), applicable to:</p> <ul style="list-style-type: none"> • Life Insurance Companies: Reports and manuals for calculating own capital and risk capital; • Property Insurance Companies: Reports and manuals for calculating own capital and risk capital; and • Reinsurance Companies: Reports and manuals for calculating own capital and risk capital. <p>Scope and Calculation Formulas for Own Capital and Risk Capital of Insurance Companies – FSC (Taiwan)</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	Ministry of Finance	Ministry of Finance releases Draft Decree On The Organisation And Operation Of The Vietnam Development Bank	<p>On 3 July 2024, the Vietnam Ministry of Finance released a <i>Draft Decree On The Organisation And Operation Of The Vietnam Development Bank</i>.</p> <p>The draft amendment pertains to:</p> <ul style="list-style-type: none"> The legal status and charter capital; Supplements the organisational structure supporting the Board of Directors and Supervisory Board; and Stipulates provisions on operational activities, finance, reporting and auditing, information management, and confidentiality. <p>Draft Decree On The Organization And Operation Of The Vietnam Development Bank – Ministry of Finance</p>	-
2	State Bank of Vietnam	SBV releases Draft Circular Regulating Independent Audit Of Commercial Banks, Non-Bank Credit Institutions, Microfinance Institutions, And Foreign Bank Branches	<p>On 12 August 2024, the State Bank of Vietnam (SBV) released a draft Circular regulating independent audit of Commercial Banks, Non-Bank Credit Institutions, Microfinance Institutions, And Foreign Bank Branches,</p> <p>The draft Circular stipulates:</p> <ul style="list-style-type: none"> The scope of audits; The timing and authority for selecting independent audit entities; The content, opinions, and results of independent audits; and The conditions and responsibilities of independent audit entities in conducting audits. <p>The draft is expected to affect credit institutions, microfinance institutions, and auditing firms.</p> <p>Draft Circular Regulating Independent Audit Of Commercial Banks, Non-Bank Credit Institutions, Microfinance Institutions, And Foreign Bank Branches – State Bank of Vietnam</p>	-
3	Ministry of Public Security	Ministry of Public Security releases draft circular on data	<p>On 28 June 2024, the Ministry of Public Security released a draft Circular regarding data security regulations.</p> <p>The draft Circular stipulates:</p> <ul style="list-style-type: none"> Regulations on the collection, processing, and governance of data; The provision of data to government agencies; Data verification and validation; Data disclosure, access, encryption, and decryption; Data transfer abroad; and Data retrieval, deletion, and destruction. <p>The draft is anticipated to impact enterprises engaged in data-related activities.</p> <p>Draft Law On Data – Ministry of Public Security</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	State Bank of Vietnam	SBV releases draft Circular regulating the implementation of open application programming interfaces (Apis) in the banking sector	<p>On 23 July 2024, the SBV released a draft Circular regulating the implementation of open application programming interfaces (Apis) in the banking sector.</p> <p>The draft Circular sets forth regulations on the implementation of open application programming interfaces (APIs) in the banking sector in Vietnam.</p> <p>It details:</p> <ul style="list-style-type: none"> • Principles for providing Open API services; • Open API function category; • Open API Service Disclosure; • Open API implementation roadmap; and • Rights and responsibilities of the Bank. <p>Draft Circular Regulating The Implementation Of Open Application Programming Interfaces (Apis) In The Banking Sector – State Bank of Vietnam</p>	-
5	State Bank of Vietnam	SBV releases draft Circular amending and supplementing certain provisions	<p>On 23 July 2024, the SBV released a draft Circular proposing amendments and supplements to certain provisions of Circular No. 26/2021/TT-NHNN, which provides guidelines for foreign exchange transactions between SBV and credit institutions authorised to engage in foreign exchange activities.</p> <p>The proposed changes aim to update and clarify procedures, enhance operational efficiency, and ensure compliance with current regulatory requirements related to foreign exchange transactions.</p> <p>Draft Circular Amending And Supplementing Certain Provisions Of Circular No. 26/2021/Tt-Nhnn – State Bank of Vietnam</p>	-
6	State Bank of Vietnam	SBV releases draft Circular prescribing special control over credit institutions	<p>On 1 July 2024, the SBV released a draft Circular prescribing special control over credit institutions.</p> <p>This Circular introduces regulations on:</p> <ul style="list-style-type: none"> • Authority to make decisions on special control over credit institutions; • Forms of special control; special control decisions; • Notification and disclosure of information on special control; • Special control duration, extension and termination of special control; and • Composition, required members, structure, operating mechanism, tasks and powers of a special control board; responsibilities of relevant authorities, organisations and individuals. <p>Circular Prescribing Special Control Over Credit Institutions – State Bank of Vietnam</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	State Bank of Vietnam	SBV issues draft Circular regulating the consulting activities of credit institutions and foreign bank branches	<p>On 1 July 2024, the SBV released a draft Circular which regulates the consulting activities of Credit Institutions and Foreign Bank branches.</p> <p>The draft Circular regulates the consulting activities of credit institutions and foreign bank branches in Vietnam. It outlines the scope, principles, ethical standards, consulting fees and contracts. The draft aims to standardise consulting practices, ensure regulatory compliance, and enhance the quality and transparency of consulting services in the financial sector.</p> <p>Circular Regulating The Consulting Activities Of Credit Institutions And Foreign Bank Branches – State Bank of Vietnam</p>	-
8	State Bank of Vietnam	SBV releases draft Circular on provision of payment intermediary services	<p>On 17 July 2024, the SBV released a draft Circular on the provision of Payment Intermediary Services.</p> <p>This Circular prescribes provision of payment intermediary services.</p> <p>Some provisions included are:</p> <ul style="list-style-type: none"> • Scope of payment intermediary services; • Contract or agreement between payment intermediary service providers and co-operative banks; • E-wallet opening and use agreement; • Procedures for opening e-wallet; • Internal regulations on cooperation in payment intermediary services involving foreign elements. <p>Circular On Provision Of Payment Intermediary Services – State Bank of Vietnam</p>	-

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