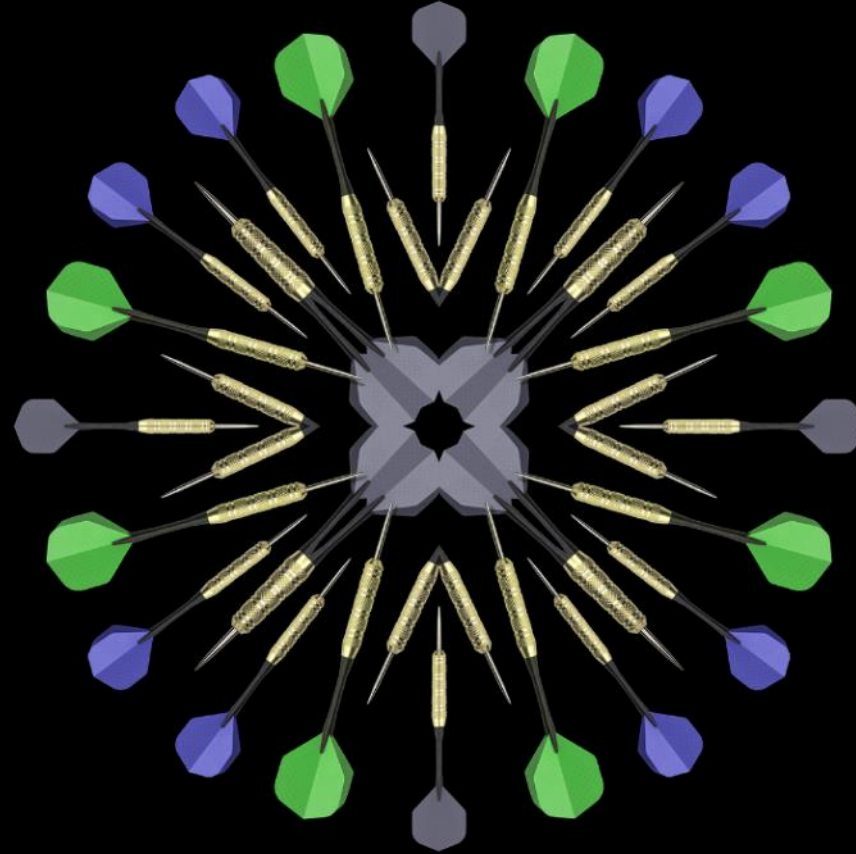


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**Asia Pacific Financial Services
Regulatory Update**

Q4 2023

February 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 our region for Q4 2023.

As we enter 2024, key thematic from the prior year remain relevant and top of mind for both Financial Services (FS) industry participants and regulators across the Asia Pacific (AP) region. While interest rate increases and inflation have cooled, a level of economic uncertainty remains, and this has been reflected in recent regulatory and supervisory priorities for the FS industry.

Implications of the global banking turmoil continue to be observed through regulatory and supervisory focus areas for the FS industry across the AP region. In Australia, the Prudential Regulator (APRA) has reflected this through both a series of updates and consultation on its financial risk management policy framework; and further emphasised through both APRA and the Australian Securities and Investments Commission (ASIC) supervisory and enforcement priorities for the coming year. Similarly, Bank Negara Malaysia (BNM) has published Operational Risk and Central Counterparty Exposure components and revisions to its Capital Adequacy Framework in line with Basel III standards. More broadly across the region, measures to strengthen capital and liquidity frameworks have also been implemented across Indonesia, Taiwan and the Philippines.

Regulation of digital assets and evolving payment platforms also continues to develop across the AP region. The increasing prevalence of digital innovation, particularly against a background of global uncertainty has seen to the retention of digital and cyber risk management as a key regulatory priority. The Monetary Authority of Singapore (MAS) has finalised regulations for Digital Payment Token service providers, and introduced a series of initiatives focused on the innovative use of digital currencies including wholesale central bank digital currencies (CBDCs), tokenised bank liabilities and regulated stablecoins. Bank Indonesia has also introduced three new services to its national, real-time retail payment system – BI-Fast, as a means to further strengthen the development of an integrated, interoperable and interconnected digital financial economy.

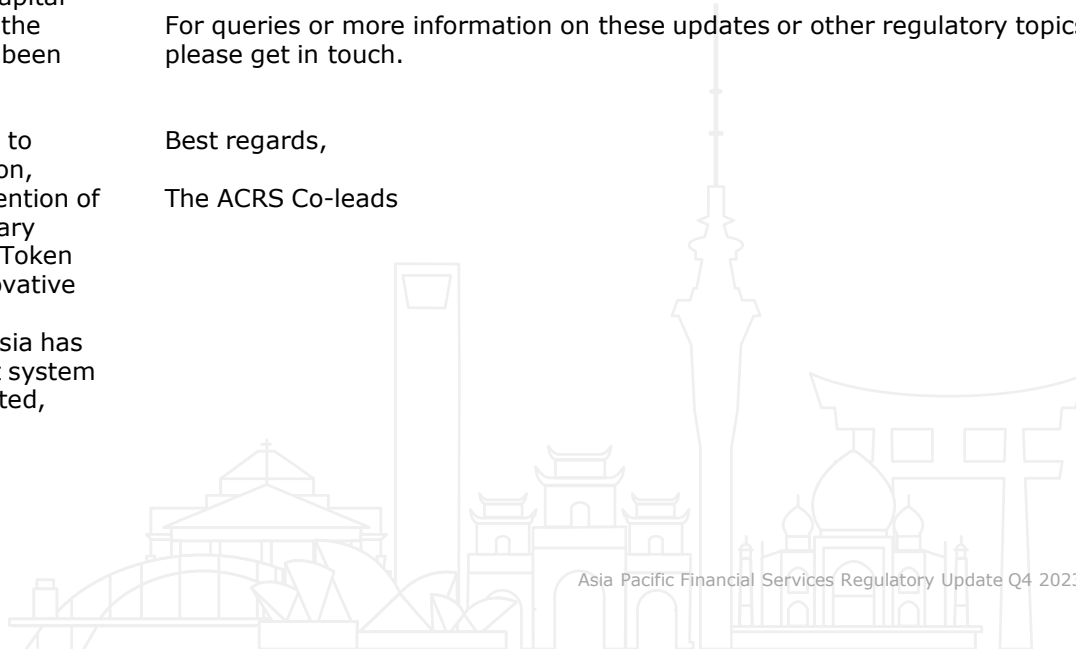
Significant breakthroughs in the development of Artificial Intelligence (AI) have also been observed within the AP region in the last 12 months. This surge in activity and popularity across FS industry participants has also been closely matched by regulators. Across the region, we continue to see the introduction and consultation on risk frameworks for the responsible and safe adoption of AI. In Australia, an interim response to a recent AI consultation highlighted risks in newer and more powerful AI models, emphasising the need for ongoing review and iteration of frameworks to respond to new and emerging risks. Across Singapore and Taiwan, initial developments are still being made in frameworks and principles for the responsible use of AI, highlighting the differing pace of progress across the AP region.

Despite continued challenges and uncertainties, the AP region enters the new year with steady recovery in the economy. Nonetheless, maintaining sight and focus of proactive risk management practices will support overall resiliency in the FS industry.

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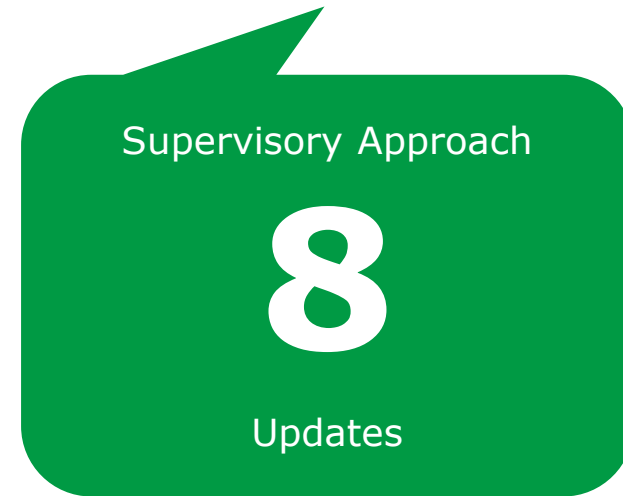
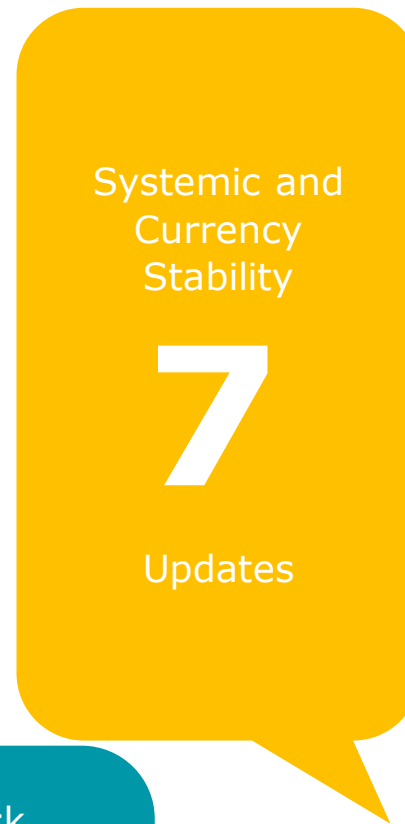
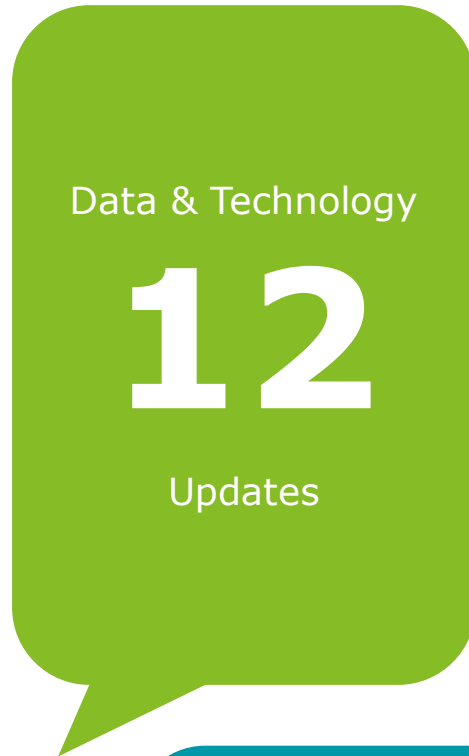
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Regulatory Hot Topics – Top six most talked about themes this quarter



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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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	APRA ASIC and APRA	<p>ASIC announces 2024 enforcement priorities</p> <p>APRA Interim Policy and Supervision Priorities Update</p>	<p>On 21 November 2023, the Australian Securities & Investments Commission (ASIC) released their enforcement priorities for 2024.</p> <p>For the insurance industry, new priorities relating to insurance claims handling, compliance with financial hardship obligations and the reportable situation regime have also been added. Additionally, ASIC will tackle misconduct relating to used car financing, non-compliant credit licensees and gatekeepers such as auditors, registered liquidators, and financial services.</p> <p>Priorities relating to greenwashing and enforcing design and distribution obligations will remain, and its focus on governance and directors' duties failures has been added as an enduring priority.</p> <p>Additionally, on 31 January 2024, the Australian Prudential Regulation Authority (APRA) provided an interim update on their supervisory and policy priorities for the first half of 2024. Most notably and for the first time, the regulator will be integrating these priorities, with additional details to be provided to entities that are in scope for specific initiatives.</p> <p>APRA will maintain its focus on the safety and resilience of regulated entities, particularly in light of the banking turmoil in early 2023. As such, for the period ahead, the regulator will focus on operational and cyber resilience for all regulated entities, targeted changes to the prudential framework for authorised deposit-taking institutions, uplifts to superannuation trustees' practices on retirement incomes and continuing financial sustainability for the insurance sector.</p> <p>ASIC announces 2024 enforcement priorities ASIC</p> <p>ASIC 2024 enforcement priorities ASIC</p> <p>Interim Policy and Supervision Priorities Update APRA</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
2	APRA	APRA moves to reinforce requirements for banks to manage interest rate risk	<p>On 12 December 2023, APRA released updated requirements to <i>Prudential Standard APS 117 Interest Rate Risk in the Banking Book (IRRBB)</i>, in response to its November 2022 consultation. These updated requirements seek to ensure that banks better manage their IRRBB risk, a feature of this being enhanced governance standards and risk measurement processes.</p> <p>These revisions are aimed at:</p> <ul style="list-style-type: none"> reducing the volatility in the IRRBB capital charge; creating better incentives for banks to manage their IRRBB risk, including raising standards of governance and measurement of risk; and simplifying and removing complexities within the IRRBB framework. <p>For larger banks, the updates to APS 117 address previously raised concerns on the treatment of embedded gains and losses and the observation period for the capital charge methodology. Where APRA deems banks are not managing their interest rate risk appropriately, they may be required to hold additional regulatory capital under APS 117.</p> <p>APRA is now commencing a three-month consultation on some aspects of APS 117 which are also relevant to smaller banks. After this consultation, APRA intends to finalise APS 117 by the middle of next year ahead of the updated standard coming into effect from 1 October 2025.</p> <p>APRA has also commenced consultation on a prudential practice guide (APG 117) and reporting standards and guidance to accompany the updated prudential standard APS 117. Submissions to this consultation are due 1 March 2024.</p> <p>APRA moves to reinforce requirements for banks to manage interest rate risk APRA</p> <p>Draft Prudential Standard APS 117 APRA</p> <p>Consultation paper: Revisions to the capital framework for authorised deposit-taking institutions APRA</p>	<p>Updated APS 117 comes into effect: 1 October 2025</p> <p>Submissions due for APG 117 consultation: 1 March 2024</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	ASIC	<p>Reportable situations regime: ASIC modifies licensees' obligations</p> <p>ASIC releases second publication on insights from the reportable situations regime</p>	<p>On 19 October 2023, ASIC announced the creation of <i>ASIC Corporations and Credit (Amendment) Instrument 2023/589</i>, modifying the reportable situations regime so licensees are not required to submit notifications about certain reportable situations from 20 October 2023.</p> <p>Under the reportable situations regime, Australian financial services (AFS) licensees and Australian credit licensees are automatically required to submit notifications to ASIC about several reportable situations. Instrument 2023/589 modifies this requirement to exclude certain breaches of the misleading or deceptive conduct regulations, with specific criteria for the breach to qualify for the exclusion.</p> <p>From 20 October 2023, licensees also have up to 90 days (up from 30 days) to lodge a report with ASIC for situations that are similar to the underlying circumstances of a situation previously reported to ASIC.</p> <p>On 31 October 2023, ASIC also released its second publication on information lodged under the reportable situations regime. The report reveals that few inroads was made in areas highlighted by ASIC in 2022, showing:</p> <ul style="list-style-type: none"> • licensee population reporting remains low, indicating that some licensees may not be complying with the regime; • licensees are still taking too long to identify and investigate breaches; • a significant number of remediation activities are still taking too long to complete, and • identification and reporting root causes of breaches can be improved. <p>ASIC Chair, Joseph Longo, stated that the regulator will take stronger regulatory action to improve compliance with the regime including enforcement action where appropriate.</p> <p>Reportable situations regime: ASIC modifies licensees' obligations ASIC</p> <p>ASIC Corporations and Credit (Amendment) Instrument 2023/589</p> <p>ASIC releases second publication on insights from the reportable situations regime ASIC</p> <p>Report 775 Insights from the reportable situations regime: July 2022 to June 2023 ASIC</p>	Effective date of amendments: 20 October 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	APRA / ASIC	APRA and ASIC commence joint administration of the new Financial Accountability Regime	<p>On 3 October 2023, ASIC jointly published a suite of information to support the implementation of the Financial Accountability Regime (FAR) in the financial services industry.</p> <p>The FAR replaces the Banking Executive Accountability Regime (BEAR), which was administered solely by APRA. The FAR seeks to improve risk and governance cultures of financial institutions, and fulfils recommendations made by the Financial Services Royal Commission. The regime imposes an improved responsibility and accountability framework for APRA-regulated entities, their directors, and most senior executives in the banking, insurance, and superannuation industries.</p> <p>The information package includes:</p> <ul style="list-style-type: none"> the Joint Administration Agreement between APRA and ASIC, establishing the framework within which both regulators will administer the FAR; and a joint information paper providing guidance for ADIs on transitioning from the BEAR to the FAR. <p>The FAR will come into effect on 15 March 2024 for the banking industry, and on 15 March 2025 for the superannuation and insurance industries. Further details on industry engagement will be released shortly.</p> <p>APRA and ASIC commence joint administration of the new Financial Accountability Regime APRA & ASIC joint letter</p> <p>Financial Accountability Regime Information Package APRA</p>	<p>Implementation date (banking): 15 March 2024</p> <p>Implementation date (super and insurance): 15 March 2025</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	ASIC	ASIC targets misconduct in superannuation sector	<p>On 15 November 2023, ASIC announced its 2024 intentions to enhance enforcement action in the superannuation sector. This aligns with ASIC's ongoing focus on member outcomes and follows the regulator's enforcement and regulatory update from July to September 2023 which showcased the work done to protect superannuation sector customers.</p> <p>During the quarter, ASIC alleged failures by superannuation funds to address multiple member accounts and intends to take further action in relation to member services failures in the superannuation sector. ASIC also filed its second and third greenwashing matters during the quarter, with allegations of misleading statements against organisations in the financial sector.</p> <p>ASIC targets misconduct in superannuation sector ASIC</p> <p>Report 777 ASIC enforcement and regulatory update: July to September 2023 ASIC</p>	
6	DISR	The Australian Government's interim response to safe and responsible AI consultation	<p>On 17 January 2024, the Department of Industry, Science and Resources (DISR) published its interim response to a 2023 consultation on safe and responsible artificial intelligence (AI).</p> <p>Submissions to the consultation highlighted risks in newer and more powerful AI models and the speed and scale of innovation. Analysis from submissions found that at least 10 legislative frameworks may require amendments in response to the risks presented by AI.</p> <p>The government aims to ensure AI systems in Australia are legitimate and publicly trusted, while ensuring the deployment of AI in low-risk settings is largely unimpeded. While the government considers mandatory guardrails for AI development and use and next steps, it is taking immediate action through:</p> <ul style="list-style-type: none"> • working with industry to develop a voluntary AI Safety Standard, implementing risk-based guardrails for industry; • working with industry to develop options for voluntary labelling and watermarking of AI-generated materials; and • establishing an expert advisory body to support the development of options for further AI guardrails. <p>The government will rely on developments in other countries to decide on appropriate safeguards and continue to explore further steps to support the innovation of AI technologies across the economy.</p> <p>The Australian Government's interim response to safe and responsible AI consultation DISR</p> <p>Supporting Responsible AI: Interim Response DISR</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	APRA	<p>APRA consults on increased transparency of super fund expenditure</p> <p>APRA seeks greater industry transparency in latest phase of the Superannuation Data Transformation</p>	<p>On 10 October 2023, APRA released a consultation on its proposal to publish total superannuation fund expenditure and expanded asset allocation data by mid-2024.</p> <p>APRA is initially proposing to publish:</p> <ul style="list-style-type: none"> total expenses for the industry by category and by internal, related outsourced and non-related outsourced arrangements for administration and operating expenses and for investment expenses; total expenses at individual fund level by category; total expenses with the name of the service provider where the provider is a promoter; and additional aggregated asset allocation data for fund investments. <p>This proposal would increase visibility of how superannuation members' money is spent and invested, further compelling trustees to remain closely focused on improving member outcomes. The consultation, which will include two roundtable discussions with trustees and other industry stakeholders, closed on 29 November 2023.</p> <p>On 30 November 2023, APRA also released a discussion paper proposing to strengthen its data collection in areas including trustee board governance and investment liquidity and valuations. This proposal aligns with APRA's Superannuation Data Transformation, wherein APRA plans to collect data needed to further support APRA's supervision of the industry.</p> <p>APRA is planning industry workshops to further refine the collection design prior to finalisation and will invite several trustees to participate in a future pilot study. Submissions to the discussion paper are due 31 March 2024.</p> <p>APRA consults on increased transparency of super fund expenditure APRA</p> <p>Superannuation Data Transformation publications and confidentiality consultation APRA</p> <p>APRA seeks greater industry transparency in latest phase of the Superannuation Data Transformation APRA</p> <p>Discussion paper - Superannuation Data Transformation Phase 2 APRA</p>	<p>Consultation due on Superannuation Data Transformation publications and confidentiality: 29 November 2023</p> <p>Consultation due on data collections to strengthen transparency in latest phase of Superannuation Data Transformation: 31 March 2024</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
8	Treasury	Climate-related financial disclosure: exposure draft legislation	<p>On 12 January 2024, the Australian Government released its policy position and draft legislation for the implementation of mandatory climate-related financial disclosure in Australia. The Exposure Draft legislation proposes to introduce mandatory requirements for large organisations to disclose their climate-related risks and opportunities by amending the <i>Australian Securities and Investment Commission Act 2001</i> and the <i>Corporations Act 2001 (Cth)</i>.</p> <p>Treasury is consulting industry on the Exposure Draft legislation and accompanying explanatory materials, with submissions due by 9 February 2024. Subject to the legislation being enacted by Parliament and receiving Royal Assent by the end of June 2024, the Government is anticipating that the regime will come into force for financial years commencing on or after 1 July 2024.</p> <p>Climate-related financial disclosure: exposure draft legislation Treasury</p> <p>Exposure Draft - Treasury Laws Amendment Bill 2024: Climate-related financial disclosure Treasury</p>	Consultation submissions due: 9 February 2024
9	APRA	APRA proposes targeted changes on liquidity and capital in response to global banking turmoil	<p>On 15 November 2023, APRA announced the beginning of a consultation on targeted changes to liquidity and capital requirements to strengthen the banking sector's resilience.</p> <p>After banking crisis events in the United States and Europe last year, APRA is proposing changes to the prudential framework to uplift how banks manage their liquidity. The changes will be reflected in the following standards and guidance:</p> <ul style="list-style-type: none"> • <i>Prudential Standard APS 210 Liquidity (APS 210)</i>; • <i>Prudential Practice Guide APG 210 Liquidity (APG 210)</i>; and • <i>Prudential Standard APS 111 Capital Adequacy: Measurement of Capital (APS 111)</i>. <p>APRA plans to hold a series of workshops and is accepting written submissions during the consultation period to gather feedback and suggestions from the banking industry. Submissions to the letter are due 16 February 2024, with APRA intending to finalise the consultation in the first half of 2024.</p> <p>APRA proposes targeted changes on liquidity and capital in response to global banking turmoil APRA</p> <p>Proposed changes to liquidity and capital requirements for authorised deposit-taking institutions APRA</p>	Submissions to consultation due: 16 February 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	NAFR	NAFR revised and released Measures for Operational Risk Management in Banking and Insurance Institutions	<p>On 27 December 2023, NAFR released the <i>Measures for Operational Risk Management of Banking and Insurance Institutions</i>, officially effective from 1 July 2024.</p> <p>Key aspects of the Measures are:</p> <ul style="list-style-type: none"> • Clear Responsibilities: Clearly outlines the duties of boards, supervisory bodies, and senior management. Emphasises operational risk management responsibilities for branches and subsidiaries. • Fundamental Requirements: Directs institutions to establish basic operational risk management systems and cultures. • Detailed Processes and Tools: Requires comprehensive operational risk management throughout processes. Specifies controls, measures, and reporting mechanisms, using databases and innovative tools. • Supervision and Responsibilities: Mandates the CBIRC and branches to assess operational risk management effectiveness. Calls for industry associations to contribute to self-discipline and service. • Appendix Guidance: Provides explanatory examples in the appendix for easy implementation. <p>From the date of implementation of the Measures, the <i>Guidelines for Operational Risk Management of Commercial Banks (CBRC Decree [2007] No. 42)</i> and the <i>Notice of the China Banking Regulatory Commission on Strengthening the Prevention of Operational Risk (CBRC Decree [2005] No. 17)</i> are abolished.</p> <p>NAFR revised and released Measures for Operational Risk Management in Banking and Insurance Institutions</p>	Effective 1 July 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
2	NAFR	NAFR releases Interim Measures for the Supervision and Management of Pension Insurance Companies	<p>On 25 November 2023, NAFR issued the <i>Interim Measures for the Supervision and Management of Pension Insurance Companies</i> to address regulatory gaps in the oversight of pension insurance firms. This issuance aims to improve targeted supervision, guiding these institutions to focus on their core business, covering general principles, organisational management, corporate governance, operational rules, supervision, and supplementary provisions.</p> <p>The main points of the regulations are as follows:</p> <ul style="list-style-type: none"> • Corporate governance: the establishment of an independent director system and reinforcement of requirements related to related transactions and investment concentration are clearly outlined. • Operational rules: fairness in treating different types of business, strengthening risk isolation, and specific regulations for insurance business and pension fund management business are emphasised. • Risk management: specific requirements for risk control, risk disposal, and internal and external audits. • Supervision and management: Specific requirements cover information disclosure, risk reporting, and investment concentration, along with principles for enforcement and penalties. Supplementary provisions apply the "Measures" to pension management companies. <p>NAFR releases Interim Measures for the Supervision and Management of Pension Insurance Companies</p>	Effective 25 November 2023
3	NAFR	NAFR solicits opinions on Measures for Consumer Finance Company Management	<p>On 18 December 2023, NAFR launched a consultation on the <i>Measures for Consumer Finance Company Management</i>.</p> <p>Key aspects covered by the Measures are:</p> <ul style="list-style-type: none"> • Raising entry standards: increasing indicators for major contributors to enhance risk resilience. • Strengthening business classification supervision: differentiating between basic and special business scopes and implementing strict graded supervision of business activities. • Enhancing corporate governance regulation: fully implementing recent NAFR regulations on corporate governance, shareholder equity, related transactions, and information disclosure. • Reinforcing risk management: providing clear regulatory requirements for credit risk, liquidity risk, operational risk, information technology risk, and reputation risk management. Additionally, optimizing and adding certain regulatory indicators and improving market exit mechanisms. • Strengthening consumer rights protection: clarifying the responsibilities of consumer finance companies as consumer protection entities. <p>NAFR will further refine the "Measures" and publish the final version for implementation in due course following responses from the consultation.</p> <p>NAFR solicits opinions on Measures for Consumer Finance Company Management</p>	Consultation ended on 19 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	NAFR	NAFR revised and issued the Measures for Country Risk Management of Banking Financial Institutions	<p>On 24 November 2023, National Administration of Financial Regulation (NAFR) released the <i>Measures for Country Risk Management of Banking Financial Institutions</i>, aiming to strengthen the country risk management system and ensure stable development for banking financial institutions.</p> <p>Key revisions to the previous guidelines (<i>Guidelines for Country Risk Management of Banking Financial Institutions</i>) include:</p> <ul style="list-style-type: none"> • Transitioning from "Guidelines" to "Measures" to align with regulatory document management requirements. • Further clarification of the measurement criteria for country risk exposure based on the comprehensive risk coverage principle. • Incorporation of country risk reserves into owner's equity as a component of general reserves, addressing issues of repeated provisions outlined in the guidelines. • Refinement of the scope and percentage of country risk reserve provisions, including loan commitments and financial guarantees while moderately adjusting the provision ratio. • Modification and improvement of responsibilities and limitations related to country risk transfer for banking financial institutions. <p>In the next step, NAFR will provide guidance and supervision to ensure the effective implementation of the measures, guiding banking financial institutions to enhance their competitiveness and improve country risk management capabilities in the internationalization process.</p> <p>NAFR revised and issued the Measures for Country Risk Management of Banking Financial Institutions</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	NAFR, PBOC	PBOC and NAFR issue the Measures for the Assessment of Systemically Important Insurers	<p>On 7 October 2023, the People’s Bank of China (PBOC) and NAFR introduced the <i>Measures for the Assessment of Systemically Important Insurers</i> to fortify the financial stability system, enhance regulation of systemically important financial institutions, and create a mechanism for identifying such insurers.</p> <p>The Measures outline:</p> <ul style="list-style-type: none"> • The scope of the insurance companies subject to assessment: China’s top ten insurance company groups, life insurers, property insurers, and reinsurers by asset size, as well as the insurers identified as systemically important in the preceding year. • Assessment indicators assessment indicators and their weights: 13 indicators are grouped by four dimensions, i.e. size, interconnectedness, asset liquidity, and substitutability, which are weighted 20%, 30%, 30%, and 20%, respectively. • Assessment procedures: every two years, insurers scoring 1,000 or higher will be designated as systemically important. <p>The move aims to extend macro-prudential management to insurance firms, promoting their sound operation and supporting financial system stability.</p> <p>PBOC and NAFR issue the Measures for the Assessment of Systemically Important Insurers</p>	Effective 1 January 2024
6	NAFR	NAFR releases Measures for Commercial Banks’ Capital Management	<p>On 26 October 2023, NAFR has formulated the <i>Measures for Commercial Banks’ Capital Management</i>, effective from 1 January 2024. The measures primarily include:</p> <ul style="list-style-type: none"> • Establishing a differentiated capital supervision system to align capital oversight with the size and complexity of banks, reducing compliance costs for smaller banks. • Comprehensive revisions to risk-weighted asset measurement rules, covering credit risk weight methods, internal rating methods, market risk standard methods, internal model methods, and operational risk standard methods to enhance risk sensitivity in capital measurement. • Mandating banks to formulate effective policies, processes, systems, and measures, ensuring timely and comprehensive understanding of customer risk changes, and ensuring the applicability and prudence of risk weights. • Strengthening supervision inspections, optimising stress tests, and further enhancing regulatory effectiveness. • Enhancing information disclosure standards, emphasising both qualitative and quantitative information disclosure, and enhancing market constraints. <p>NAFR releases Measures for Commercial Banks’ Capital Management</p> <p>Measures for Commercial Banks’ Capital Management</p>	Effective 1 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	HKMA	HKMA publishes the e-HKD Pilot Programme Phase 1 Report	<p>On 30 October 2023, the Hong Kong Monetary Authority (HKMA) released the <i>e-HKD Pilot Programme Phase 1 Report</i>, which discusses the observations found from the regulators assessment under Phase 1 of its e-HKD Pilot Programme. This programme aims to investigate the potential of a central bank digital currency (CBDC) in Hong Kong.</p> <p>The report revealed that a Hong Kong CBDC (an “e-HKD”) could add value to the payment ecosystem through its programmability, tokenisation, and atomic settlement. It was found that an e-HKD could facilitate faster and more cost-efficient transactions, recognising that further investigation is necessary to determine if results from these pilots can be realised in real-life applications.</p> <p>The HKMA is yet to announce a decision on the adoption of an e-HKD, however noted that the insights gained from Phase 1 of the programme have provided valuable guidance to this possible implementation. Phase 2 of the programme is expected to commence in 2024 and will explore new use cases, further examining select pilots from Phase 1.</p> <p>HKMA publishes the “e-HKD Pilot Programme Phase 1 Report” HKMA</p> <p>e-HKD Pilot Programme Phase 1 Report HKMA</p>	
2	HKMA	Deepening Fintech Innovation Supervisory Cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area	<p>On 9 November 2023, the HKMA issued a joint press release alongside the People’s Bank of China (PBoC) and the Monetary Authority of Macao (AMCM) announcing the signage of a “Memorandum of Understanding” (MoU). This MoU establishes an agreement for these authorities to form a network which includes the PBoC’s Fintech Innovation Regulatory Facility, the HKMA’s Fintech Supervisory Sandbox and the AMCM’s Regulatory Requirements for Innovative Fintech Trials.</p> <p>This agreement allows the three authorities to continue deepening fintech innovation co-operation and will provide a platform to facilitate the pilot trials of cross-boundary fintech initiatives. It is also aimed at strengthening the synergy of fintech supervisory co-operation across the three regions.</p> <p>Deepening Fintech Innovation Supervisory Cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area HKMA</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	HKMA FSTB	Consultation on legislative proposal to implement regulatory regime for stablecoin issuers and announcement on introduction of sandbox arrangement	<p>On 27 December 2023, the HKMA released a joint public consultation paper with the Financial Services and the Treasury Bureau (FSTB) to gather submissions on a proposal to regulate stablecoin issuers.</p> <p>The Government stated that bringing these issuers into the scope of regulation will facilitate adequate management of the potential monetary and financial stability risks posed by these fiat-referenced stablecoins (FRS), establishing transparency and suitable guardrails.</p> <p>The consultation paper proposes the following changes:</p> <ul style="list-style-type: none"> • Introducing legislation to implement a new licensing regime for all FRS issuers that meet certain conditions; • Requiring that FRS can only be offered by specified licensed entities and only FRS licensed by the MA can be offered to retail investors; • Prohibiting certain FRS advertising; • Providing the necessary powers for the authorities to adjust necessary parameters; and • Providing a transitional arrangement to facilitate the implementation of the regulatory regime. <p>The consultation period opened on 27 December 2023 and will conclude on 29 February 2024.</p> <p>The HKMA also announced intentions to introduce an arrangement for communicating supervisory expectations and guidance to entities intending to issue FRS and collecting feedback on proposed regulatory requirements. More details on this arrangement will be announced separately.</p> <p>Consultation on legislative proposal to implement regulatory regime for stablecoin issuers and announcement on introduction of sandbox arrangement HKMA</p> <p>Legislative Proposal to Implement the Regulatory Regime for Stablecoin Issuers in Hong Kong FSTB & HKMA</p>	<p>Consultation ends: 29 February 2024</p>

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4	SFC	SFC consults on market sounding guidelines	<p>On 11 October 2023, the Securities and Futures Commission (SFC) released a consultation on proposed guidelines for market soundings. This proposal is designed to provide clarity on regulatory expectations and help intermediaries to conduct their business activities honestly, fairly and in the best interests of clients. This announcement comes after the SFC conducted a thematic review of market soundings in early 2022.</p> <p>Under the proposal, intermediaries would be compelled to implement strong governance, policies, and internal control procedures to prevent the misuse of non-public information entrusted to them during market soundings. They would also need to keep records of their market soundings, and follow specific requirements based on their respective roles.</p> <p>The SFC invited submissions to the consultation paper by 11 December 2023.</p> <p>SFC consults on market sounding guidelines SFC</p> <p>Consultation Paper on the Proposed Guidelines for Market Soundings SFC</p>	Consultation ended: 11 December 2023
5	FSTB	Consultation conclusions on establishing policy holders' protection scheme published	<p>On 28 December 2023, the FSTB released a paper with conclusions on a proposal to establish a policy holders' protection scheme (PPS). This came after a consultation period from December 2022 to March 2023, during which fourteen submissions were received from both industry and the wider public.</p> <p>The paper noted a generally positive response to the proposed establishment of a PPS, with several respondents advising that a PPS should only serve as a last resort. However, some insurers expressed concerns over the proposal, citing the existing prudential framework as already sufficient. FSTB stated intentions to fine-tune the proposal based on stakeholders' submitted concerns.</p> <p>Based on the consultation, FSTB will begin preparatory work on establishing a PPS with a view to enhance protection for policy holders in the event of insurer insolvency. There is no fixed date currently.</p> <p>Consultation conclusions on establishing policy holders' protection scheme published FSTB</p> <p>Establishing a Policy Holders' Protection Scheme: Consultation Conclusions FSTB</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	IRDAI	Amendment to Master Guidelines on Anti-money laundering/Counter Financing of Terrorism (AML/CFT) 2022	<p>On 10 October 2023, The Insurance Regulatory and Development Authority of India (IRDAI) amended its <i>Master Guidelines on Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) 2022</i>.</p> <p>The key amendments are as follows:</p> <ul style="list-style-type: none"> • A new provision has been introduced stating that where there is a variance between client due diligence or AML/CFT standards specified by IRDAI and those specified by regulators of the host country, foreign branches or majority-owned subsidiaries of regulated entities must adopt the more stringent requirements of the two. Additional measures should be applied if the host country's standards do not permit proper implementation of AML/CFT measures consistent with home country requirements; • A new provision has been added, which mandates that the wider financial groups of in-scope organisations should implement group-wide programs against Money Laundering (ML) and Terrorist Financing (TF), that are applicable to all branches and majority-owned subsidiaries of the financial group; • The Client Due Diligence (CDD) regulations now include a requirement to keep information collected under client due diligence up-to-date and relevant, especially for high-risk clients; • With respect to suspicion of money laundering or terrorist financing, it is stated that if an insurer suspects money laundering or terrorist financing and believes that conducting CDD will tip off the customer, it should not pursue CDD but instead file a Suspicious Transaction Report (STR) with FIU-IND; • With respect to Enhanced Due Diligence (EDD) for High-Risk Countries, the application of EDD measures, proportionate to the risks, for business relationships and transaction with natural and legal persons from countries when called for by the Financial Action Task Force (FATF) is required. <p>Amendment to Master Guidelines on Anti-money laundering/Counter Financing of Terrorism (AML/CFT) 2022 INRDAI</p>	
2	IRDAI	IRDAI Issues Insurance Regulatory and Development Authority of India (Bima Vahak) Guidelines, 2023	<p>On 9 October 2023, IRDAI issued a notification relating to the <i>Insurance Regulatory and Development Authority of India (Bima Vahak) Guidelines, 2023</i>.</p> <p>The notification states the following objectives:</p> <ul style="list-style-type: none"> • To establish a women-centric dedicated distribution channel that is focused on enhancing insurance inclusion and creating awareness in every village/Gram Panchayat, thereby, improving accessibility and availability of insurance in every corner of the country; • To identify and develop resources locally who understand and appreciate local needs and enjoy the trust and confidence of the local population of their village/Gram Panchayat; <p>The Term "Bima Vahak" in the Guidelines refers to either an individual (Individual Bima Vahak) or a legal entity (Corporate Bima Vahak), both registered in compliance with the relevant laws in India.</p> <p>Insurance Regulatory and Development Authority of India (Bima Vahak) Guidelines, 2023 INRDAI</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	IRDAI	Modification in Trade Credit Insurance Guidelines	<p>On 9 October 2023, IRDAI introduced an amendment to the <i>Trade Credit Insurance Guidelines, 2021</i>.</p> <p>The new amendment allows for reverse factoring to take place on the Trade Receivable Discounting System (TReDS) platforms, and further allows the financiers to secure Trade Credit Insurance cover against the default of the buyer for invoices financed on TReDS platforms. The Trade Credit Insurance Guidelines was introduced in September 2021, to safeguard businesses against the risk of non-payment for goods and services by buyers. These guidelines established a regulatory framework that extended trade credit insurance coverage to suppliers, banks, and other financial institutions.</p> <p>Modification in Trade Credit Insurance Guidelines INDRAI</p>	Amendments have been implemented with immediate effect
4	IRDAI	Discontinuation of filing of certificate under IRDAI (Insurance Brokers) Regulations, 2018 by Insurers	<p>On 24 November 2023, IRDAI issued a circular regarding the discontinuation of filing of certificates by Insurers seeking to engage Insurance Brokers.</p> <p>IRDAI has clarified that insurers engaging Insurance Brokers are not required to furnish certificate (Schedule II – Form W of the Insurance Regulatory and Development Authority Of India (Insurance Brokers) Regulations, 2018) signed by the CEO and CFO of the insurer, separately for each broker, if the remuneration and other payments made to the broker exceed the stipulated limits as per Regulation 34(9) of the said regulation.</p> <p>Discontinuation of filing of certificate under IRDAI (Insurance Brokers) Regulations, 2018 by Insurers INDRAI</p>	
5	IRDAI	Enforcement of provisions of the Industries (Development and Regulation) Act, 1951, under the Jan Vishwas (Amendment of Provisions) Act, 2023	<p>On 7 December 2023, the Ministry of Commerce and Industry issued a notification related to the <i>Industries (Development and Regulation) Act, 1951</i> under the <i>Jan Vishwas (Amendment of Provisions) Act, 2023</i>, which will come into force on 12 December 2024.</p> <p>The notification enacts the following provisions under the <i>Industries (Development and Regulation) Act, 1951</i> as per below:</p> <ul style="list-style-type: none"> In Section 24, Sub-section (1) is amended to state that a penalty of up to twenty-five lakh rupees may be imposed for non-compliance. For Sections 24A the following Sections shall be substituted namely: Section 24A "Adjudication"- Adjudication process is introduced for determining penalties. The Central Government authorizes the District Magistrate or Additional District Magistrate as the adjudicating officer. This officer can conduct inquiries, summon witnesses, and impose penalties under Section 24. The adjudicating officer must provide a reasonable opportunity for the accused to be heard; Section 24B "Appeal"- The provision allows for an appeal to an appellate authority, not below the rank of Joint Secretary to the Government of India, within thirty days of the order. The appellate authority may admit appeals after the thirty-day period if sufficient cause is demonstrated. The appeal must be disposed of within sixty days; Section 24C "Recovery" – The provision specifies that if the penalty imposed is not paid, it will be recovered as an arrear of land revenue. <p>Enforcement of provisions of the Industries (Development and Regulation) Act, 1951, under the Jan Vishwas (Amendment of Provisions) Act, 2023 INDRAI</p>	Amendments come into effect 12 December 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	Bank Indonesia	Implementation of Bank Indonesia-Fast Payment system	<p>On 28 November 2023, Bank Indonesia announced the implementation of the Bank Indonesia Fast-Payment system (BI-FAST).</p> <p>BI-FAST (Bank Indonesia Funds Transfer System) was developed to support the consolidation and integration of Indonesia's national digital economy and finance. It aims to create a fast, low-cost, safe, and reliable payment system. BI-FAST aligns with Bank Indonesia's future policy directions to establish an integrated and interconnected digital financial ecosystem.</p> <p>To promote the development of the digital financial ecosystem and support innovations in the payment system industry, three new services were added to BI-FAST: RFP (Request for Payment) Service, BCT (Bulk Credit Transfer) Service, and DDT (Direct Debit Request) Service. Adjustments to the BI-FAST implementation policy are necessary to accommodate the needs of participants, including providing alternative infrastructure and enhancing consumer protection aspects.</p> <p>Implementation of Bank Indonesia-Fast Payment Bank Indonesia</p>	
2	OJK	Capital calculation for bank exposure to central counterparty institutions	<p>On 19 October 2023, Otoritas Jasa Keuangan (OJK) released a notice providing enhanced guidance relating to capital calculations for a bank's exposure to a Central Counterparty (CCP) Institution.</p> <p>This regulation specifically addresses the calculation of minimum capital required by a bank to manage exposure to a CCP. It covers various types of exposures, including over-the-counter derivatives, exchange-traded derivatives, long settlement transactions, and securities financing transactions (SFT) involving credit risk.</p> <p>The regulation outlines the calculation of capital requirements for these exposures, which is crucial for determining the minimum capital needed by the bank. It also emphasizes that banks must maintain sufficient capital to cover their exposure to both qualifying CCP (QCCP) and non-QCCP. Additionally, banks acting as CCP members are required to conduct stress testing and risk assessments to ensure the adequacy of capital for exposures to CCP, considering potential future exposure or contingent exposure resulting from default fund commitments.</p> <p>Capital Calculation for Bank Exposure to Central Counterparty Institutions OJK</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	OJK	OJK releases Procedures for Interviews on the Fit and Properness of Management and Supervisory Candidates of Alternative Dispute Resolution Institutions in the Financial Services Sector	<p>On 20 September 2023, OJK released a circular on the <i>Interview Procedure for Management and Supervisory Candidates of Alternative Dispute Resolution Institutions in the Financial Services Sector</i>.</p> <p>The circular aims to detail the interview required to be followed by prospective management and supervisory candidates for dispute resolution institutions in the financial services sector in accordance with OJK Regulation Number 61/POJK.07/2020.</p> <p>The circular letter provides comprehensive guidelines for the selection and approval process of administrators and supervisors in financial services sector dispute resolution institutions. It covers various aspects such as interview procedures, assessment factors, administrative requirements, and application submission procedures.</p> <p>The circular letter also includes details on the interview mechanism, interview results, and transitional provisions for board members and supervisors undergoing the process. It specifies the required documents for the interview process, including curriculum vitae and administrative requirement documents. The purpose of this circular letter is to ensure that prospective administrators and supervisors meet the necessary qualifications and integrity as per applicable regulations, providing clear and structured guidelines for the selection process.</p> <p>Procedures for Interviews on the Fit and Properness of Management and Supervisory Candidates of Alternative Dispute Resolution Institutions in the Financial Services Sector OJK</p>	
4	Bank Indonesia	Bank Indonesia releases Macprudential Liquidity Incentive Policy	<p>On 18 September 2023, Bank Indonesia issued <i>Bank Indonesia Regulation Number 11 of 2023 on Macprudential Liquidity Incentive Policy</i>.</p> <p>This set of regulations are issued to support sustainable economic growth and face the challenges of the slow-growing bank credit and financing sectors. The focus of the regulations is upon the following:</p> <ul style="list-style-type: none"> • Bank Indonesia provides Macprudential Liquidity Policy (KLM) for banks that channel credit or financing to certain sectors determined by Bank Indonesia, inclusive credit or financing based on the achievement of the macprudential inclusive financing ratio (RPIM), credit or financing to ultra-micro businesses (UMi), environmentally sound credit or financing, and/or other financing determined by Bank Indonesia; • KLM is provided in the form of a reduction in the Bank's current account at Bank Indonesia as a fulfilment of the minimum reserve requirement (GWM) that must be met on average; • Data used as the basis for granting KLM includes data on lending or financing to certain sectors, achievement of RPIM, credit or financing to Ultra Micro Enterprises, credit or financing with an environmental perspective, and/or other financing determined by Bank Indonesia; • Banks are required to submit data and reports as a source of KLM granting to Bank Indonesia accurately; • Bank Indonesia supervises banks receiving KLM through surveillance and/or examination. If there are data inaccuracies, Bank Indonesia will conduct a re-examination of the fulfilment of the KLM recipient bank criteria and the amount of KLM received. <p>Macprudential Liquidity Incentive Policy Bank Indonesia</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	OJK	Quality development of human resources of rural banks and sharia rural banks	<p>On 1 November 2023, OJK issued regulations to increase the quantity and quality of Human Resources, at Rural Banks (BPR) and Sharia Rural Banks (BPRS) in accordance with the law, the financial services sector HR blueprint, and the BPR and BPRS development roadmap.</p> <p>Requirements included in the regulations include:</p> <ul style="list-style-type: none"> • Systems and procedures for developing the quality of human resources in BPR and BPRS are an obligation that is carried out on an ongoing basis. • Members of the Board of Directors and/or members of the Board of Commissioners are required to have work competency certification in the field of BPR and BPRS, work competency certification outside the field, as well as other competency improvements in both technical and non-technical fields. • Determination of requirements and/or criteria for the form of competency maintenance, as well as the implementation of work competency certification by the banking sector LSP. • BPR and BPRS also have an obligation to monitor the ownership of work competency certification and HR quality development programs carried out periodically with a specified period of time. • Providing consequences for members of the Board of Directors and / or Board of Commissioners who do not carry out maintenance programs within a predetermined period in the form of non-recognition of work competency certificates owned by offending members of the Board of Directors and / or Board of Commissioners. <p>Quality Development of Human Resources of Rural Banks and Sharia Rural Banks OJK</p>	
6	OJK	OJK releases Procedures for the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities	<p>On 6 November 2023, OJK released a circular letter detailing audit scope requirements for financial industry participants such as banks, investment managers, insurance and reinsurance companies, pension funds, and financing institutions.</p> <p>Requirements set out within the circular letter include the following:</p> <ul style="list-style-type: none"> • Independent conditions of AP and Public Accountant Offices (KAP) are set that must be met when providing services; information on violations, weaknesses, and estimated conditions submitted by AP and/or KAP to the Financial Services Authority; the format, guidelines for completion, and procedures for submitting reports by relevant parties, AP, and KAP to the Financial Services Authority; as well as guidelines for the administrative management of AP and KAP. • The use of registered and active Public Accountants and Public Accountant Offices listed in the Financial Services Authority's registry is related to reports that must be audited, examined, or assigned by AP based on the provisions of financial services regulations or written instructions from the Financial Services Authority. • The format and guidelines for filling out reports submitted by AP, KAP, and relevant parties are outlined within the circular letter. <p>Procedures for the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities OJK</p>	Effective from 6 November 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	Bank Indonesia	Bank Indonesia releases amendments to the <i>Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit</i>	<p>On 1 December 2023, Bank Indonesia released updated regulations relating to the Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units.</p> <p>Bank Indonesia seeks to encourage bank lending and financing through enhancing weak macroprudential policies in the form of a decrease in the amount of the Macroprudential Liquidity Buffer (PLM) ratio and the amount of the Sharia Macroprudential Liquidity Buffer ratio.</p> <p>The reduction is also intended to provide flexibility in liquidity management by banks through the following measures:</p> <ul style="list-style-type: none"> • The amount of PLM obligation becomes 5% of Conventional Commercial Banks 's deposits in rupiah. For Conventional Commercial Banks (BUK) with Sharia Business Unit (UUS), the amount of BUK's deposits in rupiah includes UUS's deposits in rupiah; • Securities to fulfil PLM obligations can be used in repo transactions and liquidity management transactions based on Bank Indonesia's sharia principles (PaSBI transactions) to Bank Indonesia in open market operations. The use of securities in repo transactions and PaSBI transactions that can be calculated to fulfil PLM obligations is set at a maximum of 5% (five percent) of BUK's deposits in rupiah; • The amount of Sharia PLM obligations is 3.5% (three point five percent) of BUS deposits in rupiah; • Sharia securities to fulfil Sharia PLM obligations can be used in repo transactions and PaSBI transactions to Bank Indonesia in sharia open market operations. The use of Sharia securities in repo transactions and PaSBI transactions that can be calculated to fulfil Sharia PLM obligations is set at a maximum of 3.5% (three point five percent) of BUS third-party fund in rupiah. <p>Seventh Amendment to the Regulation of the Members of the Board of Governors Number 21/22/PADG/2019 concerning Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit Bank Indonesia</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
8	Bank Indonesia	Bank Indonesia announces amendments related to open market operation instruments	<p>On 17 November 2023, Bank Indonesia announced changes related to the issuance of Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign Exchange Sukuk (SUVBI).</p> <p>Intermediary Institutions, which are money market and foreign exchange market brokerage companies and securities companies appointed by the Minister of Finance, can now become primary dealers with a license from Bank Indonesia to participate in Monetary Operations.</p> <p>Fifth Amendment to the Member Regulation of the Board of Governors Number 22/22/PADG/2020 concerning Open Market Operation Instruments Bank Indonesia</p>	
9	OJK	OJK releases Issuance and Terms of Debt Securities and Sustainability-Based Sukuk	<p>On 10 October 2023, OJK announced the expanded scope of regulations relating to sustainability related debt instruments.</p> <p>The regulation covers various provisions, including the types of sustainability-linked debt securities, requirements for issuance, registration documents, prospectus guidelines, use of proceeds, and reporting. It also addresses changes in the status of environmental, social, sustainability, and waqf sukuk debt securities. The regulation oversees the issuance of sustainability-related debt securities and other aspects such as external revision providers, incentives, administrative sanctions, and transitions.</p> <p>Issuers who have previously issued Environmentally Sound Debt Securities are required to follow the provisions of the previous regulation until maturity. Additionally, issuers who have conducted a phased public offering of debt securities and/or Sukuk under the previous regulation cannot conduct subsequent offerings during the remaining time of the public offering period once this new regulation takes effect.</p> <p>Issuance and Terms of Debt Securities and Sustainability-Based Sukuk OJK</p>	
10	OJK	Buyback of Public Company Shares as a Result of Cancellation of Securities Listing by the Stock Exchange Due to Significant Conditions or Events that Negatively Affect Business Continuity	<p>On 6 September 2023, OJK released a circular relating to the procedures for implementing carbon trading through the carbon exchange.</p> <p>The circular covers various topics, including the trading of Carbon Units on the Carbon Exchange and the capitalization of the Carbon Exchange Operator. The circular letter also addresses reporting requirements, the annual work plan and budget of the Carbon Exchange Operator, shareholder requirements, and the fit and proper assessment of shareholders, members of the Board of Directors, and members of the Board of Commissioners of the Carbon Exchange Operator. It further outlines operations and internal control procedures, the licensing application process for the Carbon Exchange Operator, and amendments to the regulations and articles of association of the Carbon Exchange Operator.</p> <p>Buyback of Public Company Shares as a Result of Cancellation of Securities Listing by the Stock Exchange Due to Significant Conditions or Events that Negatively Affect Business Continuity OJK</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	JFSA	Publication of the draft amendments to the Regulatory notice Pertaining to Pillar 1 and Pillar 3 Requirements of Capital Adequacy for Public Consultation	<p>On 4 October 2023, the JFSA published the the draft amendments to the <i>Regulatory notice pertaining to Pillar 1 and Pillar 3 requirements of capital adequacy</i> for public consultation</p> <p>The proposal is aimed at providing necessary amendments to the regulatory notice pertaining to the finalised Basel III framework to reflect the content of the consultative document published by the Basel Committee on Banking Supervision in March 2023, etc. Public comments will be accepted until November 2, 2023.</p> <p>Publication of the draft amendments to the "regulatory notice pertaining to Pillar 1 and Pillar 3 requirements of capital adequacy" for public consultation JFSA</p>	<p>Consultation ended 2 November 2023</p>
2	JFSA	JFSA issues Addressing the Challenges of Financed Emissions	<p>On 13 October 2023, the JFSA released a paper titled <i>Addressing the Challenges of Financed Emissions</i>.</p> <p>This paper was compiled by the Japan Public and Private Working Group on Financed Emissions to Promote Transition Finance, the paper organizes the role of financial institutions in achieving carbon neutrality and the characteristics of financed emissions.</p> <p>"Addressing the Challenges of Financed Emissions" Announced JFSA</p>	
3	JFSA	Publication of the draft Cabinet Office Order to Amend the Ordinance on Accounting for Investment Trust Property and others for public consultation	<p>On 18 October 2023, the JFSA published the draft <i>Cabinet Office Order to Amend the Ordinance on Accounting for Investment Trust Property</i> for public consultation.</p> <p>The proposed regulations aim to make necessary amendments to the relevant ordinances to require investment trusts and investment corporations to submit disclosure (notation) of the constant value and the reason for the difference between the constant value and the net asset value (NAV) per unit for accounting for investment trusts and investment corporations on their balance sheets, where such difference arises.</p> <p>Publication of the draft "Cabinet Office Order to Amend the Ordinance on Accounting for Investment Trust Property" and others for public consultation JFSA</p>	<p>Consultation ended 17 November 2023</p>

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4	BOJ	Publication of the Financial System Report (October 2023)	<p>On 20 October 2023, Bank of Japan (BOJ) published the <i>Financial System Report (October 2023)</i>.</p> <p>The report focuses on various risk-taking behaviors that lie behind financial intermediation activities and assesses the resilience of and potential vulnerabilities in Japan's financial system by analysing them from two perspectives:</p> <ul style="list-style-type: none"> • Banks' interest rate risk; • Potential credit risk posed to banks. <p>The report highlights the stability of Japan's financial system, particularly focusing on the sufficiency of capital bases and stable funding sources of Japanese banks, even during global financial challenges. It also emphasises the resilience of Japan's financial system amidst uncertainties in other major financial sectors.</p> <p>Publication of the Financial System Report (October 2023) BOJ</p>	
5	JFSA	Publication of the draft amendments to the Points to Note on Disclosure of Corporate Affairs, etc. (Guidelines for Disclosure of Corporate Affairs, etc.) (provisional English title) for public consultation	<p>On 6 November 2023, the JFSA published the draft amendments to the <i>Points to Note on Disclosure of Corporate Affairs, etc. (Guidelines for Disclosure of Corporate Affairs, etc.)</i> for public consultation.</p> <p>The draft regulations make amendments to clarify that the special provision whereby there is no requirement to submit a securities registration statement in the context of stock-based compensation being issued. The amendment states that this is applicable even in the case where an issuing company has a provision in its stock-based compensation rule to lift the restriction on the transfer of shares upon the occurrence of unforeseen events, the requirements for the transfer-restricted period shall be considered satisfied, and the filing of a securities registration statement is not required.</p> <p>Publication of the draft amendments to the "Points to Note on Disclosure of Corporate Affairs, etc. (Guidelines for Disclosure of Corporate Affairs, etc.)" (provisional English title) for public consultation JFSA</p>	Consultation closed 5 December 2023
6	JFSA	Publication of the finalised amendments to the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. after public consultation	<p>On 17 November 2023, the JFSA finalized the amendments to the <i>Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.</i> after public consultation.</p> <p>The finalised amendments mainly provide consequential amendments to the Guidelines relating to regulating acts of solicitation conducted by financial institutions using Nippon Individual Savings Account (NISA)'s "Growth Investment Quota". The amendment emphasises that supervision will be conducted with attention to whether unreasonable short-term switch solicitation using the Growth Investment Quota of NISA accounts is taking place, as such solicitation does not contribute to customers' asset formation. The impact of this will be enhanced oversight by financial institutions to ensure they remain in full compliance with laws and regulations governing solicitation.</p> <p>Publication of the finalized amendments to the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." after public consultation JFSA</p>	Amendments come into effect 1 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	JFSA	Publication of draft Cabinet Orders and Cabinet Office Orders Pertaining to the Amendments to the Financial Instruments and Exchange Act, and Other Acts for public consultation	<p>On 6 December 2023, JFSA published the draft <i>Cabinet Orders and Cabinet Office Orders Pertaining to the Amendments to the Financial Instruments and Exchange Act, and Other Acts</i> for public consultation.</p> <p>The proposed regulations focus upon two main topics:</p> <ul style="list-style-type: none"> • The establishment of the 'Organization for the Promotion of Financial and Economic Education'; • The establishment of regulations related to the financial statements of Investment Corporations. <p>Publication of draft "Cabinet Orders and Cabinet Office Orders Pertaining to the Amendments to the Financial Instruments and Exchange Act, and Other Acts" for public consultation JFSA</p>	Consultation closed 5 January 2024
8	JFSA	Publication of the draft amendments to Key Takeaways with the Act on Prevention of Transfer of Criminal Proceeds for public consultation	<p>On 15 December 2023, JFSA proposed the draft amendments to "Key Takeaways with the Act on Prevention of Transfer of Criminal Proceeds" for public consultation.</p> <p>The proposed draft amendments establish new provisions for legal and accounting professionals to fulfil:</p> <ul style="list-style-type: none"> • The purpose of the transaction and the beneficial control of the corporation are added to the items to be confirmed in certain transactions conducted by certified public accountants, etc.; • Certified public accountants have been added to the list of entities that are obliged to report suspicious transactions. <p>Publication of the draft amendments to "Key Takeaways with the Act on Prevention of Transfer of Criminal Proceeds" for public consultation JFSA</p>	Consultation closed 15 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BNM	BNM releases Capital Adequacy Framework (Capital Components)	<p>On 15 December 2024, Bank Negara Malaysia (BNM) published the <i>Capital Adequacy Framework (Capital Components)</i>.</p> <p>This policy document sets out general requirements governing capital requirements for financial institutions which should ensure the availability of high-quality capital. The Capital Adequacy Framework sets out the approach for computing regulatory capital adequacy ratios. The framework has been developed based on international regulatory standards on capital adequacy promulgated by the Basel Committee on Banking Supervision (BCBS).</p> <p>This document should be read with the Capital Adequacy Framework (Basel II – Risk-Weighted Assets) which became effective 18 December 2023.</p> <p>Capital Adequacy Framework (Capital Components) BNM</p>	Effective 15 December 2023
2	BNM	BNM releases Capital Adequacy Framework (Basel II – Risk-Weighted Assets)	<p>On 15 December 2023, BNM published the <i>Capital Adequacy Framework (Basel II – Risk-Weighted Assets)</i>.</p> <p>This policy document sets out the specific approaches for the quantification of risk-weighted assets (RWAs) for credit risk, market risk, and operational risk. The calculation of RWAs set out in this document is in alignment with the standards set out by the BCBS and the Islamic Financial Services Board (IFSB).</p> <p>This document should be read with the Capital Adequacy Framework (Capital Components) which became effective 15 December 2023.</p> <p>Capital Adequacy Framework (Basel II – Risk-Weighted Assets) BNM</p>	Effective 18 December 2023
3	BNM	BNM releases Capital Adequacy Framework (Operational Risk)	<p>On 15 December 2023, BNM released the <i>Capital Adequacy Framework (Operational Risk)</i>.</p> <p>This policy document sets out the standards and guidance for the calculation of a financial institution’s operational risk-weighted assets under the Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks.</p> <p>These requirements are broadly in line with the Basel III standards set by the BCBS and the capital standards issued by the Islamic Financial Services Board (IFSB) and have been modified accordingly where applicable.</p> <p>Capital Adequacy Framework (Operational Risk) BNM</p>	Comes into effect 1 January 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	BNM	BNM releases Capital Adequacy Framework (Exposures to Central Counterparties)	<p>On 15 December 2023, BNM released the <i>Capital Adequacy Framework (Exposures to Central Counterparties)</i>.</p> <p>This policy document is a component of the BNM Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks. It sets out the requirements to manage the risks arising from financial institutions' exposures to central counterparties in their capacity as a clearing member or as a client of a clearing member.</p> <p>These regulations reflect the increased use of central clearing within financial markets since the global financial reforms of 2009.</p> <p>Capital Adequacy Framework (Exposures to Central Counterparties) BNM</p>	Comes into effect 1 January 2025
5	BNM	BNM releases Capital Adequacy Framework for Islamic Banks (Capital Components)	<p>On 15 December 2023, BNM released the <i>Capital Adequacy Framework for Islamic Banks (Capital Components)</i>.</p> <p>This policy document sets out general requirements governing capital requirements for Islamic financial institutions which should ensure the availability of high-quality capital. The Capital Adequacy Framework sets out the approach for computing regulatory capital adequacy ratios. The framework has been developed based on international regulatory standards on capital adequacy promulgated by the Basel Committee on Banking Supervision (BCBS).</p> <p>Capital Adequacy Framework for Islamic Banks (Capital Components) BNM</p>	Comes into effect 15 December 2023
6	BNM	BNM releases Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets)	<p>On 18 December, BNM released the <i>Capital Adequacy Framework for Islamic Banking institutions (Risk-Weighted Assets)</i>.</p> <p>This policy document specifies the measurement methodologies for the purpose of calculating Risk-Weighted Assets (RWA) for credit risk, market risk and operational risk for Islamic financial institutions.</p> <p>The calculation of RWAs set out in this document is in alignment with the standards set out by the BCBS and the IFSB.</p> <p>The Framework should be read together with the Capital Adequacy Framework for Islamic Banking institutions (Capital Components) which came into effect 15 December 2023, and shall form the basis for the computation of the capital adequacy ratios.</p> <p>Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) BNM</p> <p>Capital Adequacy Framework for Islamic Banks (Capital Components) BNM</p>	Comes into effect 18 December 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	BNM	BNM publishes policy document on <i>Personal Financing</i>	<p>On 15 December 2023, BNM released the policy document <i>Personal Financing</i>.</p> <p>This policy document aims to promote prudent and responsible financing practices with respect to the provision of personal financing by Financial Service Providers (FSPs), while encouraging responsible borrowing behaviours by financial consumers.</p> <p>The measures included within the document include specific guidance relating to the conduct suitability and affordability assessments on customers when offering a loan facility.</p> <p>Personal Financing BNM</p>	Comes into effect 15 December 2023
8	SCM	SCM publishes revised <i>Equity Guidelines</i>	<p>On 13 December 2023, the Securities Commission Malaysia (SCM) released revised <i>Equity Guidelines</i>. The guidelines were revised to facilitate the introduction of a transfer of listing of a corporation listed on the ACE Market to the Main Market via an accelerated transfer process.</p> <p>The key amendments include incorporating the eligibility criteria in respect of the application for a transfer of listing to the Main Market via the accelerated transfer process as well as other operational requirements to facilitate such transfer processes.</p> <p>Equity Guidelines SCM</p>	Comes into effect 13 December 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	FMA	FMA and RBNZ launch the Financial Markets (Conduct of Institutions) Amendment Act 2022	<p>On 14 August 2023, the Financial Markets Authority (FMA) and Reserve Bank of New Zealand (RBNZ) announced the launch of the Conduct of Financial Institutions (CoFI) regime following joint reviews into the conduct and culture of banks and life insurers in New Zealand, in 2018 and 2019, respectively.</p> <p>The result of the joint reviews by FMA and RBNZ led to the <i>Financial Markets (Conduct of Institutions) Amendment Act 2022</i> (CoFI), aiming to protect consumers by mandating fair conduct programs for financial institutions. It significantly expands the FMA's mandate as a conduct regulator of financial institutions and confers new responsibilities for licensing, monitoring and enforcement.</p> <p>Despite licencing applications already being accepted by the FMA and the preparation by many institutions well underway for CoFI, the recently elected National Party plans to repeal it.</p> <p>Financial Markets (Conduct of Institutions) Amendment Act 2022 FMA</p>	CoFI regime commences 31 March 2025
2	New Zealand Government	Reduction of Scope of Changes Introduced to the Consumer Finance Act 2003	<p>On 30 October 2023, the recently elected National Government stated they plan to "significantly reduce the scope" of some of the "unworkable changes" that were introduced to the <i>Credit Contract and Consumer Finance Act 2003 (CCCFA)</i> in December 2021.</p> <p>The changes were designed to protect vulnerable borrowers from predatory lenders, but which widely attracted criticism for being too prescriptive. As a result, the CCCFA will be substantially reduced in scope.</p> <p>No fixed timeline has been announced by the New Zealand Government.</p> <p>Consumer Finance Act 2003 New Zealand Government</p>	
3	RBNZ	Restriction on Branches of Overseas Banks to Proceed	<p>On 7 November 2023, the Reserve Bank of New Zealand (RBNZ) confirmed plans to restrict banks operating in New Zealand as branches of overseas banks to wholesale business, meaning they won't be able to take retail deposits or offer services to retail customers.</p> <p>No fixed timeline has been announced by RBNZ.</p> <p>Restriction on Branches of Overseas Banks to Go Ahead RBNZ</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	New Zealand Government	KiwiSaver Act 2006	<p>On 17 August 2023, the newly elected NZ National Party Government has announced that they will introduce the option to allow people to split their KiwiSaver retirement scheme funds between multiple providers.</p> <p>Currently, KiwiSaver funds can only be under one provider. The National Government has also announced that they will roll back some of the legislative measures brought in by the former Labour Government, including the CCCFA and the CoFI Act.</p> <p>There has been no announced timeline for implementation by the New Zealand Government.</p> <p>KiwiSaver Act 2006 New Zealand Government</p> <p>National Proposes KiwiSaver Split, Would Roll Back Two Financial Laws RNZ</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BSP	SEC amnesty program for corporations	<p>On 25 October 2023, Bangko Sentral ng Philippines (BSP) released a memorandum detailing the SEC Amnesty Program for Corporations.</p> <p>The Securities and Exchange Commission (SEC) has established an amnesty program to listed corporations. The amnesty program provides corporations, which have incurred penalties for the late, and non-filing, of their General Information Sheet (GIS), Annual Financial Statements (AFS), and official contact details a reduction on penalties for non-compliance with their reportorial requirements, as provided under Republic Act No. 11232, or the Revised Corporation Code (RCC).</p> <p>SEC Amnesty Program for Corporations BSP</p>	Amnesty program launched 12 October 2023
2	BSP	Amendments to Part Nine of the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions Enhancing the Provisions on Targeted Financial Sanctions	<p>On 10 November 2023, BSP announced amendments to banking regulations relating to financial sanctions.</p> <p>BSP made enhancements to the existing regulations for banks and non-banks on targeted financial sanctions related to terrorism, terrorist financing, proliferation of weapons of mass destruction, and proliferation financing.</p> <p>More stringent requirements are mandated in product risk assessments and customer due diligence in order to ensure that there is compliance with international sanctions regimes.</p> <p>Amendments to Part Nine of the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions Enhancing the Provisions on Targeted Financial Sanctions BSP</p>	Effective from 25 November 2023

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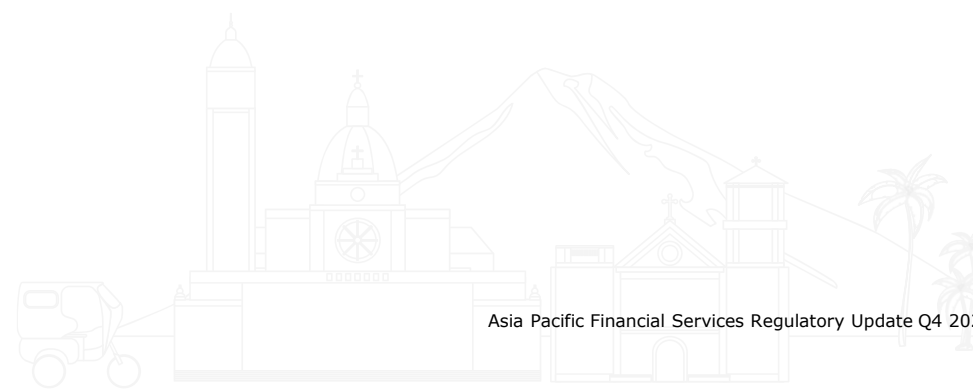
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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	BSP	Amendments to the Regulations on Intraday Liquidity Facility	<p>On 10 November 2023, BSP announced amendments to the <i>Regulations on Intraday Liquidity Facility</i>.</p> <p>The central bank issues the amendments to the regulations on Intraday Liquidity Facility for the following purposes:</p> <ul style="list-style-type: none"> • Reflect in the regulations the amendment of the name of the facility from ILF to "Intraday Settlement Facility (ISF)" and changes to the operation of this facility due to its automation; • Align the regulations with legal and statutory requirements; and • Comply with the Principles for Financial Market Infrastructures, particularly on credit risk, collateral, liquidity risk, and related principles. <p>Amendments to the Regulations on Intraday Liquidity Facility BSP</p>	Effective 8 February 2023
4	BSP	Amendment to the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions pertaining to Bangko Sentral Issued Securities' Eligible Counterparties	<p>On 24 November 2023, BSP announced amendments to regulations relating to securities issued by the central bank.</p> <p>According to BSP, issued Bangko Sentral Securities will be available for trading in the secondary market on the trading platform operated by the Philippine Dealing and Exchange Corporation (PDEX).</p> <p>Banks (UBs/KBs, digital banks and TBs), QBs, and trust entities are eligible counterparties for trading Bangko Sentral Securities in the secondary market, provided that, in the case of trust entities, only unit investment trust funds may invest in Bangko Sentral Securities.</p> <p>Amendment to the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions pertaining to Bangko Sentral Issued Securities' Eligible Counterparties BSP</p>	Effective 24 November 2023
5	BSP	BSP releases memorandum on All Non-Bank Financial Institutions (NBFIs) Applying for an Authority to Operate as an Electronic Money Issuer (EMI)	<p>On 12 December 2023, BSP released a memorandum relating to eligibility for operating as an Electronic Money Issuer (EMI).</p> <p>BSP approved the extension of the application period for new EMIs to become approved, provided they meet at least one of the following conditions:</p> <ul style="list-style-type: none"> • Operate a new business model; • Seek to serve unserved, targeted niches, and/or • Adopt new technologies to be processed through the regulatory sandbox approach. <p>All Non-Bank Financial Institutions (NBFIs) Applying for an Authority to Operate as an Electronic Money Issuer (EMI) BSP</p>	

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6	BSP	Implementation of the Philippine Travel Rule for Virtual Asset Service Providers	<p>On 28 December 2023, BSP announced the implementation of the <i>Philippine Travel Rule for Virtual Asset Service Providers (VASP)</i>.</p> <p>To improve the Philippines’s risk management of risks from money laundering and terrorist financing, the BSP issued clarifications on the following:</p> <ul style="list-style-type: none"> • Different travel rule requirements were issued based on the value of VA transfers (i.e. more than PHP 50,000; and P50,000 or below); • Expectations on transactions with jurisdictions without travel rule (BSP expects necessary due diligence on the originator and beneficiary); • Applicability of PH travel rule to non-custodial VASPs; • Regulatory expectations on transactions with “unhosted” wallets (BSP expects due diligence is strictly followed and should there be failure to satisfy the minimum requirements, such transaction should not be pushed). <p>Implementation of the Philippine Travel Rule for Virtual Asset Service Providers (VASPs) BSP</p>	
7	BSP	Money laundering/terrorism financing national risk assessment	<p>On 27 December 2023, BSP released a circular relating to the ML/TF National Risk Assessment.</p> <p>The Office of the President issued an urgent implementation of the National AML-CFT strategy (2023-2027). Part of this is the conduct of the national risk assessment by BSP for all invited banks and financial institutions as well as private entities.</p> <p>The assessment aims to understand the current state of the Philippines’s effort to combat ML/TF and threats to the integrity of the financial system. This will support the government’s 2023-2027 strategy.</p> <p>Money Laundering/Terrorism Financing National Risk Assessment BSP</p>	
8	BSP	BSP waives fees for small fund transfers	<p>On 15 December 2023, BSP released a memorandum relating to fees for small fund transfers.</p> <p>As part of the regulatory development relating to digital payments, BSP is working with financial institutions to waive the fund transfer fees for small transfer payments, and is monitoring for compliance regarding fee increases, noting fee increases should be reviewed and approved by BSP.</p> <p>Zero Fees For Small Fund Transfers BSP</p>	

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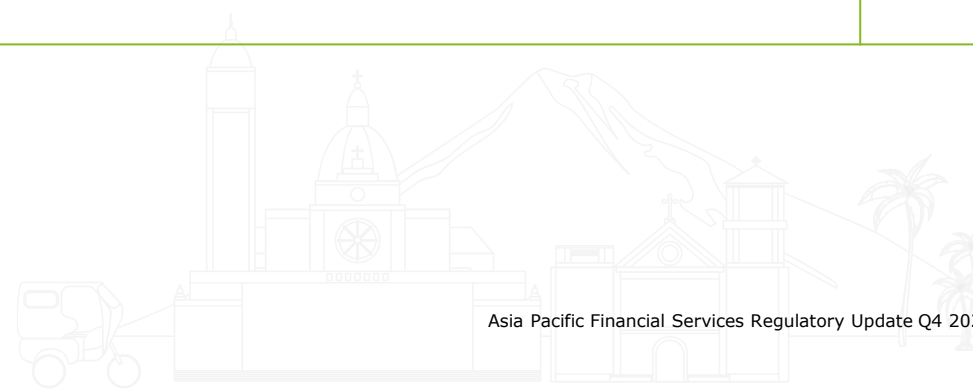
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#	Issuing Authority	Title	Regulatory Update	Key Dates
9	BSP	BSP releases Additional Single Borrower's Limit (SBL) for financing eligible projects and zero percent (0%) Reserve Requirement against sustainable bonds	<p>On 13 December 2023, BSP released a circular relating to the Single Borrower's Limit (SBL) for financing eligible projects amid reserve requirements against sustainable bonds.</p> <p>As part of BSP's Sustainable Central Banking Strategy, the following measures to scale up the sustainable finance have been approved:</p> <ul style="list-style-type: none"> • Additional SBL of 15% of net worth on green and sustainable projects. The base SBL is 25% so with the added SBL, this brings to a total SBL of 40% SBL provided that the projects are considered green and sustainable including transition to decarbonization; • Reduction of reserve requirement to 0% against the new and outstanding sustainable bonds issued by the banks with the goal of supporting eligible projects that contribute to the climate commitments and sustainable development goals. <p>Additional Single Borrower's Limit (SBL) for financing eligible projects and zero percent (0%) Reserve Requirement against sustainable bonds BSP</p>	Effective 28 December 2023

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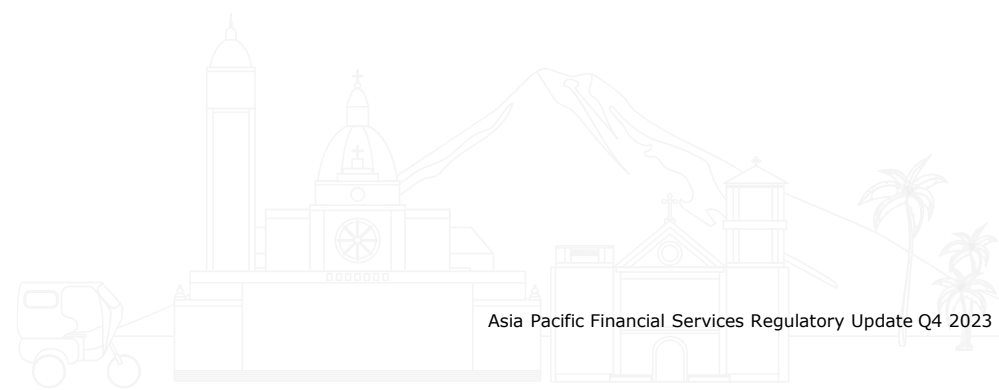
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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	MAS	MAS strengthens regulatory measures for digital payment token services	<p>On 23 November 2023, MAS finalised regulations for Digital Payment Token (DPT) service providers in Singapore, focusing on business conduct, consumer access, and technology/cyber risk management.</p> <p>Business conduct guidelines include addressing conflicts of interest, disclosing DPT listing policies, and establishing effective complaint procedures.</p> <p>Consumer access measures discourage speculation by assessing risk awareness, avoiding incentives for trading, and limiting transaction types.</p> <p>Technology and cyber risk requirements mandate high system availability.</p> <p>These measures will be implemented gradually from mid-2024, providing a transition period for DPT service providers.</p> <p>MAS Strengthens Regulatory Measures for Digital Payment Token Services MAS</p>	Gradual implementation to begin mid-2024
2	MAS	MAS lays foundation for safe and innovative use of digital money in Singapore	<p>On 16 November 2023, the MAS unveiled three initiatives for secure and innovative digital money use in Singapore: a blueprint for a digital Singapore dollar (Orchid Blueprint), expanded digital money trials, and plans for a "live" central bank digital currency (CBDC) for wholesale settlement.</p> <p>The three promoted forms of digital money are wholesale CBDCs, tokenised bank liabilities, and regulated stablecoins.</p> <p>In addition, Orchid Blueprint outlines the necessary technology infrastructure, building on Project Orchid's trials. It identifies key components such as a settlement ledger, tokenization bridge, programmability protocol, and name service. MAS will expand Project Orchid trials with industry players, exploring tokenized bank liabilities, wallet interoperability, supplier financing, and institutional payment controls.</p> <p>Additionally, MAS will pilot the "live" issuance of wholesale CBDCs for interbank settlement starting next year. The initial pilot involves settling retail payments between commercial banks, with potential future use for cross-border securities trade settlement.</p> <p>MAS Lays Foundation for Safe and Innovative Use of Digital Money in Singapore MAS</p>	

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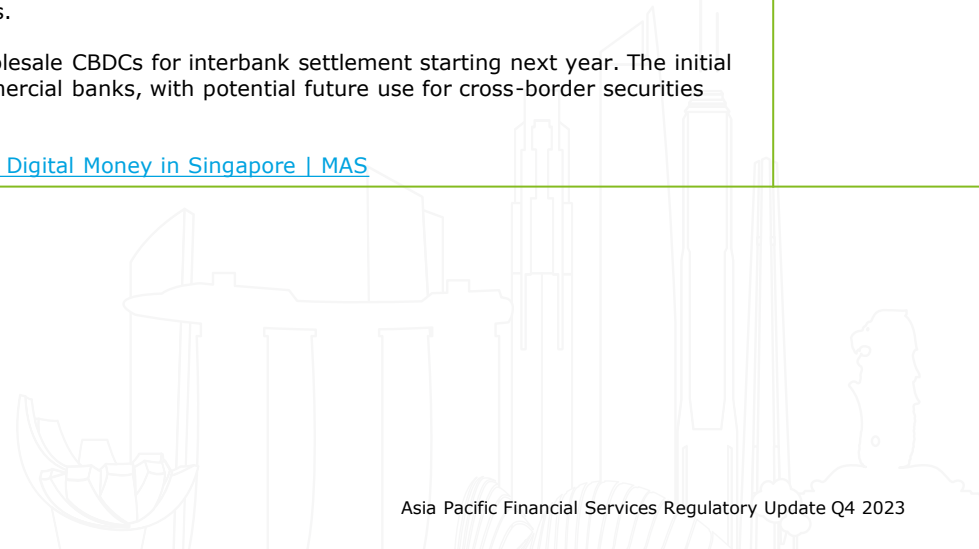
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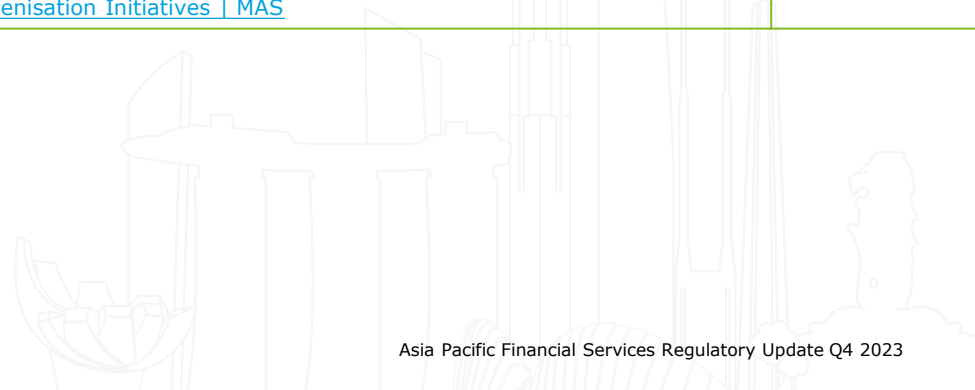
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3	MAS	MAS partners industry to develop generative AI risk framework for the financial sector	<p>On 15 November 2023, MAS concluded phase one of Project MindForge, focused on creating a risk framework for responsible Generative AI (GenAI) use in finance.</p> <p>GenAI, while transformative, poses risks like cyber threats and biases. The consortium, including major banks and tech firms, has developed a comprehensive risk framework covering seven dimensions. A platform-agnostic GenAI reference architecture was also established.</p> <p>The next phase will involve broader industry inclusion, refining the framework and exploring use cases in anti-money laundering, sustainability, and cybersecurity.</p> <p>In a separate development, the Infocomm Media Development Authority of Singapore and the AI Verify Foundation jointly issued a proposed Model AI Governance Framework for Generative AI on 16 January 2024.</p> <p>MAS Partners Industry to Develop Generative AI Risk Framework for the Financial Sector MAS</p> <p>Proposed Model AI Governance Framework for Generative AI AI Verify Foundation</p>	Model AI Governance Framework for Generative AI proposed 16 January 2024
4	MAS	MAS partners financial industry to expand asset tokenisation initiatives	<p>On 15 November 2023, MAS revealed the expansion of Project Guardian, which aims to boost the adoption of digital assets in the financial sector.</p> <p>Seventeen financial institutions are conducting industry pilots to test asset tokenisation use cases, including bilateral digital asset trades, cross-border FX payments, treasury management solutions, tokenised money market funds, and digital assets for portfolio management.</p> <p>Responding to interest from the fund industry, MAS is launching a new funds workstream for the native issuance of Variable Capital Company (VCC) funds on digital asset networks. The initiative also involves the development of an open digital infrastructure called Global Layer One (GL1) and an Interlinked Network Model (INM) for exchanging digital assets across independent networks. The International Monetary Fund (IMF) has joined Project Guardian's policymaker group to provide an international perspective on the project.</p> <p>MAS Partners Financial Industry to Expand Asset Tokenisation Initiatives MAS</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	MAS	MAS to launch SGQR+ proof of concept to enhance interoperability for QR payments	<p>On 31 October 2023, MAS announced the launch of a proof of concept (POC) for an interoperable Singapore Quick Response Code Scheme (SGQR+).</p> <p>Being conducted from 1 to 30 November 2023, the POC aims to enable merchants to accept QR payments from various schemes through a single financial institution. SGQR+ will enhance interoperability by allowing merchants to accept diverse local and cross-border payment methods through a single sign-up.</p> <p>The POC, featuring two tracks led by Liquid Group and NETS, will assess the commercial feasibility of SGQR+ across different merchant segments. SGQR+ is expected to boost convenience for consumers and promote Singapore as a global QR payments hub.</p> <p>MAS to Launch SGQR+ Proof of Concept to Enhance Interoperability for QR Payments MAS</p>	POC conducted from 1-30 November 2023
6	MAS	MAS releases consultation papers on Shared Responsibility Framework for Scam Losses and Proposed Enhancements to the E-Payments User Protection Guidelines	<p>On 25 October 2023, MAS sought comments from industry stakeholders and members of the public on a proposed shared responsibility framework for scam losses amongst financial institutions, telecommunication operations and consumers and related enhancements to the E-Payments User Protection Guidelines.</p> <p>The proposed framework sets out obligations for financial institutions and telecommunication operators to mitigate the risk of consumers falling prey to scams. The consultation concluded on 20 December 2023.</p> <p>MAS and IMDA Consult on Shared Responsibility Framework for Phishing Scams MAS</p> <p>Consultation Paper on Proposed Enhancements to the E-Payments User Protection Guidelines MAS</p>	Conclusion of Consultation 20 December 2023
7	MAS	BIS and central bank partners to explore protocols for embedding policy and regulatory compliance in cross-border transactions	<p>On 5 October 2023, the Bank for International Settlements (BIS) and central bank partners, including BIS Innovation Hub (BISIH) Singapore Centre, Reserve Bank of Australia (RBA), Bank of Korea (BOK), Bank Negara Malaysia (BNM), and MAS launched Project Mandala. The initiative focuses on encoding jurisdiction-specific policy and regulatory requirements into a common protocol to streamline cross-border payments.</p> <p>Project Mandala aims to automate compliance, enhance real-time transaction monitoring, and boost transparency regarding country-specific policies. By tackling compliance challenges, the project seeks to facilitate efficient cross-border transfers of digital assets such as CBDCs and tokenised deposits, ensuring alignment with the Financial Stability Board's 2023 priority actions for cross-border payment improvements.</p> <p>BIS and central bank partners to explore protocols for embedding policy and regulatory compliance in cross-border transactions MAS</p>	Project launched 5 October 2023

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8	MAS	MAS publishes Code of Conduct for Providers of Environmental, Social, and Governance ("ESG") Rating and Data Products	<p>On 6 December 2023, MAS released its finalised <i>Code of Conduct (CoC) for Environmental, Social, and Governance (ESG) Rating and Data Product Providers</i>.</p> <p>The CoC sets baseline industry standards for transparency in methodologies, data sources, and governance. It incorporates recommendations from the International Organization of Securities Commissions (IOSCO) and has received strong support from respondents. Providers are encouraged to self-attest their compliance using a Checklist, with third-party assurance recommended where feasible.</p> <p>MAS urges industry participants to ensure disclosure of CoC adoption within 12 months, and a list of compliant providers is hosted on the International Capital Market Association (ICMA) website. MAS will monitor industry developments and global regulations for potential enhancements to the regulatory regime.</p> <p>MAS Publishes Code of Conduct for Providers of Environmental, Social, and Governance ("ESG") Rating and Data Products MAS</p>	Disclosure of adoption of CoC encouraged within 12 months of 6 December 2023
9	MAS	MAS launches world's first multi-sector transition taxonomy	<p>On 3 December 2023, MAS launched the Singapore-Asia Taxonomy for Sustainable Finance, defining green and transition activities across eight sectors.</p> <p>It introduces a unique "transition" category, addressing Asia's specific context. The taxonomy outlines transition through a traffic light system and a measures-based approach, supporting decarbonization. Notably, it tackles challenges in hard-to-abate sectors such as maritime and outlines criteria for early coal-fired power plant phase-out.</p> <p>To ensure global interoperability, MAS is mapping it to the Common Ground Taxonomy.</p> <p>MAS Managing Director Ravi Menon emphasises its credibility, extensive coverage, and industry-led development, with four rounds of public consultations. The taxonomy will be periodically reviewed for alignment with evolving science and technology.</p> <p>MAS Launches World's First Multi-Sector Transition Taxonomy MAS</p>	
10	MAS	MAS launches digital platform for seamless ESG data collection and access	<p>On 16 November 2023, MAS launched Gprnt, an integrated digital platform for simplifying ESG data collection and utilization.</p> <p>Part of Project Greenprint, Gprnt enhances ESG reporting for businesses, with live testing underway and a progressive rollout from Q1 2024. It automates reporting, converts economic data into sustainability-related information, and allows businesses to share ESG data with selected stakeholders.</p> <p>Initially focused on SMEs, Gprnt collaborates with the Singapore Manufacturing Federation. Managed by Greenprint Technologies Pte Ltd, with strategic partners HSBC, KPMG, MAS, Microsoft, and MUFG Bank, Gprnt aims to streamline sustainability reporting and support efficient capital allocation towards green initiatives.</p> <p>MAS Launches Digital Platform for Seamless ESG Data Collection and Access MAS</p>	Progressive rollout of Gprnt from Q1 2024

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11	MAS	MAS-Led consortium develops AI-powered system to support sustainable finance in real estate sector	<p>On 14 November 2023, MAS unveiled an AI-powered Minimum Viable Product (MVP) developed by the Project NovA! consortium, assisting banks in issuing Sustainability-Linked Loans (SLLs) in real estate.</p> <p>This tool seeks to address challenges like inaccurate Sustainability Performance Targets (SPTs), greenwashing, and inefficient processes. The MVP facilitates target setting, monitors KPIs to prevent greenwashing, and streamlines sustainable finance transactions through an Autonomous Documentation Insights Engine (ADIE).</p> <p>In collaboration with the Building and Construction Authority (BCA), MAS plans to access BCA's Super Low Energy Building (SLEB) database to extend AI capabilities for sustainable financing in various sectors. This transformative collaboration aims to combat greenwashing and channel funds towards genuinely sustainable projects.</p> <p>MAS-Led Consortium Develops AI-Powered System to Support Sustainable Finance in Real Estate Sector MAS</p>	
12	MAS	MAS issues Guidelines for Financial Institutions on Transition Planning for a Net Zero Economy	<p>On 18 October 2023, MAS issued consultation papers proposing guidelines on transition planning for banks, insurers, and asset managers.</p> <p>The Guidelines on Transition Planning outline MAS' supervisory expectations for financial institutions (FIs) to establish robust transition planning processes, facilitating climate change mitigation and adaptation measures. Key expectations include emphasizing engagement over divestment, adopting a multi-year risk perspective, taking a holistic approach to climate and environmental risks, and promoting transparency in disclosing responses to climate-related risks.</p> <p>The guidelines build upon MAS' existing supervisory guidance and focus on internal strategic planning and risk management processes tailored to the diverse needs of FIs in banking, insurance, and asset management.</p> <p>MAS Guidelines for Financial Institutions on Transition Planning for a Net Zero Economy MAS</p>	Comments closed 18 December 2023
13	MAS	MAS issues Consultation paper on the Notice Relating to FI-FI Information Sharing for AML/CFT	<p>On 16 November 2023, MAS sought feedback on proposed regulations outlining additional requirements concerning the sharing of information through the financial institutions' information sharing platform known as COSMIC (Collaborative Sharing of Money Laundering/Terrorism Financing (ML/TF) Information & Cases).</p> <p>The proposed notice aims to clarify the relationship and interaction between specified consultation requirements and existing AML/CFT requirements outlined in <i>MAS Notice 626</i>.</p> <p>Parallel to this, on 6 December 2023, MAS also welcomed comments on proposed regulations defining the scope of relevant parties whose information can be shared through COSMIC.</p> <p>Consultation Paper on the Notice Relating to FI-FI Information Sharing for AML/CFT MAS</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	FSC Taiwan	FSC Taiwan announces draft amendments to insurance contract liabilities regulations.	<p>On 12 October 2023, the Financial Supervisory Commission of Taiwan (FSC Taiwan) announced amendments to regulations focusing on insurance contract liabilities.</p> <p>These amendments aim to standardise reserve funding for direct insurance and reinsurance activities. Key revisions include new guidelines for reserve funds in reinsurance transactions, such as liability and claim reserves in addition to provisions for long-term reinsurance contracts and emerging risk diversification tools.</p> <p>The amendments, addressing financial impacts and risk assessment in reinsurance contracts, affect three main regulatory topics: reserve funds, reinsurance management, and professional reinsurance business management. These drafts will be open for public comment, reflecting a commitment to comprehensive regulatory evolution.</p> <p>Announcement of the draft amendments to the "Regulations on Various Reserve Funds for the Insurance Industry", "Regulations on the Management of Reinsurance In and Out and Other Risk Diversification Mechanisms in the Insurance Industry", and "Regulations on Financial Business Management for Professional Reinsurance Businesses". FSC Taiwan</p>	Comments closed 11 December 2023
2	FSC Taiwan	FSC Taiwan announces the core principles and policies for the application of AI in the financial sector.	<p>On 17 October 2023, the Financial Supervisory Commission of Taiwan (FSC Taiwan) announced core principles and policies for integrating Artificial Intelligence (AI) in the financial sector.</p> <p>These guidelines focus upon good governance, fairness, privacy protection, system robustness, transparency, and sustainable development in AI use. The FSC's initiative includes eight supporting policies, focusing on developing AI usage guidelines, legal adjustments, supervisory technology, international collaboration, and encouraging AI research and application in the financial industry.</p> <p>These efforts aim to responsibly harness AI for enhancing financial services, ensuring consumer protection, and promoting inclusive finance, aligning with global standards and advancing Taiwan's financial sector's technological innovation.</p> <p>The Financial Supervisory Commission announces the core principles and policies for the application of Artificial Intelligence (AI) in the financial sector. FSC Taiwan</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	FSC Taiwan	FSC Taiwan issues the <i>Guiding Principles for Online Lending Platform Business Operations</i>	<p>On 19 October 2023, FSC Taiwan established the <i>Guiding Principles for Online Lending Platform Business Operations</i> to foster the healthy growth of the Peer to Peer (P2P) lending platform industry.</p> <p>These guidelines, formulated following consultations with industry stakeholders, aim to regulate P2P platforms which are not traditional financial institutions under the scope of FSC Taiwan. Key focuses include preventing the offering of financial services beyond their scope, enhancing risk management, and ensuring consumer protection.</p> <p>The principles cover areas like real-name registration, transaction security, and transparent information disclosure. These measures guide both P2P platforms and financial institutions in their interactions, aiming to protect consumers and promote responsible online lending practices.</p> <p>The Financial Supervisory Commission issues the "Guiding Principles for Online Lending Platform Business Operations" FSC Taiwan</p>	
4	FSC Taiwan	FSC Taiwan establishes the <i>Guidelines for Digital Identity Verification in the Financial Services Industry</i>	<p>On 24 October 2023, FSC Taiwan released the <i>Guidelines for Digital Identity Verification in the Financial Services Industry</i> to enhance digital financial services.</p> <p>These guidelines aim to facilitate convenient, secure, and rapid financial services through effective digital identity verification, while mitigating potential risks. Comprising 10 key points, the guidelines set standards for identity registration, token management, and verification processes, and align the risk levels of scenarios with the trust levels of verification mechanisms. Focused on risk management and technological adaptability, these guidelines provide a flexible, risk-based framework for financial institutions, encouraging innovation and consumer protection in the evolving digital financial landscape.</p> <p>The Financial Supervisory Commission establishes the 'Guidelines for Digital Identity Verification in the Financial Services Industry' FSC Taiwan</p>	
5	FSC Taiwan	Revisions to <i>Explanation and Forms for the Calculation Method of Banks' Own Capital and Risk-weighted Assets</i>	<p>On 21 November 2023, FSC Taiwan announced their intention to strengthen the risk management framework of domestic banks by revising the <i>Explanation and Forms for the Calculation Method of Banks' Own Capital and Risk-weighted Assets</i>, in line with international standards, particularly Basel III.</p> <p>These revisions aim to enhance credit risk sensitivity, refine risk weights, introduce an output floor, and update operational risk and leverage ratio calculations. These measures, minimally impacting banks' capital ratios, aim to improve risk management and align with global financial practices. The FSC also plans to allow banks to adopt the Internal Ratings-Based (IRB) approach for a more accurate risk and asset control.</p> <p>To strengthen the risk management framework of domestic banks, the 'Explanation and Forms for the Calculation Method of Banks' Own Capital and Risk-weighted Assets' will be revised and published shortly. FSC Taiwan</p>	Effective from 1 January 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
6	FSC Taiwan	Taiwan's insurance industry aligns with (IFRS17) and (TW-ICS) Phase II transitional measures	<p>On 23 November 2023, FSC Taiwan announced the implementation of transition measures to align the local insurance industry with <i>IFRS 17</i> and the <i>New Generation Solvency Regime (TW-ICS)</i>.</p> <p>These measures include a 50-basis point liquidity premium for high-interest policies sold before 2004 and a 15-year linear increase in rate risk transitional measures from 50% to 100%. Additionally, there's a 15-year transition for recognising net asset impacts due to high reserve fund rates and changing interest rates. These steps aim to enhance insurers' financial robustness and asset-liability management, ensuring compliance with international standards while protecting policyholder interests. Regular reviews and adjustments will be made in response to global developments and local market conditions.</p> <p>Taiwan's insurance industry aligns with the 'Insurance Contracts' (IFRS17) interest rate transition measures and the 'New Generation Solvency Regime for the Insurance Industry' (TW-ICS) Phase II transitional measures. FSC Taiwan</p>	
7	FSC Taiwan	FSC Taiwan amends and publishes the Management Measures for Financial Products and Services Applicable to High-Asset Clients by Banks	<p>On 7 December 2023, FSC Taiwan revised the <i>Management Measures for Financial Products and Services Applicable to High-Asset Clients by Banks</i>.</p> <p>The key amendments aim to simplify the operational process for banks offering financial products to high-asset clients and to attract major international banks to Taiwan's wealth management market for such clients. The changes include a new provision exempting high-asset clients who are overseas Chinese or foreigners from certain registration requirements when investing in foreign currency-denominated Taiwanese equity derivatives.</p> <p>Additionally, the amendments expand eligibility for banks ranked in the top fifty globally in terms of capital or assets to participate in Taiwan's wealth management market without restrictions on managed asset size. These revisions are expected to enhance efficiency in serving high-asset clients and incorporate international expertise into Taiwan's wealth management industry.</p> <p>The Financial Supervisory Commission amends and publishes the 'Management Measures for Financial Products and Services Applicable to High-Asset Clients by Banks' FSC Taiwan</p>	
8	FSC Taiwan	FSC Taiwan releases Explanation and Forms for the Calculation Method of Banks' Own Capital and Risk-weighted Assets	<p>On 7 December 2023, FSC Taiwan released amendments to the <i>Explanation and Forms for the Calculation Method of Banks' Own Capital and Risk-weighted Assets</i>.</p> <p>These amendments encompass key areas: adjustments to banks' own capital and risk-weighted assets, updates to the Credit Risk Standard Method and Internal Ratings-Based Approach, modifications in calculating Operational Risk, changes in the Leverage Ratio calculation, and updates to the forms for calculating banks' own capital and risk-weighted assets. These changes are designed to align with evolving financial standards and practices, enhancing the accuracy and efficiency of risk and capital management in the banking sector.</p> <p>Explanation and Forms for the Calculation Method of Banks' Own Capital and Risk-weighted Assets FSC Taiwan</p>	Effective 1 January 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
9	FSC Taiwan	FSC Taiwan announces 2023 Green Financial Technology Initiative	<p>On 13 December 2023, FSC Taiwan announced the launch of the 2023 Green Financial Technology Initiative.</p> <p>The initiative focuses on promoting green finance and financial technology. It emphasizes international cooperation, innovation in sustainable finance, and technology-driven solutions for environmental challenges. The aim is to integrate green finance into mainstream financial activities and support Taiwan's commitment to achieving net-zero emissions by 2050.</p> <p>2023 Green Financial Technology Initiative FSC Taiwan</p>	
10	FSC Taiwan	FSC Taiwan publishes draft Guidelines for the Application of Artificial Intelligence (AI) in the Financial Industry - Draft for Public Consultation	<p>On 28 December 2023, FSC Taiwan released the draft <i>Guidelines for the Application of Artificial Intelligence (AI) in the Financial Industry</i>.</p> <p>This draft regulation aims to encourage responsible innovation and use of trustworthy AI in the financial industry. It outlines six core principles to guide financial institutions in integrating AI technologies while considering consumer rights, ethics, and market order. The document emphasizes a risk-based approach for adopting AI, ensuring efficiency, quality, and competitiveness in financial services. The draft is open for public comments.</p> <p>Guidelines for the Application of Artificial Intelligence (AI) in the Financial Industry – Draft for Public Consultation</p>	<p>Consultation closes 26 February 2024</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	Ministry of Finance	Ministry of Finance releases circular on Guidelines For The Law On Insurance Business And Decree No. 46/2023/ND-CP	<p>On 2 November 2023, the Vietnam Ministry of Finance released a circular detailing new guidelines relating to the insurance business.</p> <p>This Circular elaborates and/or provides guidelines on different articles of <i>Decree No. 46/2023/ND-CP</i> dated July 1, 2023 in the below areas:</p> <ul style="list-style-type: none"> • Online Insurance Provision; • Life Insurance Contracts, Health Insurance Contracts; • Insurers, Reinsurers, Foreign Branches in Vietnam and Mutual Microinsurers; • Insurance Agents and Insurance Brokers; • Reporting by Insurers, Reinsurers, Foreign Branches in Vietnam, Mutual Microinsurers, Insurance Brokers. <p>Circular On Guidelines For The Law On Insurance Business And Decree No. 46/2023/ND-CP Dated July 1, 2023 Of The Government On Elaboration Of The Law On Insurance Business Ministry of Finance</p>	
2	State Bank of Vietnam	SBV publishes draft circular regulating operation network of commercial banks	<p>On 21 November 2023, the State Bank of Vietnam (SBV) published a request for comments on a draft circular relating to the regulation of the operation network of commercial banks.</p> <p>The draft Circular amends the formula for calculating the number of established branches of a commercial bank; supplements regulations on conditions for establishing branches and transaction offices according to ranking results, conditional for establishing branches in rural, remote and isolated areas; supplements regulations in case of termination of operations, dissolution or other commercial presence abroad.</p> <p>Draft Circular Regulating Operation Network Of Commercial Banks State Bank of Vietnam</p>	

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	State Bank of Vietnam	SBV releases circular on Internal Control System Of Non-Bank Credit Institution	<p>On 20 November 2023, the SBV released a circular regarding the internal control of non-bank credit institutions.</p> <p>This circular prescribes enhanced internal controls of non-bank credit institution in the following areas:</p> <ul style="list-style-type: none"> • General Provisions (Requirements for internal control systems; retention of internal control records and documents; submission of reports on internal control system to the SBV; internal reports). • Senior Management Supervision (requirements for senior management supervision; organizational structure of a non-bank credit institution's senior management supervision; senior management supervision for internal control/ risk management/ internal audit) • Internal Controls (requirements for internal controls; control activities; management information systems and information exchange mechanism; Compliance department requirements). • Risk Management (credit risk management; operational risk management). • Internal Audit (principles of internal audit; ethics of members of the Board of Controllers and internal auditors; organizational structure, tasks and responsibilities of internal audit department). <p>Circular on Internal Control System Of Non-Bank Credit Institution State Bank of Vietnam</p>	Circular comes into effect 10 January 2024
4	Government of Vietnam	Government of Vietnam issues Decree On Amendments To The Government's Decree No. 95/2018/ND-CP	<p>On 29 November 2023, the Government of Vietnam issued a decree amending previous regulations governing the prescribing, issuance, registration, depositing, listing, and trading of government debt instruments on the securities market.</p> <p>Features of the decree include:</p> <ul style="list-style-type: none"> • Amends and supplements regulations on private placement of government bonds. • Introduces conditions for the selection of the distribution agent of government bonds. • Governs the selection process of such a distribution agent. • Amends and supplements regulations on bonds in foreign currency. <p>Decree On Amendments To The Government's Decree No. 95/2018/ND-CP Dated June 30, 2018 Prescribing Issuance, Registration, Depositing, Listing And Trading of Government Debt Instruments On Securities Market Government of Vietnam</p>	

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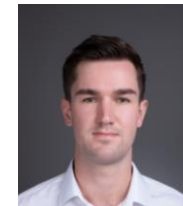


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