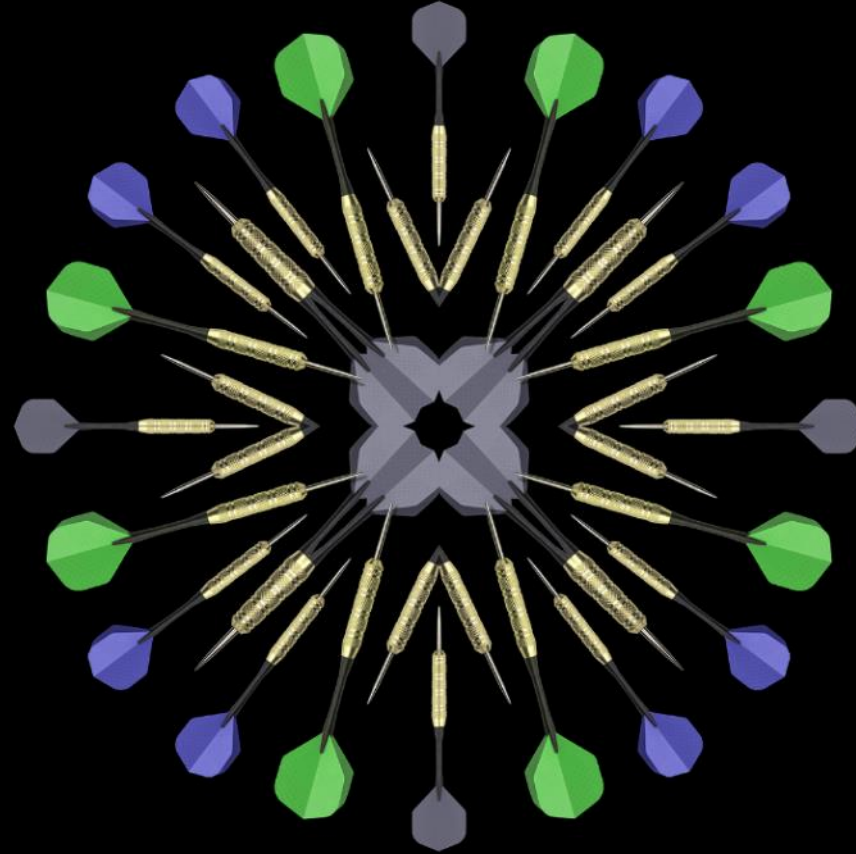


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**Asia Pacific Financial Services  
Regulatory Update**

**Q3 2023**

October 2023

*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 Q3 2023.

Regulatory developments strengthening AML/CFT controls and practices to detect and mitigate risks were at the forefront. Controls have been tightened across Asia Pacific including Philippines, Singapore and Vietnam. In Singapore, the Monetary Authority of Singapore (MAS) collaborated with the Commercial Affairs Department to investigate a criminal and money laundering syndicate that led to the seizure/freezing of USD\$2.05 billion worth of assets.

Regulators have also issued additional guidance on risk assessment and reporting, proliferation financing, misuse of legal persons and arrangements, and digital assets.

Digital Finance and Technology is another topic that is top of mind for regulators. Australia released a report with findings from a joint research project which explored the potential for a central bank digital currency (CBDC). Whilst CBDCs can facilitate 'smarter payments', legal and operational issues would need to be addressed. In Hong Kong, the Hong Kong Monetary Authority (HKMA) unveiled a 'FinTech Promotion RoadMap', with the goal of promoting collaboration and building a sustainable fintech ecosystem.

Policy initiatives are continuously being rolled out across markets to foster a conducive environment for digital transformation. These policy initiatives have emphasised promoting fintech adoption, nurturing the fintech ecosystem, enhancing data infrastructure, and cultivating talent with fintech expertise.

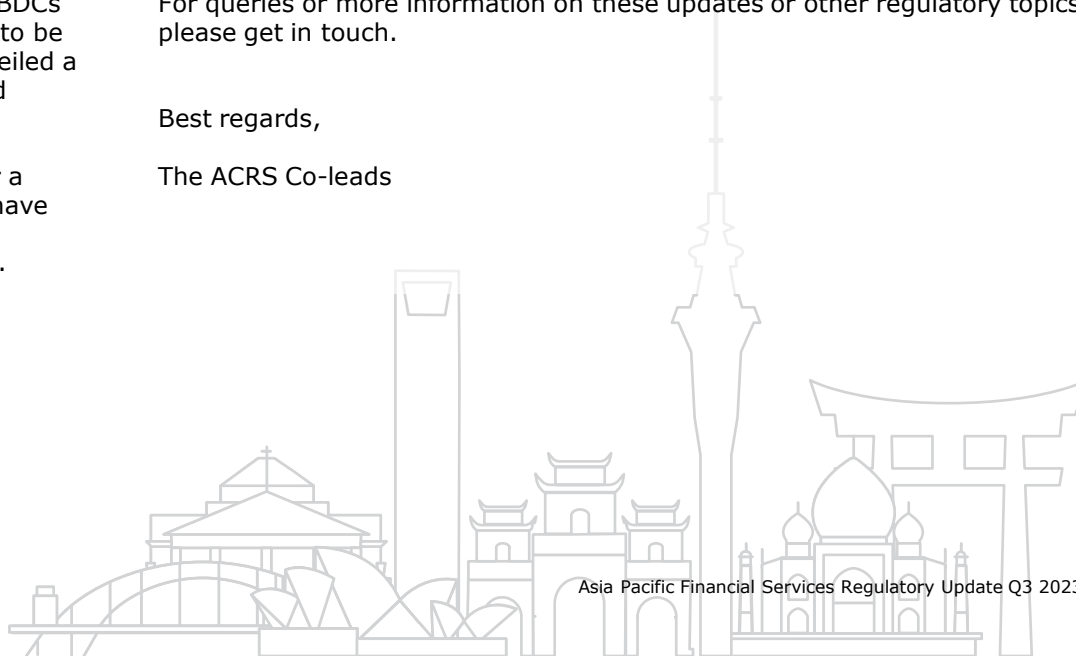
To harness the potential of digital advancements, Financial Institutions need to continuously invest in key areas, such as enhancing user experience and trust, securely adopting advanced technologies, and cultivating talent in relevant domains.

Cybersecurity measures need to maintain agility in the ever-evolving geo-political climate and the increased use of distributed ledger technology. The recent cybersecurity stock take completed in Australia exposed several control gaps: (i) incomplete identification and classification of critical and sensitive information assets; (ii) limited assessment of third-party information security capability; and (iii) inadequate definition and execution of control testing programs. Financial Institutions need to enhance their practices to combat heightened risks. The Securities and Exchange Board of India has issued a consultation paper on the Consolidated Cybersecurity and Cyber Resilience Framework that proposes a common structure to cybersecurity using a graded approach.

For queries or more information on these updates or other regulatory topics, please get in touch.

Best regards,

The ACRS Co-leads



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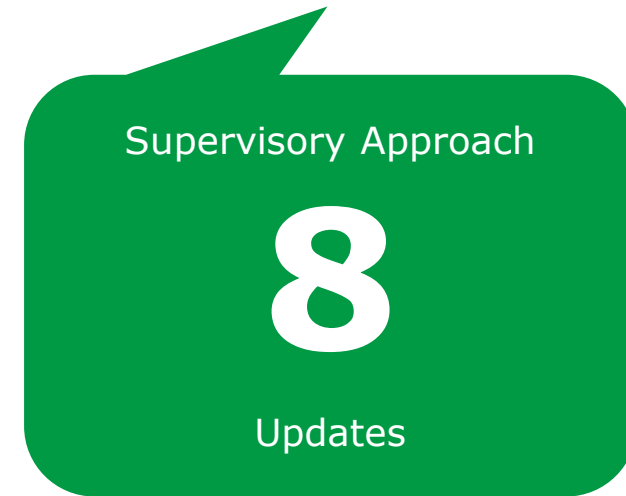
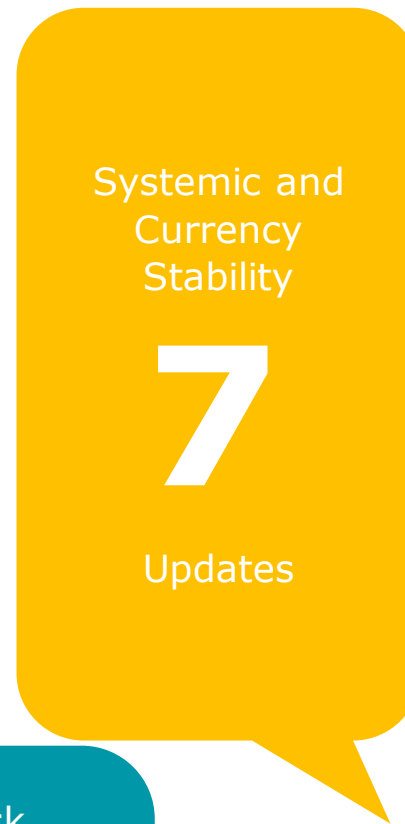
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# Regulatory Hot Topics – Top six most talked about themes this quarter



## Taxonomy

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

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# Australia (1/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	APRA	<b>Cyber security stocktake exposes gaps</b>	<p>On 5 July 2023, the Australian Prudential Regulation Authority (APRA) released summary findings for the initial tranche of the cyber security stocktake, highlighting areas of concern to be addressed by banks, insurers, and superannuation trustees. The assessment required APRA’s regulated entities to appoint an independent auditor for an assessment of their compliance as per Prudential Standard CPS 234 Information Security (CPS 234).</p> <p>The most common control gaps identified in this tranche included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• incomplete identification and classification of critical and sensitive information assets;</li> <li>• limited assessment of third-party information security capability; and</li> <li>• inadequate definition and execution of control testing programs.</li> </ul> <p>APRA encourages all entities to review these weaknesses alongside CPS 234 obligations to ensure relevant strategies are incorporated and any shortfalls addressed.</p> <p>Entities are currently participating in the second and third tranches of APRA’s assessment, with the fourth and final tranche expected to roll out later this year.</p> <p><a href="#">Cyber security stocktake exposes gaps   APRA</a></p>	-

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# Australia (2/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
2	APRA	<b>APRA finalises new prudential standard on operational risk</b>	<p>On 17 July 2023, APRA finalised Prudential Standard CPS 230 Operational Risk Management (CPS 230), intended to enhance the ability of banks, insurers, and superannuation trustees to better manage operational risks and respond to business disruptions. The standard will come into effect on 1 July 2025, with transitional arrangements for pre-existing contractual arrangements with service providers, applying from the next contract renewal date or 1 July 2026 (whichever comes earlier).</p> <p>CPS 230 is designed to:</p> <ul style="list-style-type: none"> <li>strengthen operational risk management by imposing new requirements to remediate weaknesses in current controls;</li> <li>uplift business continuity planning to ensure tolerance through severe disruptions; and</li> <li>ensure risks from material service providers are adequately managed, and therefore mitigating third-party risk.</li> </ul> <p>APRA Chair John Lonsdale emphasised the importance of this standard, given recent control failures of operational risks in Australia, including major cyber breaches. He signalled an expectation for regulated entities to be proactive in the implementation of CPS 230, however noted there would be a transition phase for existing contractual arrangements with significant service providers.</p> <p>APRA has also released draft Prudential Practice Guide CPG 230 Operational Risk Management to aid in the implementation of CPS 230. Consultation on this guidance closes 13 October 2023.</p> <p><a href="#">APRA finalises new prudential standard on operational risk   APRA</a></p> <p><a href="#">Prudential Standard CPS 230 Operational Risk Management   APRA</a></p> <p><a href="#">Draft Prudential Practice Guide CPG 230 Operational Risk Management   APRA</a></p>	<p>Effective date of CPS 230: 1 July 2025 (excl. transitional arrangements)</p> <p>Consultation on CPG 230 Operational Risk Management closes: 13 October 2023</p>

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# Australia (3/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
3	ASIC APRA	<b>Review finds super trustees need to improve retirement outcomes planning</b>	<p>On 18 July 2023, ASIC and APRA released findings from a thematic review of the Retirement Income Covenant. This measure was introduced on 1 July 2022 and required trustees to improve long-term outcomes for members in, or approaching retirement, by developing a retirement income strategy.</p> <p>ASIC's review found that while trustees have improved their offerings of assistance to members in retirement, quality of approach across trustees remains inconsistent, and a lack of urgency in embracing the intent of the covenant has continued. The review found that more focus was needed on:</p> <ul style="list-style-type: none"> <li>• understanding member retirement needs to inform development of effective retirement income strategies;</li> <li>• designing fit-for-purpose assistance measures through use of metrics; and</li> <li>• using analytics to oversee strategy implementation and include retirement income initiatives as actions in their overall business plan.</li> </ul> <p>The regulators have urged superannuation trustees to review the report and examples of better practices, taking steps as necessary to strengthen their retirement income strategies.</p> <p><a href="#">Review finds super trustees need to improve retirement outcomes planning   ASIC</a></p> <p><a href="#">Review finds super trustees need to improve retirement outcomes planning   APRA</a></p>	-
4	APRA ASIC	<b>APRA and ASIC commence early consultation on FAR</b>	<p>On 20 July 2023, APRA and ASIC jointly announced further support to the implementation of the Financial Accountability Regime (FAR) by releasing key materials for consultation.</p> <p>The FAR will introduce a stronger framework around responsibility and accountability for APRA-regulated entities in the banking, insurance, and superannuation industries, aimed at improving the culture of risk and governance in these institutions. APRA and ASIC will both administer the regime which will come into effect 6 - 18 months following Royal Assent of the <i>Financial Accountability Bill 2023</i>, depending on the entity.</p> <p>To support early engagement with entities and enable the timely implementation of the FAR, APRA and ASIC released a package of documents for consultation including:</p> <ul style="list-style-type: none"> <li>• proposed regulatory rules that prescribe information to be included in the FAR register of accountable persons; and</li> <li>• proposed Transitional rules that specify information to be provided by banking entities in relation to their existing accountable persons.</li> </ul> <p>APRA and ASIC sought industry feedback on the proposed Regulator rules, including Authorised Deposit Institution (ADI) key functions and Transitional rules. The closing date for submissions was 17 August 2023.</p> <p><a href="#">APRA and ASIC commence early consultation on FAR   APRA</a></p> <p><a href="#">APRA and ASIC commence early consultation on FAR   ASIC</a></p>	Consultation end date: 17 August 2023

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# Australia (4/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
5	APRA	<b>APRA publishes final investment governance guidance</b>	<p>On 20 July 2023, APRA released the final guidance on investment governance for superannuation trustees, the latest step by APRA in strengthening investment governance practices across the industry. The updated guidance is aimed at assisting trustees meet obligations under Prudential Standard SPS 530 Investment Governance (SPS 530), which came into effect on 1 January 2023.</p> <p>The Prudential Standard Guide SPG 530 Investment Governance includes:</p> <ul style="list-style-type: none"> <li>• additional guidance on liquidity management, stress testing and asset valuations;</li> <li>• expectations of trustees in considering environmental, social and governance risk factors as part of their overall risk management;</li> <li>• greater clarity in areas requested by industry in applying the standard; and</li> <li>• a streamlined approach to the guidance to align with APRA’s strategic initiatives.</li> </ul> <p>The changes follow a thematic review by APRA which identified the need for industry practice to improve. APRA seeks to deliver a strong governance structure, ensuring trustees put the financial interests of members at the centre of investment decisions.</p> <p><a href="#">APRA publishes final investment governance guidance   APRA</a></p> <p><a href="#">Prudential Practice Guide SPG 530 Investment Governance   APRA</a></p>	-
6	APRA	<b>APRA finalises requirements for remuneration disclosure</b>	<p>On 1 August 2023, APRA finalised updates to Prudential Standard CPS 511 Remuneration, implementing new remuneration disclosure rules for ADIs, insurers and superannuation entities.</p> <p>APRA-regulated entities must now annually disclose more information on their remuneration frameworks, design, governance, and outcomes, with additional quantitative data disclosure required by larger and more complex entities. The requirements will commence from entities’ first full financial year following 1 January 2024, with additional flexibility of a six-month window from an entity’s financial year end to release its annual disclosure.</p> <p>Following consultation, APRA proposed collecting and publishing more granular remuneration data and announced a delay to its response to consultation on draft Reporting Standard CRS 511 Remuneration, with the commencement date of the standard extended accordingly.</p> <p>APRA also notified it will release the findings from an implementation review of CPS 511 to assist industry implement the new requirements.</p> <p><a href="#">APRA finalises requirements for remuneration disclosure   APRA</a></p> <p><a href="#">Prudential Standard CPS 511 Remuneration   APRA</a></p>	Effective date of changes to CPS 511: 1 January 2024

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# Australia (5/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
7	RBA	<b>Reserve Bank and Digital Finance CRC Complete CBDC Research Project</b>	<p>On 23 August 2023, The Reserve Bank of Australia (RBA) and the Digital Finance Cooperative Research Centre (DFCRC) released a report with findings from a joint research project which explored the potential for a central bank digital currency (CBDC) in Australia.</p> <p>The project consisted of a limited scale pilot used by select industry participants to explore areas where a CBDC could enhance the functioning of the payments system. The project highlighted that continued engagement between industry and policymakers can assist with opportunities and challenges associated with innovations in digital currency.</p> <p>The use of a CBDC was found to potentially support:</p> <ul style="list-style-type: none"> <li>enabling 'smarter' payments;</li> <li>supporting innovation in financial and asset markets;</li> <li>promoting private digital money innovation; and</li> <li>enhancing resilience and inclusion in the digital economy.</li> </ul> <p>However, the project also discovered issues associated with a CBDC that would require ongoing attention, including legal and operational challenges. The project helped in understanding these concerns, with the aim of using the results to inform future research agendas.</p> <p><a href="#">Reserve Bank and Digital Finance CRC Complete CBDC Research Project   RBA</a></p>	-

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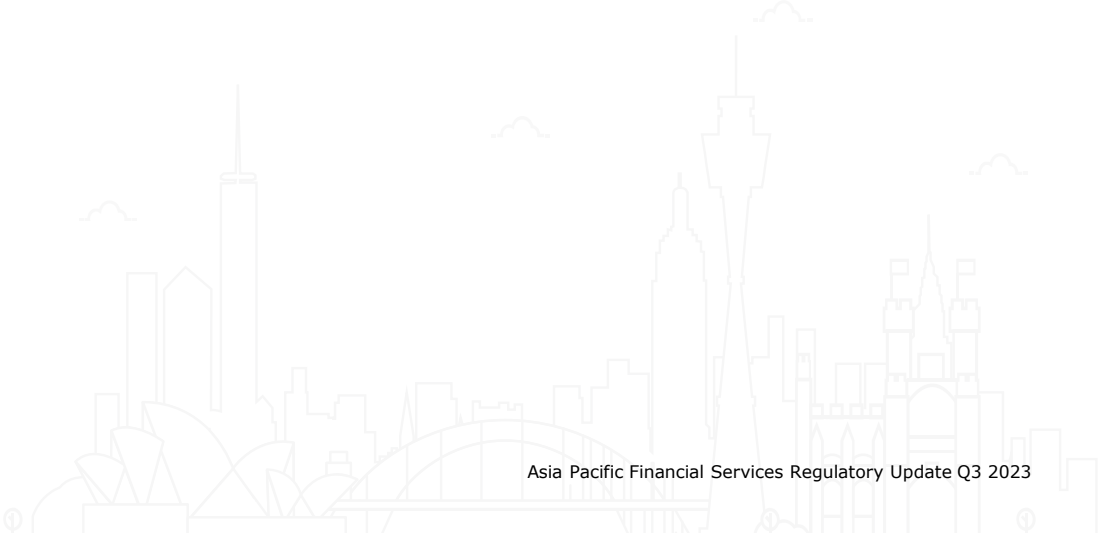
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# Australia (6/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
8	ASIC APRA	<p><b>ASIC focuses on protecting vulnerable consumers and small businesses in 23-24 Corporate Plan</b></p> <p><b>APRA responds to emerging risks in 2023-24 Corporate Plan</b></p>	<p>On 28 August 2023, ASIC released its Corporate Plan for 2023-27 with a specific focus on 2023-24. ASIC announced it would leverage its increased capacity through a July 2023 restructure to take further enforcement action in protecting consumers from scams, digital misconduct, and predatory lending practices. ASIC named shifts across sustainable finance, the digital and data economy, and an ageing population as drivers of these challenges.</p> <p>Concurrently, ASIC on 30 August 2023 released an open letter calling lenders to ensure customers experiencing financial hardship are adequately supported and named financial hardship an area of increased focus for ASIC over the following 12 months.</p> <p>On 29 August 2023, APRA also released its 2023-24 Corporate Plan, defining key priorities for the regulator over the next four years to maintain the ongoing stability of the financial sector. The priorities outlined in APRA's 2023-24 Corporate Plan included:</p> <ul style="list-style-type: none"> <li>• improving cross-industry stress testing and ensuring the adequacy of macroprudential policies;</li> <li>• maintaining a greater focus on operational and cyber resilience, crisis management and operational risk management;</li> <li>• embedding climate risk in APRA's approach to supervision; and</li> <li>• increasing focus within superannuation, specifically on retirement outcomes and enhanced transparency of investment performance.</li> </ul> <p>APRA also announced its intentions to update its prudential framework, use technology and data more effectively to supervise the industry and strengthen accountability, and create a more agile and engaged workforce that can respond to new and emerging risks.</p> <p><a href="#">ASIC Corporate Plan 2023-27 (Focus 2023-24)   ASIC</a></p> <p><a href="#">ASIC focuses on protecting vulnerable consumers and small businesses in 23-24   ASIC</a></p> <p><a href="#">As cost of living pressures persist ASIC calls on lenders to support customers in financial hardship   ASIC</a></p> <p><a href="#">APRA responds to emerging risks in 2023-24 Corporate Plan   APRA</a></p> <p><a href="#">APRA Corporate Plan 2023-24   APRA</a></p>	-

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# Australia (7/7)

#	Issuing Authority	Title	Regulatory Update	Key Dates
9	APRA	<b>APRA strengthens standard to enhance member outcomes in superannuation</b>	<p>On 21 September 2023, APRA announced plans to update Prudential Standard SPS 515 Strategic Planning and Member Outcomes (SPS 515). APRA says the changes follow developments in the operating environment of superannuation funds since SPS 515 came into effect in 2020.</p> <p>APRA sees updating SPS 515 as a policy priority in superannuation. Through its reform, APRA aims to:</p> <ul style="list-style-type: none"> <li>• better align expenditure requirements with the best financial interest duty and to support the retirement income covenant;</li> <li>• improve trustees' management of financial resources by ensuring trustees maintain a prudent approach in setting fees and managing member-funded reserves; and</li> <li>• enhance risk management for members being transferred across funds.</li> </ul> <p>Additionally, APRA stated its intention to retire guidance circular on the sole purpose test, with no plans to issue new guidance. APRA cited that the test, now over 20 years old, no longer remains relevant to trustees who are now better prepared to make appropriate decisions.</p> <p>APRA has released a consultation on the proposed enhancements to SPS 515. Submissions are due on 21 December 2023.</p> <p><a href="#">APRA strengthens standard to enhance member outcomes in superannuation   APRA</a></p> <p><a href="#">Strategic planning and member outcomes: proposed enhancements   APRA</a></p>	<p>Consultation ends on 21 December 2023</p>

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# Mainland China (1/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	NAFR	<b>NAFR solicits opinions on Measures for Administrative Licensing of Non-banking Financial Institutions</b>	<p>On 21 July 2023, National Administration of Financial Regulation (NAFR) launched a consultation on the <i>revised Measures for Administrative Licensing of Non-Bank Financial Institutions</i>. This revision aims to enhance the effectiveness of administrative licensing for non-bank institutions and focuses on the following aspects:</p> <ul style="list-style-type: none"> <li>• <b>Adjusting the admission criteria for certain matters:</b> the conditions for institution establishment and shareholder admission are adjusted synchronously, implementing hierarchical management of businesses, and improving the specific business admission conditions for financial companies.</li> <li>• <b>Further relaxing the entry conditions for foreign institutions to invest in financial asset management companies:</b> allowing foreign non-financial institutions to participate as investors in financial asset management companies and eliminating the total asset requirement for overseas financial institutions as investors in financial asset management companies.</li> <li>• <b>Promoting the simplification of administration and delegation of power:</b> streamlining bond issuance and personnel qualification approvals, abolishing certain non-bank institutions' approvals, and adopting a post-reporting system for improved efficiency.</li> <li>• <b>Improving relevant administrative licensing regulations:</b> Addressing practical challenges in the administrative licensing of non-bank institutions, focusing on scrutinising shareholder qualifications, and enhancing regulations related to licensing conditions and procedures.</li> </ul> <p><a href="#">NAFR solicits opinions on Measures for Administrative Licensing of Non-Bank Financial Institutions</a></p>	Consultation ended on 21 August 2023
2	NAFR	<b>NAFR solicits opinions on Measures for Operational Risk Management in Banking and Insurance Institutions</b>	<p>On 28 July 2023, NAFR launched a consultation on the <i>Measures for Operational Risk Management in Banking and Insurance Institutions</i>. The main aspects include:</p> <ul style="list-style-type: none"> <li>• Clear definition of risk governance and management responsibilities;</li> <li>• Specification of fundamental risk management requirements;</li> <li>• Detailed management processes and tools; and</li> <li>• Enhancement of supervisory and management responsibilities.</li> </ul> <p>In the next step, based on the feedback received during the public consultation, NAFR will further refine the "Measures" and publish the final version for implementation in due course.</p> <p><a href="#">NAFR solicits opinions on Measures for Operational Risk Management in Banking and Insurance Institutions</a></p>	Consultation ended on 31 August 2023
3	NAFR	<b>NAFR solicits opinions on Measures for Preventing and Controlling Risks Related to Criminal Cases in Banking and Insurance Institutions</b>	<p>On 4 August 2023, NAFR launched a consultation on the <i>Measures for Preventing and Controlling Risks Related to Criminal Cases in Banking and Insurance Institutions</i>. Key aspects covered by the Measures are:</p> <ul style="list-style-type: none"> <li>• Clarify the objectives and basic principles of preventing risks related to criminal cases;</li> <li>• Defining the responsibilities of the board of directors (board of supervisors), senior management, lead departments, internal departments, branches, and internal audit departments;</li> <li>• Identify the main tasks of risk prevention and control in criminal cases for banking and insurance institutions; and</li> <li>• Specify the division of responsibilities for regulatory authorities in crime-related risk prevention and control.</li> </ul> <p><a href="#">NAFR solicits opinions on Measures for Preventing and Controlling Risks Related to Criminal Cases in Banking and Insurance Institutions</a></p>	Consultation ended on 8 September 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	NAFR	<b>NAFR releases Notices regarding Optimization of Regulatory Standards for Insurance Company Solvency</b>	<p>On 10 September 2023, NAFR issued the <i>Notice Regarding Optimization of Regulatory Standards for Insurance Company Solvency</i>. The Notice optimises the regulatory standards for insurance companies based on the actual development of the insurance industry. The Notice consists of ten articles focusing on four aspects:</p> <ul style="list-style-type: none"> <li>• <b>Differential Adjustment of Minimum Capital Requirements:</b> Capital requirements are adjusted based on total assets. Property and reinsurance companies with total assets between 10 billion and 200 billion rmb calculate the minimum capital at a 95% solvency adequacy ratio. Companies with assets below 10 billion yuan calculate at 90%.</li> <li>• <b>Encouraging Long-term Policies:</b> The proportion of future surplus from life insurance policies with a term over 10 years included in core capital has increased from 35% to 40%, promoting the development of long-term insurance products. Capital requirements are reduced by 5% for companies meeting specific criteria related to claims reserves and premium risk.</li> <li>• <b>Supporting Capital Market Stability:</b> Risk factors for investments in certain stocks and infrastructure funds are adjusted to promote stable investments. Insurance companies must disclose their investment returns over the past three years.</li> <li>• <b>Promoting Technological Innovation:</b> The risk factor for equity investments in non-listed companies in strategic emerging industries is set at 0.4. For technology insurance, solvency adequacy ratio calculations are set at 90%.</li> </ul> <p><a href="#">NAFR releases <i>Notices regarding Optimization of Regulatory Standards for Insurance Company Solvency</i></a></p>	10 September 2023
5	PBOC, NAFR	<b>PBOC and NAFR Release List of China's Systemically Important Banks</b>	<p>In 2023, the People's Bank of China (PBOC) and the NAFR assessed domestic systemically important banks (D-SIBs) in accordance with the <i>Assessment Methodology for Systemically Important Banks</i>. As a result, 20 D-SIBs were identified, categorised into five groups based on the level of systemic importance. The first group includes 10 banks. Going forward, PBOC and NAFR plan to enhance the supervision on these banks, ensuring compliance with additional capital and leverage ratio requirements. The aim is to bolster risk management capabilities, promote the stability of the financial system, and support the development of the real economy.</p> <p><a href="#">PBOC and NAFR Release List of China's Systemically Important Banks</a></p>	-

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# Mainland China (3/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
6	CSRC	<b>Regulations on the Supervision and Administration of Private Equity Funds</b>	<p>On 9 July 2023, a State Council decree was released on the <i>Regulations on the Supervision and Administration of Private Equity Funds</i>, which will take effect on 1 September to facilitate the industry's high-quality development by better managing risks. The main points of the regulations are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Clear Scope of Application:</b> Covers various types of private equity funds, raised privately for investment, managed by fund managers or general partners.</li> <li>• <b>Obligations of Private Equity Fund Managers and Custodians:</b> Regulates fund managers and custodians, forbidding relevant parties from becoming fund managers and requiring employee training.</li> <li>• <b>Regulation of Fundraising and Investment Operations:</b> Limits the number of investors per fund, aligns fund risk levels with investor profiles, emphasises post-raising supervision, and clarifies investment scopes.</li> <li>• <b>Special Provisions for Venture Capital Funds:</b> Encourages venture capital investments in startups and defines unique supervision.</li> <li>• <b>Strengthened Supervision and Legal Responsibilities:</b> Aligns with national policies, specifies regulatory responsibilities, establishes collaboration mechanisms, and outlines legal consequences for violations.</li> </ul> <p><a href="#">The State Council decree "Regulations on the Supervision and Administration of Private Equity Funds"</a></p>	Effective 1 September 2023
7	CSRC	<b>CSRC instructed the China Securities Industry Association to release the Measures for Practicing Quality Assessment of Securities Companies' Bond Business</b>	<p>China Securities Regulatory Commission (CSRC) has instructed the China Securities Industry Association to release the <i>Measures for Practicing Quality Assessment of Securities Companies' Bond Business</i>, strengthening the classification supervision of bond underwriting. This revision now focuses on enhancing the connotation and requirements of bond business practice quality under the registration system. Additionally, it includes the categorisation evaluation of intermediary institutions for enterprise bonds. As part of the transitional period for the transfer of corporate bond duties, the evaluation criteria, workflow, and mechanisms for enterprise bond intermediary institutions will remain unchanged in 2023, with relevant work currently in progress.</p> <p>In the next steps, the CSRC will guide relevant organisations, such as the Securities Association of China, to carry out the assessment work for the practice quality of securities companies' bond business.</p> <p><a href="#">CSRC instructed the China Securities Industry Association to release the Measures for Practicing Quality Assessment of Securities Companies' Bond Business</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
8	CSRC	<b>CSRC solicits opinions on Measures for the Administration of Corporate Bond Issuance and Trading and Guidelines for the Information Disclosure Content and Format of Companies Issuing Securities Publicly</b>	<p>On 8 September 2023, CSRC launched a consultation on the revised <i>Measures for the Administration of Corporate Bond Issuance and Trading and Guidelines for the Information Disclosure Content and Format of Companies Issuing Securities Publicly No. 24 - Application Documents for the Public Offering of Corporate Bonds</i>.</p> <p>The revisions to the "Measures" mainly focus on five aspects:</p> <ul style="list-style-type: none"> <li>• Implementing institutional reform;</li> <li>• Strengthening anti-fraud measures;</li> <li>• Enhancing fundraising supervision;</li> <li>• Enhancing supervision of non-market-based issuances; and</li> <li>• Adapting to revised administrative licensing procedures.</li> </ul> <p>The revisions to the "Guidelines" draw on existing experiences in corporate bond management, focusing on three main aspects:</p> <ul style="list-style-type: none"> <li>• Strengthening compliance requirements for fundraising projects;</li> <li>• Enhancing oversight from higher authorities; and</li> <li>• Enhancing accountants' responsibilities.</li> </ul> <p><a href="#">CSRC solicits opinions on Measures for the Administration of Corporate Bond Issuance and Trading and Guidelines for the Information Disclosure Content and Format of Companies Issuing Securities Publicly</a></p>	Consultation ended on 8 October 2023
9	CSRC	<b>CSRC solicits opinions on Rules on Listed Companies Issuing Convertible Corporate Bonds to Specific Objects for Purchasing Assets</b>	<p>On 15 September 2023, CSRC introduced the <i>Rules on Listed Companies Issuing Convertible Corporate Bonds to Specific Objects for Purchasing Assets</i> for public consultation. In November 2018, CSRC initiated the pilot program for restructuring using directed convertible bonds. According to the pilot program results, the business of restructuring using directed convertible bonds has been stable and orderly, promoting the integration and quality improvement of listed companies' industries.</p> <p>The rules outline various key aspects:</p> <ul style="list-style-type: none"> <li>• Clarifies restructuring using directed convertible bonds must comply with the regulations such as the <i>Measures for the Administration of Major Asset Restructuring of Listed Companies</i> and the <i>Measures for the Administration of the Issuance and Listing of Securities of Listed Companies</i>;</li> <li>• Following the principle of 'same treatment for the same situation,' the rules provide provisions on the pricing mechanism and lock-up period of directed convertible bonds used as payment tools, referring to the relevant regulations on issuing shares for purchasing assets;</li> <li>• Specifies that the suitability requirements for investors at various stages when directed convertible bonds are used as payment tools in the transfer and conversion processes;</li> <li>• Clarifies the calculation method of the quantity and proportion of the company's equity rights that investors possess when determining whether it constitutes a restructuring for listing; and</li> <li>• Listed companies can independently choose to use directed convertible bonds as payment tools and decide whether the entire transaction consideration of the restructuring is paid with directed convertible bonds or combined with partial shares and cash.</li> </ul> <p><a href="#">CSRC solicits opinions on "Rules on Listed Companies Issuing Convertible Corporate Bonds to Specific Objects for Purchasing Assets"</a></p>	Consultation ended on 15 October 2023

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# Hong Kong SAR (1/6)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	HKMCI	<b>Amendments to the Mortgage Insurance Programme</b>	<p>On 22 September 2023, HKMC Insurance Limited (HKMCI), a subsidiary of The Hong Kong Mortgage Corporation Limited, announced amendments to the Mortgage Insurance Programme (MIP) for residential properties <b>under construction</b>.</p> <p>The changes align eligibility criteria with those for completed properties:</p> <ul style="list-style-type: none"> <li>• For eligible properties under construction up to HK\$10 million, the maximum loan-to-value (LTV) ratio is 90%;</li> <li>• For properties valued above HK\$10 million and up to HK\$15 million, the maximum LTV ratio is 80% or derived from a mortgage loan cap of HK\$9 million, whichever is higher; and</li> <li>• For properties valued above HK\$15 million and up to HK\$30 million, the maximum LTV ratio is 70% or derived from a mortgage loan cap of HK\$12 million, whichever is higher.</li> </ul> <p>These changes apply to mortgage loans for self-occupied properties with provisional agreements executed on or after 22 September 2023. Previously, MIP covered properties under construction up to HK\$6 million. The amendments aim to promote home ownership considering property market conditions and business factors.</p> <p><a href="#">Amendments to the Mortgage Insurance Programme</a></p>	Applies to mortgage loans on or after 22 September 2023
2	HKMA, SFC	<b>Regulators conclude consultation on revising OTC derivative Clearing Rules</b>	<p>On 29 August 2023, the HKMA and SFC have proposed amendments to Clearing Rules for OTC derivative transactions. Interest rate swaps tied to alternative reference rates (ARRs) will now be subject to clearing obligations under specific conditions. Concurrently, requirements to clear swaps tied to obsolete interbank offered rates will be removed, aligning with global benchmark reforms. The proposal has general support and is awaiting legislative approval, and is expected to take effect from 1 July 2024.</p> <p><a href="#">Regulators conclude consultation on revising OTC derivative Clearing Rules</a></p>	Expected to come into effect from 1 July 2024

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# Hong Kong SAR (2/6)

#	Issuing Authority	Title	Regulatory Update	Key Dates
3	HKMA	<b>HKMA Unveils New Roadmap to Promote Fintech Adoption</b>	<p>On 25 August 2023, the HKMA unveiled a new Fintech Promotion Roadmap, outlining initiatives to boost Fintech adoption in the financial sector. Focusing on Wealthtech, Insurtech, Greentech, Artificial Intelligence (AI), and Distributed Ledger Technology (DLT), HKMA collaborated with regulators and stakeholders.</p> <p>Key activities in the next 12 months include:</p> <ul style="list-style-type: none"> <li>Establishing a Fintech Knowledge Hub with a cross-sectoral directory of service providers and financial institutions for enhanced accessibility;</li> <li>Hosting regular Fintech showcase events and roundtables for in-depth communication between financial institutions and Fintech service providers;</li> <li>Organising interactive seminars and training sessions to encourage knowledge exchange across diverse financial sectors in specific Fintech areas; and</li> <li>Publishing use case videos and research reports offering insights into practical considerations throughout the Fintech adoption lifecycle.</li> </ul> <p>This roadmap aims to foster collaboration beyond banking, involving insurance, wealth management, and capital markets, building a sustainable Fintech ecosystem in Hong Kong. More details about the Roadmap and the HKMA's upcoming initiatives can be found in the <a href="#">report</a>.</p> <p><a href="#">HKMA Unveils New Roadmap to Promote Fintech Adoption</a></p>	-
4	HKMA, IA	<b>Cross-Agency Steering Group announces priorities to further strengthen Hong Kong's sustainable finance ecosystem</b>	<p>On 7 August 2023, the Green and Sustainable Finance Cross-Agency Steering Group in Hong Kong has outlined its priorities to strengthen the city's sustainable finance ecosystem, including:</p> <ul style="list-style-type: none"> <li>Establish world-class regulation through alignment with global standards;</li> <li>Boost Hong Kong's vibrancy and competitiveness through capacity building, data enhancement and technology innovation of the finance ecosystem to support net-zero transition across the economy; and</li> <li>Grow dynamic, trusted markets with diverse products to mobilise capital at larger scale to support the net-zero transition.</li> </ul> <p><a href="#">Cross-Agency Steering Group announces priorities to further strengthen Hong Kong's sustainable finance ecosystem</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	HKIMR, AoF	<b>Report on The Digitalisation of Financial Services in Hong Kong: Recent Experience, Regulatory Developments and Considerations for Sustainable Innovation and Growth</b>	<p>On 12 July 2023, the Hong Kong Institute for Monetary and Financial Research (HKIMR) released a new report titled <i>The Digitalisation of Financial Services in Hong Kong: Recent Experience, Regulatory Developments and Considerations for Sustainable Innovation and Growth</i>.</p> <p>The report examines the factors accelerating digitalisation in Hong Kong's financial services sector, discussing implications for financial inclusion and environmental sustainability. It includes insights from local financial institutions and outlines measures taken locally and internationally to mitigate risks and enhance consumer protection, and concludes with recommendations for fostering sustainable innovation and growth in Hong Kong's financial services digitalisation journey.</p> <p>The report is available on the <a href="#">AoF/HKIMR website</a>.</p> <p><a href="#">Report on The Digitalisation of Financial Services in Hong Kong: Recent Experience, Regulatory Developments and Considerations for Sustainable Innovation and Growth</a></p>	-
6	HKMA	<b>Orderly exit from the banking sector Pre-approved Principal Payment Holiday Scheme</b>	<p>On 11 July 2023, the HKMA and the Banking Sector SME Lending Coordination Mechanism have announced an orderly exit from the Pre-approved Principal Payment Holiday Scheme, effective at the end of July 2023. The focus will shift from pandemic relief, to facilitating corporates' return to normal repayment. The Scheme, extended six times during the pandemic, has seen a decline in participation to 1% of eligible corporates, indicating improved repayment abilities.</p> <p>Corporates currently in the Scheme may opt for partial principal repayment, choosing either 20% or 50% of the original principal repayment amount with extended durations, allowing for a gradual transition to normal repayment. Banks will contact participating corporates, and those wishing to opt for partial principal repayment must inform their banks by the end of October 2023. Alternative repayment arrangements, ensuring terms are no less favourable than the specified options, can be discussed based on individual circumstances. Continued support for sectors facing challenges and sympathetic handling of non-participating corporates' funding needs are encouraged, with the earlier relief measures for the transport sector remaining unchanged until the end of 2025.</p> <p><a href="#">Orderly exit from the banking sector Pre-approved Principal Payment Holiday Scheme</a></p>	-

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# Hong Kong SAR (4/6)

#	Issuing Authority	Title	Regulatory Update	Key Dates
7	HKMCI	<b>Amendments to the Mortgage Insurance Programme</b>	<p>On 7 July 2023, HKMCI announced amendments to the Mortgage Insurance Programme (MIP) for completed residential properties in Hong Kong, aimed at assisting homebuyers with housing needs.</p> <p>Under the new changes:</p> <ul style="list-style-type: none"> <li>• Properties with values up to HK\$10 million maintain a maximum loan-to-value (LTV) ratio of 90%;</li> <li>• For properties valued above HK\$10 million up to HK\$15 million, the maximum LTV ratio is 80% or a ratio derived from a mortgage loan cap of HK\$9 million, whichever is higher; and</li> <li>• Properties valued above HK\$15 million and up to HK\$30 million have a maximum LTV ratio of 70% or a ratio derived from a mortgage loan cap of HK\$12 million, whichever is higher.</li> </ul> <p>In addition,</p> <ul style="list-style-type: none"> <li>• HKMCI will provide insurance coverage for bank loans exceeding a 70% LTV ratio, with premium rates lower than those starting at 60% LTV ratio;</li> <li>• Special premium concessions will be given to first-time homebuyers for properties valued up to HK\$15 million, with a waiver on insurance coverage premiums for mortgage loan portions not exceeding 5% above the maximum LTV ratio for banks; and</li> <li>• HKMCI will also enhance transparency by updating its website with effective premium rates after a 35% discount.</li> </ul> <p>These changes apply to owner-occupied properties with provisional sale and purchase agreements executed on or after 7 July 2023, aiming to promote home ownership and contribute to the stability of the banking sector.</p> <p><a href="#">Amendments to the Mortgage Insurance Programme</a></p>	Apply to mortgage loans on or after 7 July 2023
8	HKMA	<b>Countercyclical Macprudential Measures for Property Mortgage Loans</b>	<p>On 7 July 2023, the HKMA issued guidelines to banks adjusting the countercyclical macroprudential measures for property mortgage loans.</p> <p>HKMA has adjusted the measures as follows:</p> <ul style="list-style-type: none"> <li>• For residential properties for self-occupation, the maximum loan-to-value (LTV) ratios will be adjusted to 70% for properties valued at HK\$15 million or below and 60% for properties valued between HK\$15 million and HK\$30 million. Properties valued at more than HK\$30 million will maintain a maximum LTV ratio of 50%. The changes will be gradual for certain value ranges. For non-self-use residential properties, the maximum LTV ratio remains unchanged at 50%;</li> <li>• The maximum LTV ratio for non-residential properties will be adjusted from 50% to 60%;</li> <li>• For mortgage loans assessed based on the net worth of mortgage applicants, the maximum LTV ratio will be adjusted from 40% to 50%, applicable to both residential and non-residential properties;</li> <li>• Requirements to lower the maximum LTV ratio and debt servicing ratio (DSR) limit for mortgage applicants mainly earning income outside Hong Kong will be lifted. The requirement for a 5-percentage-point reduction in applicable DSR limits when mortgage applicants' total mortgage finance exceeds the HKMA's permissible LTV ceilings by 20 percentage points will be removed.</li> </ul> <p><a href="#">Countercyclical Macprudential Measures for Property Mortgage Loans</a></p>	Effective 7 July 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
9	SFC	<b>SFC amends takeovers and share buy-backs codes</b>	<p>On 21 September 2023, the SFC released consultation conclusions on its proposed amendments to the <i>Codes on Takeovers and Mergers and Share Buy-backs</i> (Codes), following conclusion of the consultation period on 23 June 2023.</p> <p>The changes to the Codes, effective from 29 September 2023, codify existing Takeovers Executive practices, clarify key terms, streamline processes for efficiency, and incorporate green initiatives to reduce the carbon footprint of Codes documents.</p> <p>Consequential amendments to Practice Notes will also be available on the SFC website. Market practitioners are encouraged to familiarise themselves with the revisions and consult the Takeovers Executive for any application concerns.</p> <p><a href="#">SFC amends takeovers and share buy-backs codes</a></p>	Effective 29 September 2023
10	SFC	<b>SFC concludes consultation on risk management guidelines for futures dealing activities</b>	<p>On 25 August 2023, the SFC published <a href="#">consultation conclusions</a> on its proposed risk management guidelines for licensed futures brokers, covering market risk management, commodity futures trading, client credit risk management, concessionary margining and risk management over executing or clearing agents. Requirements for funding liquidity risk management, safeguarding client assets, trading in futures markets outside Hong Kong and stress testing are also included.</p> <p>Respondents generally appreciated the guidance, leading to adjustments based on their feedback. The guidelines emphasise the importance of a robust risk management framework, ensuring brokers can handle market volatility effectively. Futures brokers have a transition period of six months to comply, with system changes related to client risk limit controls and stress testing to be implemented within an additional 12 months. The guidelines will become effective on 25 February 2024.</p> <p><a href="#">SFC concludes consultation on risk management guidelines for futures dealing activities</a></p>	Effective 25 February 2024
11	SFC	<b>SFC concludes consultation on amendments to enforcement-related provisions of the Securities and Futures Ordinance</b>	<p>On 25 August 2023, the SFC published <a href="#">consultation conclusions</a> on proposed amendments to enforcement-related provisions of the Securities and Futures Ordinance (SFO), following conclusion of a consultation process on 12 August 2022.</p> <p>The amendments will extend the scope of insider dealing provisions to include activities in Hong Kong related to overseas stock markets and their derivatives, as well as insider dealing activities outside Hong Kong involving securities listed on recognised stock markets or their derivatives.</p> <p>However, two other proposed amendments regarding professional investor exemption and injunctions and other orders will be put on hold due to complex implementation issues raised during the consultation. The SFC will continue monitoring market developments to ensure investor protection, considering options such as enhancing disciplinary powers and regulatory frameworks.</p> <p><a href="#">SFC concludes consultation on amendments to enforcement-related provisions of the Securities and Futures Ordinance</a></p>	-

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# Hong Kong SAR (6/6)

#	Issuing Authority	Title	Regulatory Update	Key Dates
12	SFC, IOSCO	<b>SFC welcomes IOSCO endorsement of new sustainability disclosure standards</b>	<p>The SFC welcomes the endorsement by the International Organisation of Securities Commissions (IOSCO) of the IFRS Sustainability Disclosure Standards published by the International Sustainability Standards Board (ISSB). The ISSB standards aim to serve as a global framework for investor-focused corporate sustainability disclosures. IOSCO's endorsement signals to its 130 member securities regulators to adopt, apply or make reference to the standards in addressing sustainability-related risks and opportunities.</p> <p>The SFC will work with relevant Government bureaux, other financial regulators and the Stock Exchange of Hong Kong Limited (SEHK) to develop a comprehensive roadmap for adoption of the ISSB standards in Hong Kong. As an initial move in this direction, SEHK's proposed disclosure requirements for listed companies (Note 3) made reference to the ISSB's exposure draft for climate-related disclosures and its further deliberations.</p> <p><a href="#">SFC welcomes IOSCO endorsement of new sustainability disclosure standards</a></p>	-
13	IA	<b>Insurance Authority welcomes passage of the amendment bill for the implementation of the Risk-based Capital regime</b>	<p>The Insurance Authority (IA) welcomed the passage of the <a href="#">Insurance (Amendment) Bill 2023</a> (the Bill) on 6 July 2023, which provides the legislative framework for the implementation of the Risk-based Capital (RBC) regime for the Hong Kong insurance industry.</p> <p>The IA will start the preparatory work on drafting detailed requirements of the RBC regime to be followed by public consultation on subsidiary legislation. The RBC regime is targeted for implementation in 2024.</p> <p><a href="#">Insurance Authority welcomes passage of the amendment bill for the implementation of the Risk-based Capital regime</a></p>	<p>Effective 6 July 2023</p> <p>Targeted for implementation in 2024</p>

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# India (1/3)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	SEBI	<b>Consultation Paper on Consolidated Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities</b>	<p>On 4 July 2023, the Securities and Exchange Board of India (SEBI) issued a consultation paper on the Consolidated Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities. The CSCRF aims to enhance the scope of the cybersecurity and cyber resilience framework, address the need for uniformity of cybersecurity guidelines for all Regulated Entities (REs), and strengthen the mechanism to deal with cyber risks/threats/incidents.</p> <p>The framework provides a common structure for approaches to cybersecurity using a graded approach and divides the guidelines into three parts: i) Applicable to all REs, ii) Applicable to specified REs, iii) Applicable to Market Infrastructure Institutions (MIIs). SEBI has based the framework on five concurrent and continuous functions of cybersecurity as defined by the National Institute of Standards and Technology (NIST) - Identify, Protect, Detect, Respond, and Recover.</p> <p>SEBI also notified it will seek to update and improve the framework as technology and securities markets evolve and as REs provide their feedback. The CSCRF consultation ended 25 July 2023.</p> <p><a href="#">SEBI   Consultation Paper on Consolidated Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities</a></p>	Consultation ended 25 July 2023
2	SEBI	<b>Master Circular for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities</b>	<p>On 11 July 2023, SEBI issued a Master Circular consolidating the provisions of the <i>SEBI Listing Obligations and Disclosure Requirements Regulations, 2015</i> (LODR Regulations) and applicable circulars issued until 30 June 2023. The Master Circular aims to support listed entities comply with the listing regulations and to ensure uniformity in disclosure practices.</p> <p>The Master Circular provides a chapter-wise framework for compliance with various obligations under the LODR Regulations, such as corporate governance, financial results, and risk management. The Master Circular also provides listed entities with applicable formats and timelines for submitting required information to SEBI.</p> <p><a href="#">SEBI   Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities</a></p>	-
3	SEBI	<b>Master Circular for ESG Rating Providers (ERPs)</b>	<p>On 12 July 2023, SEBI issued a Master Circular consolidating the provisions of the <i>SEBI Credit Rating Agencies Regulations, 1999</i> (CRA Regulations) for Environmental, social and corporate governance Rating Providers (ERPs).</p> <p>While the CRA framework provides a broader framework for ERPs, the Master Circular further outlines the procedural/disclosure requirements and obligations set out in the CRA framework and provides guidelines for ERP registration and operation. ERPs are expected to have systems and infrastructure in place to implement the Master Circular, including monitoring compliance with the Master Circular through yearly internal audits.</p> <p><a href="#">SEBI   Master Circular for ESG Rating Providers (ERPs)</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	SEBI	<b>Circular on Disclosure of material events / information by listed entities under Regulations 30 and 30A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>	<p>On 13 July 2023, SEBI announced the partial modification of a Master Circular to incorporate a circular which detailed the information required to be provided while disclosing events under Schedule II of the LODR Regulations.</p> <p>The circular outline the disclosure requirements of listed entities including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Events that should be disclosed;</li> <li>• The manner of determination of materiality for events and timeline for disclosure;</li> <li>• The role and responsibility of stakeholders, such as boards of directors and audit committees, in ensuring compliance with disclosure; and</li> <li>• Consequence of non-compliance.</li> </ul> <p>SEBI announced the consolidation into the Master Circular is intended to bring more transparency and ensure the timely disclosure of material events and information by listed entities.</p> <p><a href="#">SEBI   Disclosure of material events / information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</a></p>	Effective date: 15 July 2023
5	SEBI	<b>Circular on BRSR Core –Framework for assurance and ESG disclosures for value chain</b>	<p>On 12 July 2023, SEBI introduced the <i>Business Responsibility and Sustainability Report Core</i> (BRSR Core), which consists of Key Performance Indicators (KPIs) and metrics across nine ESG attributes. The guidance is a subset of the BRSR and is directed at the top 1,000 listed entities, who from FY 2023–2024 are expected to make disclosures per the updated format as part of their annual reporting.</p> <p>SEBI announced the release of the BRSR Core aims to provide reasonable assurance on ESG performance and disclosure and to facilitate comparability and benchmarking across sectors and industries.</p> <p><a href="#">SEBI   BRSR Core - Framework for assurance and ESG disclosures for value chain</a></p>	Effective date of the BRSR Core format: 1 July 2023
6	SEBI	<b>Circular on extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies</b>	<p>On 19 July 2023, SEBI announced an extension to the circular containing a framework for developing a system to restrict the trading by Designated Persons (DPs). The <i>SEBI (Prohibition of Insider Trading) Regulations, 2015</i> prohibits trading by DPs in listed benchmark index companies during a Trading Window closure period and the framework extension widens the prohibition to include all listed companies.</p> <p>The framework will be rolled out to listed companies using a phased approach based on their market capitalisation:</p> <ul style="list-style-type: none"> <li>• Group 1: Top 1000 listed entities from 1 October 2023</li> <li>• Group 2: Next 1000 listed entities from 1 January 2024</li> <li>• Group 3: Remaining entities from 1 April 2024</li> </ul> <p>SEBI announced the extension to the framework will help prevent insider trading and ensure fairness and transparency in the securities market.</p> <p><a href="#">SEBI   Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies in a phased manner</a></p>	<p>Effective date of changes to framework: Group 1: 1 October 2023</p> <p>Group 2: 1 January 2024</p> <p>Group 3: 1 April 2024</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	SEBI	<b>Validity period of approval granted by SEBI to Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) for overseas investment</b>	<p>On 4 August 2023, SEBI reduced the validity period of approval for Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) seeking to make overseas investments from six to four months. SEBI noted that the reduction would ensure the allocated time limit would be used efficiently and aims to facilitate growth and development of India's investment sector by providing greater opportunities for AIFs and VCFs to invest in offshore venture capital undertakings.</p> <p>The reduced validity period will be applicable to all approvals granted by SEBI on or after the date of issuance of the circular, clarifying that any existing approvals granted by SEBI before the issuance date will continue to have a validity period of six months.</p> <p><a href="#">SEBI   Validity period of approval granted by SEBI to Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) for overseas investment</a></p>	Effective date of reduced validity period: 4 August 2023
8	SEBI	<b>Master Circular for Online Resolution of Disputes in the Indian Securities Market</b>	<p>On 4 August 2023, SEBI issued a Master Circular outlining enhancements to the resolution of disputes within the Indian Securities Market. The Master Circular provides a comprehensive framework for Online Dispute Resolution (ODR) to streamline the resolution process and protect the interests of investors, companies, and intermediaries.</p> <p>SEBI also announced the creation of a common Online Dispute Resolution portal (ODR Portal) to facilitate online conciliation and arbitration for resolving disputes arising in the Indian Securities Market. Establishing a central ODR Portal provides online conciliation and arbitration mechanisms, offering investors and market participants an efficient way to resolve disputes.</p> <p><a href="#">SEBI   Online Resolution of Disputes in the Indian Securities Market</a></p>	-
9	SEBI	<b>SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023</b>	<p>On 18 August 2023, SEBI issued the <i>SEBI (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations 2023</i> aimed at streamlining the process for resolving investor grievances. The regulation provides the responsibilities of the AIF Manager to address investor grievances within 21 calendar days from the date the grievance was submitted.</p> <p>The amended regulations will be applicable to portfolio managers, investment advisers and research analysts and is intended to improve investor grievance handling mechanisms. SEBI announced it will also recognise a body corporate for handling and monitoring the grievance redressal process within the provided timeframes.</p> <p><a href="#">SEBI   Securities and Exchange Board of India (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023</a></p>	Effective date of amendment: 18 August 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	OJK	<b>OKJ 17/2023 Governance for Commercial Banks</b>	<p>In light of the increasing complexity of the banking industry, the Financial Services Authority Regulation (POJK) has issued <i>Regulation 17 of 2023 Governance</i> (OKJ 27/2023) for commercial banks. The new regulation aims to strengthen governance principles, and in turn support outcomes such as prudent and ethical bank management, economic growth and national stability, and social and environmental responsibilities. In particular, OKJ 27/2023 highlights the role of the Board of Directors and Board of Commissioners in banking governance.</p> <p>OKJ 27/2023 will come into effect from 14 September 2023.</p> <p><a href="#">Implementation of Governance for Commercial Banks   OJK</a></p>	Effective date: 14 September 2023
2	OJK	<b>OKJ 15/2023 Implementation of Administrative Services Principles for KYC Infrastructure</b>	<p>On 8 August 2023, POKJ issued Regulation 15 of 2023 on <i>Implementation of Administrative Services Principles for Know Your Customer</i> (OKJ 15/2023) that will support the use of the KYC Principles Administration Service (LAPMN) infrastructure. The scope of the regulation includes entities eligible LAPMN providers and users and will also require securities companies that carry out PPE business activities to open securities subaccounts as an alternative method for storing customer data.</p> <p>OKJ 27/2023 will come into effect 6 months from the date of promulgation, on 8 February 2024.</p> <p><a href="#">Implementation of Administrative Services with Customer Recognition Principle   OJK</a></p>	Effective date: 8 February 2024
3	OJK	<b>Procedures for Organising Carbon Trading Through Carbon Exchanges</b>	<p>On 2 August 2023 POJK issued <i>Regulation No. 14 of 2023 on Carbon Trading through Carbon Exchange</i> (OKJ 14/2023). The new regulation outlines requirements for carbon trading through the carbon exchange, and reflects the POJK's efforts and commitments to sustainable carbon trading and broader climate commitments.</p> <p>Key requirements under OJK 14/2023 include:</p> <ul style="list-style-type: none"> <li>• Carbon Units traded through the Carbon Exchange are Securities and must first be registered in the National Registry System for Climate Change Control (SRN-PPI) and the Carbon Exchange Organiser.</li> <li>• Parties that can carry out business activities as a Carbon Exchange are market organisers that hold a business license as a Carbon Exchange Organizer from the OJK.</li> <li>• Carbon Exchange Organisers can carry out other activities and develop Carbon Unit-based products after obtaining OJK approval.</li> </ul> <p>OKJ 27/2023 will come into effect from 2 August 2023.</p> <p><a href="#">Procedures for Organising Carbon Trading Through Carbon Exchanges   OJK</a></p>	Effective date: 2 August 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	Bank Indonesia	<b>Amendment to Bank Indonesia Regulation Number 4 of 2023: Short-Term Liquidity Assistance for Conventional Commercial Banks</b>	<p>On 12 September 2023, Bank Indonesia (BI) published a new amendment on <i>Short-Term Liquidity Assistance for Conventional Commercial Banks</i>. The regulation aims to provide guidelines for Bank Indonesia to provide short-term liquidity assistance to conventional commercial banks that face liquidity issues. The regulation defines the terms and conditions for applying, granting, monitoring and terminating liquidity assistance, the roles and responsibilities of Bank Indonesia, OJK and banks, as well as the sanctions for non-compliance.</p> <p>The amendments made to this regulation include:</p> <ul style="list-style-type: none"> <li>• Adjustment to the types of securities used as collateral for short-term liquidity loans, including BI certificates and certificates of deposit, BI Sukuk, BI Rupiah securities and Government securities.</li> <li>• Securities issued by other legal entities must have at least have an investment grade rating, be actively traded, and have a remaining term set by BI</li> </ul> <p><a href="#">Amendment to Bank Indonesia Regulation 4 of 2023 concerning Short-Term Liquidity Loans for Conventional Commercial Banks   Bank Indonesia</a></p>	-
5	Bank Indonesia	<b>Amendment to Bank Indonesia Regulation Number 22/14/PBI/2020 concerning Monetary Operations</b>	<p>To strengthen the implementation of Monetary Operations (OM) integrated with the development of money market and foreign exchange market, Bank Indonesia issued Bank Indonesia rupiah securities (SRBI) and implemented the role of primary dealer.</p> <p>Matters amended by Bank Indonesia Regulation concerning Amendment to Bank Indonesia Regulation Number 22/14/PBI/2020 include the following:</p> <ul style="list-style-type: none"> <li>• SRBI can be used in Open Market Operations (OPT) in the form of repurchase agreements (repo) and in Standing Facilities (in the form of providing rupiah funds in conventional lending facilities) through repo.</li> <li>• Bank Indonesia administers SRBI in an electronic administration system at Bank Indonesia, which includes a system of recording ownership and settlement of SRBI transactions conducted without scrip.</li> <li>• Criteria for OPT participants to become primary dealers have been set, and OPT participants who meet the criteria may apply for primary dealer appointment to Bank Indonesia.</li> </ul> <p><a href="#">Amendment to Bank Indonesia Regulation Number 22/14/PBI/2020 concerning Monetary Operations   Bank Indonesia</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
6	Bank Indonesia	<b>Amendment to the Regulation of Members of the Board of Governors Number 22/24/PADG/2020 on Standing Facilities</b>	<p>On 7 September 2023, the Bank of Indonesia amended the Standing Facilities provisions in the <i>Regulations of Members of the Board of Governors</i> to include the following:</p> <ul style="list-style-type: none"> <li>Provisions regarding securities that could be repurchased in Lending Facility Transactions, namely Bank Indonesia Certificates, Bank Indonesia Certificates of Deposit, Bank Indonesia Sukuk, Bank Indonesia Rupiah Securities (SRBI) and Government Securities.</li> <li>SRBI available for repurchase agreement (repo) in Lending Facility Transaction is, at most, equal to the nominal value of securities recorded in the Securities Account. If a Standing Facilities Participant fails to fulfill the second leg settlement obligation of a Lending Facility transaction conducted using SRBI, Bank Indonesia will debit the rupiah Current Account or conduct early redemption automatically through BI-SSSS.</li> </ul> <p><a href="#">Amendment to the Regulation of Members of The Board of Governors Number 22/24/PADG/2020 on Standing Facilities   Bank Indonesia</a></p>	-
7	Bank Indonesia	<b>Second Amendment to The Regulation of the Members of the Board of Governors Number 22/23/PADG/2020 on the Implementation of the Open Market</b>	<p>On 7 September 2023, the Bank of Indonesia strengthened participation in the implementation of Money Operations in the form of implementing primary dealers. Matters regulated in this second amendment include the following:</p> <ul style="list-style-type: none"> <li>Stages of SRBI issuance through auction, such as announcement of auction plan, submission of auction bids, determination of auction winners, announcement of auction results, and settlement of auction results, are explained in this regulation.</li> <li>SRBI is stipulated as securities that can be used in Monetary Operations and Conventional Open Market Operations (OPT) Repo Transactions.</li> <li>Provisions relating to the settlement of Conventional OPT Repo Transactions using SRBI</li> <li>Types of sanctions imposed on Conventional OPT Participants for violations of settlement obligations</li> <li>Correspondence and document submission mechanisms for various registration applications and changes to registration information</li> </ul> <p><a href="#">Second Amendment to The Regulation of the Members of the Board of Governors Number 22/23/PADG/2020 on the Implementation of the Open Market</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
8	Bank Indonesia	<b>Amendment to the Regulation of the Members of the Board of Governors Number 22/25/PADG/2020 concerning Criteria and Requirements for Securities in Monetary Operations</b>	<p>With the goal of strengthening the implementation of sustainable Monetary Operations and to support the development of money markets and foreign exchange markets, Bank Indonesia have amended regulations relating to issuing Bank Indonesia Rupiah Securities (SRBI), establishing SRBI as securities that can be used in Monetary Operations.</p> <p>SRBI is designated as securities that can be used in Monetary Operations, namely Conventional OPT Repo Transactions and Lending Facility Transactions. Some of the points contained in the Regulation of Members of the Board of Governors Number 7 of 2023 are:</p> <ul style="list-style-type: none"> <li>The remaining term requirement of SRBI that can be used in Conventional OPT Repo Transactions and Lending Facility Transactions is to have a minimum remaining term of 2 (two) business days at the time of the second leg of the two transactions;</li> <li>SRBI price is determined by Bank Indonesia by considering the weighted average discount rate at issuance, the remaining term of each SRBI series, and/or other variables. In addition, the SRBI haircut is set at 0%;</li> <li>The settlement value of Conventional OPT Repo Transactions and Lending Facility with SRBI has several provisions.</li> </ul> <p>Early redemption of SRBI is eligible if there is a failure to settle the Conventional OPT Repo Transaction on time; a failure to settle the Lending Facility Transaction on time; or an early termination settlement of the Conventional OPT Repo Transaction.</p> <p><a href="#">Amendment to the Regulation of the Members of the Board of Governors Number 22/25/PADG/2020 concerning Criteria and Requirements for Securities in Monetary Operations   Bank Indonesia</a></p>	-
9	Bank Indonesia	<b>Fourth Amendment to the Member Regulation of the Board of Governors Number 22/22/PADG/2020 concerning Open Market Operation Instruments</b>	<p>On 7 September 2023, Bank Indonesia made its fourth amendment to the <i>Regulation of the Members of the Board of Governors</i> No. 22/22/PADG/2020. The amendment aims to support the development of the money and foreign exchange market, improve the effectiveness of monetary policy transmission, and strengthen Monetary Operations, through the issuing of SRBI as one of the Monetary Operations instruments for rupiah liquidity absorption.</p> <p>SRBI are rupiah-denominated securities issued by Bank Indonesia as short-term debt recognition using underlying assets in the form of securities owned by Bank Indonesia. The characteristics of SRBI are as follows:</p> <ul style="list-style-type: none"> <li>The shortest period of 1 week and the longest period of 12 months expressed in the number of calendar days, which is calculated from 1 day after the transaction completion date until the maturity date.</li> <li>Issued scrippless and maintained in BI-SSSS, as well as issued and traded with a discount system.</li> <li>Can be transferred (negotiable) through trading in the secondary market by means of outright purchase or sale, borrowing, granting, repurchase agreement (repo), used as collateral.</li> <li>Can be owned by residents or non-residents in the secondary market.</li> </ul> <p>Bank Indonesia may conduct early redemption of SRBI if there is a cancellation of the transaction during the second leg of the expansionary Monetary Operation transaction using securities in the form of SRBI or if there are considerations related to monetary management strategies determined by Bank Indonesia.</p> <p><a href="#">Fourth Amendment to the Member Regulation of the Board of Governors Number 22/22/PADG/2020 concerning Open Market Operation Instruments   Bank Indonesia</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	JFSA	<b>JFSA published draft amendments to the Cabinet Office Ordinance on Regulation of Securities Transactions, etc.</b>	<p>On 11 July 2023, the Japan Financial Services Agency (JFSA) published the draft <i>Cabinet Office Order to Amend the Cabinet Office Order on Restrictions on Securities Transactions, etc.</i> (Cabinet Office Order) for public consultation.</p> <p>The proposal intends to exempt transactions related to "actively managed" Exchange Traded Funds (ETFs) for which no specific index exists from short-selling regulations by providing consequential amendments to the Cabinet Office Order. JFSA expects the market size for actively managed ETFs to expand within Japan in the future and intends to create a similar market to the global trading environment through the proposed amendments. Consultation on this amendment closed on 10 August 2023.</p> <p><a href="#">Announcement of "Draft Cabinet Office Ordinance to Partially Amend the Cabinet Office Ordinance on Regulation of Securities Transactions, etc.": Financial Services Agency (fsa.go.jp)</a></p>	Consultation ended: 10 August 2023
2	JFSA	<b>JFSA announced the list of evaluation organisations endorsing the Code of Conduct for ESG Evaluation and Data Providers</b>	<p>On 27 July 2023, the Technical Committee for ESG Evaluation and Data Providers (established by the JFSA) published a list of 17 ESG Evaluation and Data Providers who have notified JFSA of their intent to endorse the Code of Conduct for ESG Evaluation and Data Providers.</p> <p>The Code of Conduct takes into consideration consultation which closed on 15 December 2022 and invites further organisations to express their endorsement through JFSA's Strategy Development and Management Bureau.</p> <p><a href="#">Announcement of the List of Evaluation Organisations that Have Announced Acceptance of the Code of Conduct for ESG Assessment and Data Providers: Financial Services Agency (fsa.go.jp)</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	JFSA	<b>JFSA published results of public comments on amendments to the Cabinet Office Ordinance on Financial Instruments Business</b>	<p>On 1 August 2023, JFSA published the final Cabinet Office <i>Order to Amend the Cabinet Office Order on Financial Instruments Business</i> after public consultation. The finalised Cabinet Office Order is intended to develop the environment for financial business operators intending to engage in investment advisory business as a subsidiary business concurrently.</p> <p>Major amendments included:</p> <ul style="list-style-type: none"> <li>• Review of the application of registration pertaining to investment advisory business or of the employee who is to submit the notification;</li> <li>• Matters are to be described in the document for delivery prior to the conclusion of an investment advisory contract and discretionary investment management contract;</li> <li>• Flexibility of media for documents describing the content of advice based on an investment advisory contract; and</li> <li>• Review of exemptions from the prohibition of lending.</li> </ul> <p><a href="#">Results of Public Comments on the Draft Cabinet Office Ordinance Partially Amending the Cabinet Office Ordinance on Financial Instruments Business, etc.: Financial Services Agency (fsa.go.jp)</a></p>	Effective from 15 August 2023
4	SESC	<b>SESC announced Fundamental Policy on Securities Monitoring for the Fiscal Year 2023</b>	<p>On 1 August 2023, the Securities and Exchange Commission (SESC) announced its <i>Fundamental Policy on Securities Monitoring for the Fiscal Year 2023</i>.</p> <p>The policy emphasises the following cross-industry verification subjects:</p> <ul style="list-style-type: none"> <li>• Establishing internal governance structures that focus on appropriate investment solicitations and operations based on the principles of suitability, as well as customer-oriented sales practices;</li> <li>• Adapting to changes in business models due to the developments of digitisation and establishing corresponding internal management structures;</li> <li>• Ensuring the adequacy of cybersecurity measures and managing system risks related to advancements in digitisation;</li> <li>• Assessing the establishment of internal management structures related to AML/CTF; and</li> <li>• Implementing improvements and preventive measures based on results from internal audits.</li> </ul> <p><a href="#">Basic Policy on Securities Monitoring for Fiscal Year Reiwa: Securities and Exchange Surveillance Commission (fsa.go.jp)</a></p>	-

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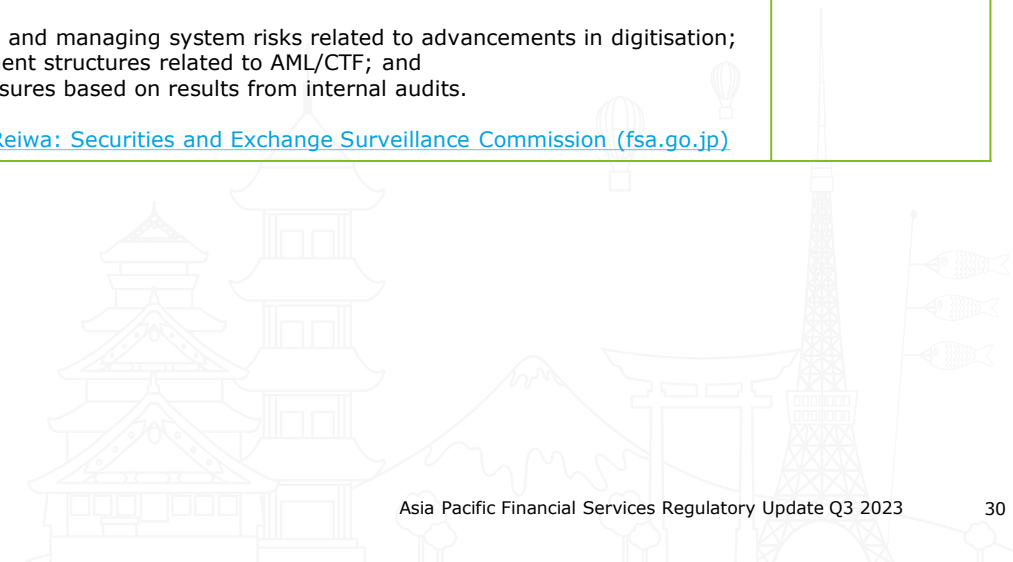
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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	JFSA	<b>JFSA published The JFSA Strategic Priorities July 2023-June 2024</b>	<p>On 29 August 2023, the JFSA announced its <i>Financial Administration Policy</i> for fiscal year 2023, a publication setting key priorities for JFSA in 2023. Four priority issues were outlined:</p> <ul style="list-style-type: none"> <li>• Supporting the stability of the Japanese economy and the well-being of citizens;</li> <li>• Building a financial system that resolves social issues and fosters economic growth;</li> <li>• Ensuring stability and confidence in the financial system, ensuring financial institutions adhere to laws and regulations and conduct customer-centric operations; and</li> <li>• Evolving and deepening financial administration through enhancements in data utilisation, improving skills of staff, and strengthening policy advocacy capabilities both domestically and internationally.</li> </ul> <p>The JFSA has outlined specific measures and initiatives to promote each priority, including the development of an International Financial Centre, advancing innovation and strengthening cybersecurity.</p> <p><a href="#">Financial Administration Policy for Fiscal Year 2023   JFSA</a></p>	-
6	JFSA	<b>JFSA publishes draft ordinance related to revision of the Digital Society Formation Basic Law</b>	<p>On 31 August 2023, JFSA published a draft ordinance related to the revision of the <i>Digital Society Formation Basic Law</i> that regulates the financial sector.</p> <p>The Digital Society Formation Basic Law aims to promote regulatory reform to facilitate the formation of a digital society and revises FSA-regulated laws to review the regulations on written notices. The JFSA invited public consultation on the draft due by 29 September 2023.</p> <p><a href="#">Announcement of Draft Cabinet Order Concerning the Preparation of Cabinet Orders Related to the Financial Services Agency in Conjunction with the Enforcement of the Act for Partial Revision of the Basic Act on the Formation of a Digital Society to Promote Regulatory Reform to Shape a Digital Society : Financial Services Agency (fsa.go.jp)</a></p>	Consultation ended 29 September 2023

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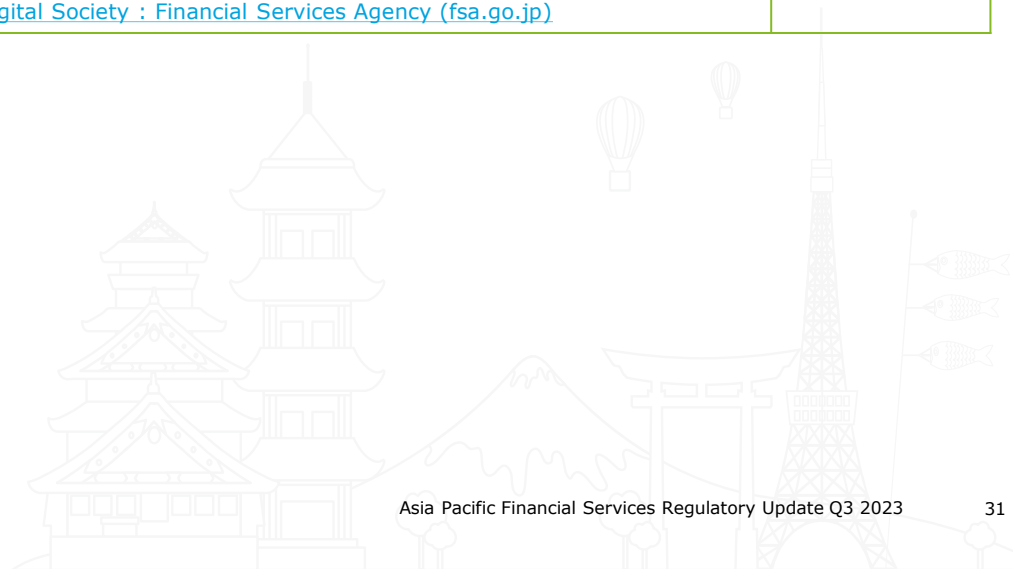
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# Japan (4/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
7	JFSA	<b>JFSA announced Partial Revision (Draft) of Guidelines for Preparation, Storage, and Reporting items for OTC Derivatives</b>	<p>On 1 September 2023, JFSA partially revised and opened for public consultation Article 4(1) of the <i>Cabinet Office Ordinance on Regulation of OTC Derivative Transactions</i>. Article 4(1) stipulates the "Guidelines for Preparation, Storage and Reporting Items" and, under its revision, introduces Unique Product Identifiers (UPIs) and Deltas as reporting items for over-the-counter derivative transactions in Japan.</p> <p>After completion of the consultation, reporting on UPIs and Delta will commence on 7 April 2024.</p> <p><a href="#">Announcement of Partial Revision (Draft) of "Guidelines for Preparation, Storage, and Reporting Items Stipulated in Article 4, Paragraph 1 of the Cabinet Office Ordinance on Regulation of Over-the-Counter Derivative Transactions" : Financial Services Agency (fsa.go.jp)</a></p>	<p>Consultation ended 2 October 2023</p> <p>UPI and Delta reporting effective from 7 April 2024</p>
8	JFSA	<b>JFSA published amendments to the Cabinet Office Ordinance on Financial Instruments Business</b>	<p>On 1 September 2023, JFSA announced the draft <i>Cabinet Office Order to Amend the Cabinet Office Order on Financial Instruments Business, etc.</i>, for public consultation. The draft amendment makes changes to the consolidated regulations for special financial instruments business operators (Type I- with total assets exceeding one trillion yen) to ensure compliance with IFRS and other relevant standards.</p> <p>Furthermore, the amendment proposes to exempt Type I financial instruments business operators and registered financial institutions from filing a report on affiliated companies if they have no related companies to report.</p> <p><a href="#">Announcement of "Draft Cabinet Office Ordinance to Partially Amend the Cabinet Office Ordinance on Financial Instruments Business, etc.": Financial Services Agency (fsa.go.jp)</a></p>	<p>Consultation ended 2 October 2023</p>

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# Malaysia (1/2)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BNM	<b>BNM Aims to Enhance Credit Risk Management</b>	<p>On 31 July 2023, Bank Negara Malaysia (BNM) released its policy document that seeks to ensure long-term, effective credit risk management practices of Malaysian financial institutions. The document aims to align credit risk management practices with international standards and reflect the local context. BNM</p> <p>Financial institutions will, at a minimum, be required to implement the standards disclosed in the policy document and be able to demonstrate to the Bank that their risk management arrangements are operating effectively and remain commensurate with the size, nature, complexity and risk profile of their institution.</p> <p><a href="#">Credit Risk   BNM</a></p>	Policy document effective from 1 January 2024
2	BNM	<b>BNM Issues Exposure Draft on Liquidity Risk Management</b>	<p>On 23 August 2023, BNM released an exposure draft that sets out the Bank's proposed requirements and guidance on the management of liquidity risk. BNM aims to ensure financial institutions (FIs) are effective in assessing their exposures to liquidity risk and take appropriate measures to address their liquidity needs. The requirements and guidance set out in the document also complement the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) policy documents which set out minimum regulatory liquidity requirements.</p> <p>The Bank invites feedback on the proposed requirements, including suggestions on areas to be clarified and alternative proposals the Bank should consider. The consultation is open for feedback until 30 November 2023.</p> <p><a href="#">Liquidity Risk   BNM</a></p>	Feedback due by 30 November 2023
3	BNM	<b>BNM Addresses Quality and Integrity of Currency Through New Policy Document</b>	<p>On 12 September 2023, BNM as the sole authority to issue currency notes and coins in Malaysia, issued a new policy document setting out the principles and standards for effective management of the quality and integrity of Malaysian currency circulation. The policy document outlines:</p> <ul style="list-style-type: none"> <li>the criteria for determining the quality of currency note and currency coin in circulation</li> <li>the standards to be adhered to by financial institutions (FIs) in processing currency note and currency coin, and recirculating them to the public;</li> <li>the standards to be adhered to by FIs in handling suspected counterfeit Malaysian currency in Malaysia</li> <li>the timeline for FIs to lodge a police report with PDRM of the discovery of suspected counterfeit Malaysian currency</li> <li>the requirements for FIs to have competent staff and to calibrate and perform attestation on their currency processing machines.</li> </ul> <p><a href="#">Quality and Integrity of Currency   BNM</a></p>	Policy document effective from 1 October 2023
4	BNM	<b>BNM Issues Policy on Management of Insurance Funds</b>	<p>On 7 July 2023, BNM published its <i>Management of Insurance Funds</i> policy, aimed at promoting sound management of insurance funds of licensed insurers. The policy seeks to protect the interests of policy owners by ensuring proper segregation of insurance funds, appropriate attribution of assets and liabilities, robust controls over withdrawals and maintenance of policies and claims records.</p> <p>The policy applies to all insurers licensed under the <i>Financial Services Act (2013)</i> and comes into effect on 1 July 2024.</p> <p><a href="#">Management of Insurance Funds   BNM</a></p>	Policy document effective from 1 July 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	BNM	<b>BNM Releases Document on the Management of Participating Life Business</b>	<p>On 10 July 2023, BNM outlined its vision for effective management of participating life businesses. The BNM released its document <i>Management of Participating Life Business</i>, aimed at promoting the sustainability of participating life businesses and protecting policy owners' interests. The policy addresses:</p> <ul style="list-style-type: none"> <li>• the roles and responsibilities of the board, senior management and the appointed actuary,</li> <li>• requirements for the determination of benefit payouts and allocation of expenses to participating life business</li> <li>• Requirements to promote transparency and adequate disclosures to participating life policy owners over the duration of a participating life contract</li> </ul> <p>The policy document comes into effect from 1 July 2024, and is applicable to all licenced insurers under the <i>Financial Services Act 2013</i>.</p> <p><a href="#">Management of Participating Life Businesses   BNM</a></p>	Policy document effective from 1 July 2024
6	SCM	<b>SCM Issues Guidelines on Technology Risk Management</b>	<p>On 1 August 2023, the Securities Commission Malaysia (SCM) issued new <i>Guidelines on Technology Risk Management</i> (Guidelines) pursuant to section 377 of the <i>Capital Markets and Services Act 2007</i>. The Guidelines introduce a comprehensive regulatory framework for the management of technology risk in capital market entities.</p> <p>The Guidelines set out the roles and responsibilities of the board of directors and senior management, reporting and notification requirements to the SCM, and the requirements for managing technology risk. The Guidelines will supersede and replace the <i>Guidelines on the Management of Cyber Risk</i> once an effective date has been announced.</p> <p><a href="#">Guidelines on Technology Risk Management   SCM</a></p>	-
7	SCM	<b>SCM Revises Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework</b>	<p>On 29 August 2023, the SCM revised its guidelines on unlisted capital market products under <i>the Lodge and Launch Framework</i>. The Lodge and Launch Framework allows issuers to offer unlisted capital market products to investors without requiring SCM approval, provided all requirements under the guidelines are complied with.</p> <p>Key changes from the revision include the expansion of the definition of sophisticated investors, the revision in disclosure requirements for structured products, corporate bonds, sukuk, convertible notes and Islamic convertible notes.</p> <p><a href="#">Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework   SCM</a></p>	Effective date of revision: 29 August 2023
8	SCM	<b>SCM Issues the Amended Guidelines for the Offering, Marketing and Distribution of Foreign Funds</b>	<p>On 29 August 2023, the SCM amended its Guidelines for the Offering, Distribution and Marketing of Foreign Funds to introduce the Foreign Exempt Scheme (FES) Framework. The FES Framework will facilitate the offering of foreign funds by allowing local fund management companies (or their related corporations) to offer foreign funds to certain accredited investors and high-net worth entities in Malaysia.</p> <p>Additional amendments have been made that allow foreign exchange-traded fund (ETF) operators to list up to five non-plain vanilla ETFs (e.g., leveraged ETF, inverse ETF, and synthetic ETF), as well as the insertion of additional obligations to foreign ETF operators and parties involved in submissions to the SCM for foreign funds</p> <p><a href="#">Guidelines on the Offering, Distribution and Marketing of Foreign Funds   SCM</a></p>	Effective date of revision: 29 August 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	RBNZ	<b>Governance Thematic Review</b>	<p>On 1 September 2023, the Financial Markets Authority (FMA) and the Royal Bank of New Zealand (RBNZ) published a joint governance thematic review. The key principles are as follows:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities of boards, board and committee chairs and their members are clearly defined, understood and remain fit for purpose.</li> <li>• Boards maintain the collective skills and experience to guide and oversee the implementation of the entity's long-term strategy and to discharge their roles and responsibilities effectively.</li> <li>• Succession planning is a priority for the chair.</li> <li>• Boards have sufficient independence to support good decision making.</li> <li>• Boards have sufficient diversity to support their role.</li> <li>• Directors have sufficient capacity to fulfil their obligations.</li> <li>• Boards provide effective and appropriate challenge.</li> <li>• A focus on continuous improvement and regular evaluation drives board performance.</li> </ul> <p>The findings from this Review will be considered in upcoming policy reviews such as the Standards Development for the Deposit Takers Act and review of the <i>Insurance (Prudential Supervision) Act 2010</i> (IPSA). A review of the FMA Corporate Governance Handbook may also be undertaken.</p> <p><a href="#">RBNZ and FMA Governance Thematic Review report</a></p>	-
2	NZ ComCom	<b>Market Study Into Personal Banking Services</b>	<p>On 20 June 2023, the New Zealand Government asked the Commerce Commission to carry out a 14-month long study into whether competition for personal banking services is working well or not. The study will consider any factors that may affect competition for the supply or acquisition of personal banking services. The final report due 20 August 2024 may include recommendations that identify ways to improve competition in the sector for the long-term benefit of New Zealand consumers.</p> <p><a href="#">Commerce Commission - Market study into personal banking services (comcom.govt.nz)</a></p>	Market study ends on 20 August 2024
3	FMA	<b>Conduct of Financial Institutions (CoFi) legislation</b>	<p>On 14 August 2023, The FMA announced it is now accepting applications for financial institution licences under the Conduct of Financial Institutions (CoFI) regime that comes into force on 31 March 2025. Financial institutions must establish Board-approved fair conduct programmes before they submit their licence applications, although the programmes do not need to be fully implemented until 31 March 2024. All licences issued by the FMA are subject to six standard conditions.</p> <p><a href="#">Conduct of Financial Institutions (CoFI) legislation   Financial Markets Authority (fma.govt.nz)</a></p>	CoFi regime commences 31 March 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BSP	<b>Anti-Money Laundering Council (AMLC) 2022 Terrorism and Terrorism Financing (TF) Risk Assessment</b>	<p>On 23 June 2023, The Bangko Sentral Ng Pilipinas (BSP) issued a circular letter disseminated to all banks regarding the <i>Anti-Money Laundering Council 2022 Terrorism and Terrorism Financing Risk Assessment</i>. The paper aims to serve as guidance to stakeholders, including financial institutions, regarding their AML-CTF risk-based strategies.</p> <p>BSP, in their thematic review of Proliferation financing, recommended that BSP-supervised financial institutions (BSFIs) adopt or enhance their policies based on the Targeted Financial Sanctions (TFS) Framework and uplift control measures on proliferation financing. Furthermore, BSFIs are encouraged to consider the results of the study in their risk analysis and assessments to reassess and evaluate their terrorism, terrorism financing and proliferation financing risk mitigation strategies.</p> <p><a href="#">Anti-Money Laundering Council (AMLC) 2022 Terrorism and Terrorism Financing (TF) Risk Assessment   BSP</a></p>	-
2	BSP	<b>Reduction in Reserve Requirements</b>	<p>On 23 June 2023, BSP published a circular approving a reduction in the reserve requirement (RR) ratios of deposit and deposit substitute liabilities of banks and non-bank institutions with quasi-banking functions (NBQBs). The RR ratios refers to the percentage of reservable liabilities that banks and NBQBs must keep as cash or deposits with BSP to ensure effective liquidity and stability. BSP aims to increase liquidity in the financial system and lower the cost of funds for banks and NBQBs to boost economic recovery following the COVID-19 pandemic.</p> <p><a href="#">Reduction in Reserve Requirements   BSP</a></p>	Effective from 30 June 2023
3	BSP	<b>Amendments to the Rules and Regulations on the Reserves Against Deposits and Deposit Substitute Liabilities of Banks</b>	<p>On 29 June 2023, BSP made amendments to the Manual of Regulations for Banks (MORB) on the rules and regulations governing reserves against deposit and deposit substitute liabilities of banks.</p> <p>Effective from 30 June 2023, the rates of required reserves against deposit and deposit substitute liabilities in local currency of banks will adjust to:</p> <ul style="list-style-type: none"> <li>• Peso deposits lodged under Due to foreign banks - 9.5% for Ubs/KBs; 6% for Digital Banks</li> <li>• Peso deposits lodged under Due to HO / Branches / Agencies Abroad - 9.5% for Ubs/KBs; 6% for Digital banks</li> </ul> <p>Additionally, alternative modes of compliance (outlined in section 252) with reserve requirements allow the use of micro, small and medium enterprise (MSME) loans as part of reserve composition. BSP is extending the availability of this method until 30 June 2023 for all banks and until 31 December 2025 for thrift, rural and cooperative banks.</p> <p><a href="#">Amendments to the Rules &amp; Regulations on Reserves Against Deposits and Deposit Substitute Liabilities of Banks   BSP</a></p>	Effective from 30 June 2023

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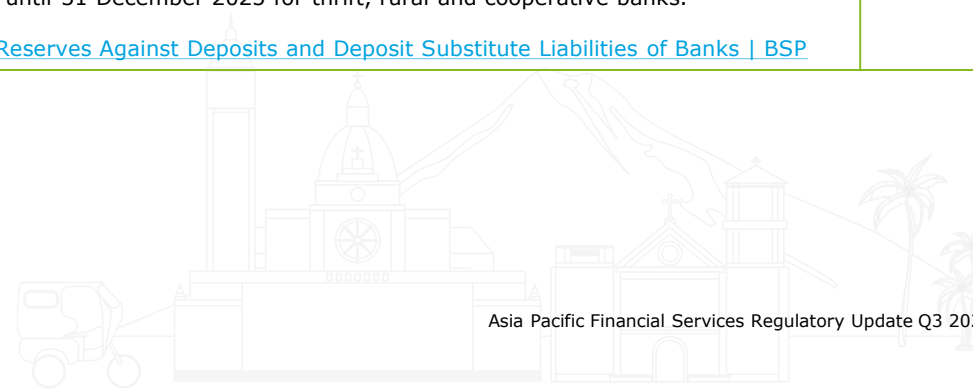
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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	BSP	<b>Financial Action Task Force (FATF) Publications – 23 June 2023</b>	<p>On 4 July 2023, BSP released a circular to inform BSFIs about the Financial Action Task Force’s (FATF) recent publications.</p> <p>The publications and their updates are:</p> <ul style="list-style-type: none"> <li>• High-risk Jurisdictions subject to a Call for Action: no new countries have been added to the list, with no change to those on the current list and subject to a call for action (currently North Korea, Iran and Myanmar).</li> <li>• Jurisdictions under Increased Monitoring: FATF has updated the list of jurisdictions under increased monitoring to include Cameroon, Croatia and Vietnam.</li> <li>• Statement on the Russian Federation: FATF reiterates that all jurisdictions should be vigilant to current and emerging risks from the circumvention of measures taken against the Russian Federation and the Russian Federation’s suspension from the group remains.</li> </ul> <p><a href="#">Financial Action Task Force (FATF) Publications – 23 June 2023   BSP</a></p>	-
5	BSP	<b>Guidelines on the Use of Benchmarks for Unit Investment Trust Funds (UITFs)</b>	<p>On 9 August 2023, BSP approved amendments to the guidelines on the use of benchmarks in presenting returns for Unit Investment Trust Funds (UITFs). Benchmarks allow UTIF participants to assess whether a fund is overperforming or underperforming regarding a relevant market index or a portfolio with comparable return-risk profile. Trustees, in its policies and procedures, will be required to outline the process for the selection and approval of a benchmark, the process for period reviews of benchmarks and contingency plans in the event the benchmark becomes unavailable.</p> <p><a href="#">Guidelines on the Use of Benchmarks for Unit Investment Trust Funds (UITFs)   BSP</a></p>	Effective from 24 August 2023
6	BSP	<b>Implementation of the International Transaction Reporting System (ITRS)</b>	<p>On 18 August 2023, BSP issued a revised timeline for the rollout of the Implementation of the International Transaction Reporting System (ITRS). The ITRS is a data collection system that obtains information from banks on all peso and foreign currency transactions between a country’s residents and non-residents, as well as transactions between residents that pass through the domestic banking system. The system will also feature a summary report that captures data on banks’ net on-balance sheet foreign exchange assets and net foreign asset position daily.</p> <p>ITRS reports will be required to be submitted using the Application Programming Interface (API) in Extensible Markup Language (XML), and full implementation will be required by April 2024, with a soft launch taking place in January 2024.</p> <p><a href="#">Implementation of the International Transaction Reporting System (ITRS)   BSP</a></p>	<p>ITRS Soft Launch in January 2024</p> <p>ITRS full implementation by April 2024</p>
7	BSP	<b>Amendments to Reverse Repurchase Agreements for NBFIs</b>	<p>On 1 September 2023, BSP announced an amendment to Reverse Repurchase (RRP) agreements. RRP are monetary instruments where BSP sells government securities with a commitment to repurchase them at a later date. The amendments aim to implement a fixed-volume variable-rate auction format for RRP operations, where BSP will set the volume of RRP transactions, and counterparties will bid for the interest rate.</p> <p><a href="#">Amendments to the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions pertaining to Bangko Sentral’s Reverse Repurchase Operations   BSP</a></p>	Effective from 8 September 2023

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	MAS	<b>MAS Vigilance in Safeguarding the Financial System</b>	<p>On 16 August 2023, the Monetary Authority of Singapore (MAS) announced it is working closely with the Commercial Affairs Department (CAD) to facilitate the development of the case that led to the Police's arrest of 10 individuals for suspected involvement in offences, including forgery and/or money laundering and resistance to lawful apprehension.</p> <p>MAS has been collaborating closely with the CAD to identify potentially tainted funds and assets in our financial system and prevent their dissipation. In one of the biggest anti-money laundering operations, the Singapore Police Force (SPF) rounded up a group of 10 foreigners and froze about SGD \$2.4 billion worth of assets.</p> <p><a href="#">MAS Will Not Tolerate the Abuse of Our Financial System for Illicit Activities</a></p>	-
2	MAS	<b>Strengthening AML/CFT Controls and Practices to Detect and Mitigate Risks of Misuse of Legal Persons/Arrangements and Complex Structures</b>	<p>On 30 August 2023, MAS released a paper on <i>Strengthening AML/CFT Controls and Practices to Detect and Mitigate Risks of Misuse of Legal Persons/Arrangements and Complex Structures</i>. This paper sets out typologies and case studies observed by MAS during inspections of Financial Institutions (FI) and expectations to ensure robust anti-money laundering and countering the financing of terrorism (AML/CFT) controls.</p> <p>FIs should ensure that their AML/CFT controls adapt to fast-changing typologies to remain effective in mitigating ML/TF risks arising from the misuse of legal persons/arrangements and complex structures.</p> <p><a href="#">Strengthening AML/CFT Controls and Practices to Detect and Mitigate Risks of Misuse of Legal Persons/Arrangements and Complex Structures   MAS</a></p>	-
3	MAS	<b>Management of Money Laundering, Terrorism Financing and Sanctions Risks from Customer Relationships with a Nexus to Digital Assets</b>	<p>On 11 July 2023, MAS released a paper on <i>Management of Money Laundering, Terrorism Financing and Sanctions Risks from Customer Relationships with a Nexus to Digital Assets</i>.</p> <p>The paper provides financial institutions with a foundational framework on the management of ML/TF and sanctions risks arising from customer relationships with nexus to digital assets by:</p> <ul style="list-style-type: none"> <li>• Presenting a high-level overview on the classes of digital assets and proposing risk factors for assessing relevance of digital assets from the AML/CFT perspective;</li> <li>• Identifying the possible types of customer nexus to digital assets such as cryptocurrencies and analysing the underlying risk profiles; and</li> <li>• Clarifying risk management objectives and assessing incremental risk management capabilities required to manage these associated risks.</li> </ul> <p><a href="#">Management of Money Laundering, Terrorism Financing and Sanctions Risks from Customer Relationships with a Nexus to Digital Assets   MAS</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	MAS	<b>MAS to support the transition from cheques to digital payments</b>	<p>On 19 September 2023, MAS announced that all corporate cheques will be eliminated by the end of 2025. This comes as cheque volumes have declined sharply in recent years.</p> <p>A work group led by MAS and the banking industry has actively engaged businesses from industry sectors with high cheque usage, including the property, insurance and legal sectors. Some businesses have asked if an alternative payment solution can be developed to enable them to make deferred payments. To meet this request, the banking industry will implement solutions by 2025 that will allow businesses to make a deferred payment or issue a cashier's order electronically without the need for a paper cheque.</p> <p><a href="#">Written reply to Parliamentary Question on how MAS is supporting the transition from cheques to digital payment methods   MAS</a></p>	-
5	MAS	<b>MAS Finalises Stablecoin Regulatory Framework</b>	<p>On 15 August 2023, MAS announced the features of a new regulatory framework for stablecoins that applies to single-currency stablecoins (SCS) pegged to the Singapore Dollar or any G10 currency.</p> <p>Issuers will have to fulfil key requirements relating to:</p> <ul style="list-style-type: none"> <li>• Value stability: SCS reserve assets will be subject to requirements relating to their composition, valuation, custody and audit to give a high degree of assurance of value stability;</li> <li>• Capital: Issuers must maintain minimum base capital and liquid assets to reduce the risk of insolvency and enable an orderly wind-down of business if necessary;</li> <li>• Redemption at Par: Issuers must return the par value of SCS to holders within five business days from a redemption request; and</li> <li>• Disclosure: Issuers must provide appropriate disclosures to users, including information on the SCS' value stabilising mechanism, rights of SCS holders, as well as the audit results of reserve assets.</li> </ul> <p><a href="#">MAS Finalises Stablecoin Regulatory Framework</a></p>	-
6	MAS	<b>MAS Publishes Investor Protection Measures for Digital Token Services</b>	<p>On 3 July 2023, MAS announced new requirements for Digital Payment Token (DPT) service providers to safekeep customer assets under a statutory trust before end-2023. This will mitigate the risk of loss or misuse of customers' assets and facilitate the recovery of customers' assets in the event of a DPT service provider's insolvency. MAS will also restrict DPT service providers from facilitating lending and staking of DPT tokens by their retail customers.</p> <p><a href="#">MAS Publishes Investor Protection Measures for Digital Payment Token Services</a></p>	-

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# Singapore (3/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
7	MAS	<b>MAS Proposes to Increase Deposit Insurance Coverage</b>	<p>On 27 June 2023, MAS announced it will be increasing the deposit insurance (DI) coverage per depositor from SGD \$75,000 to SGD \$100,000 per depositor per DI Scheme member with effect from 1 April 2024. The proposed increase will ensure that the vast majority (91%) of smaller depositors continue to be fully covered, keeping pace with the growth in average deposit balances. This will ensure that DI continues to fulfil its primary objective of protecting small depositors in the event of a bank failure.</p> <p><a href="#">MAS Proposes to Increase Deposit Insurance Coverage</a></p>	-
8	MAS	<b>Implementation Timeline for the Final Basel III Reforms in Singapore</b>	<p>On 8 June 2023, MAS announced it has finalised the regulatory standards for implementing the Basel III final reforms in Singapore. The revised MAS <i>Notice 637 on Risk-Based Capital Adequacy Requirements for Banks Incorporated in Singapore</i> will come into effect as follows:</p> <ul style="list-style-type: none"> <li>For all standards other than the revised market risk and credit valuation adjustment (CVA) standards: with effect from 1 July 2024;</li> <li>For the revised market risk and CVA standards: with effect from 1 July 2024 for compliance with supervisory reporting requirements, and with effect from 1 January 2025 for compliance with capital adequacy and disclosure requirements; and</li> <li>For the output floor transitional arrangement: to commence from 1 July 2024 and reach full phase-in on 1 January 2029.</li> </ul> <p><a href="#">Implementation Timeline for the Final Basel III Reforms in Singapore   MAS</a></p>	Revised requirements come into effect in phases from 1 July 2024
9	MAS	<b>MAS and McKinsey Explore the Use of High-integrity Carbon Credits to Accelerate and Scale the Early Retirement of Asia's Coal-fired Power Plants</b>	<p>On 26 September 2023, MAS published a working paper setting out how high-integrity carbon credits can be utilised as a complementary financing instrument to accelerate and scale the early retirement of coal-fired power plants (CFPPs). The paper explores the conditions for generating such carbon credits and identifies what is needed to develop a high-quality market for such credits, the use of high-integrity carbon credits to reduce the economic gap for early retirement of CFPPs, and the possible generation of "transition credits", arising from the emissions reduced through retiring a CFPP early and replacing with cleaner energy sources.</p> <p><a href="#">MAS and McKinsey Explore the Use of High-integrity Carbon Credits to Accelerate and Scale the Early Retirement of Asia's Coal-fired Power Plants</a></p>	-

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# Singapore (4/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
10	MAS	<b>MAS Reports Robust Enforcement Outcomes and Enhances Disclosure of Statistics</b>	<p>On 19 September 2023, MAS issued its 4th Enforcement Report, detailing actions taken against financial institutions and individuals for market abuse, financial services misconduct and money laundering related offences. The Report includes new features to provide granular disclosure of MAS' enforcement activities and comprehensive coverage of the combined investigation efforts of MAS and the CAD in tackling offences under the Securities and Futures Act and the Financial Advisers Act.</p> <p>MAS enforcement priorities include:</p> <ul style="list-style-type: none"> <li>Enhancing capabilities to tackle misconduct in the digital asset ecosystem; and</li> <li>Continued focus on asset and wealth managers' compliance with the applicable laws and regulations.</li> </ul> <p><a href="#">MAS Reports Robust Enforcement Outcomes and Enhances Disclosure of Statistics</a></p>	-
11	MAS	<b>Response to Feedback Received on Enhancing Pre and Post-Transaction Safeguards for Retail Clients</b>	<p>On 24 August 2023, MAS published their response to feedback received on <i>Enhancing Pre and Post-Transaction Safeguards for Retail Clients</i>. The Balanced Scorecard ("BSC") Framework under the Financial Advisers Act was introduced in 2016. As it has been several years since the BSC Framework came into effect, MAS conducted a review of the effectiveness of the BSC Framework. Arising from the review of the effectiveness of the BSC Framework and findings from the MSE, MAS published a consultation paper in August that recommends to:</p> <ul style="list-style-type: none"> <li>Strengthen the requirement to identify Selected Clients (SCs);</li> <li>Require a Trusted Individual to be present when investment recommendations are made to SCs;</li> <li>Reinforce the requirement to conduct supervisory call-backs; and</li> <li>Require FA firms to audio record supervisory call-backs.</li> </ul> <p><a href="#">Response to Feedback Received on Enhancing Pre and Post-Transaction Safeguards for Retail Clients   MAS</a></p>	-
12	MAS	<b>MAS Commits Up To \$150 million for Technology and Innovation in Financial Sector</b>	<p>On 7<sup>th</sup> of August 2023, MAS announced that it will commit up to S\$150 million over three years under the renewed Financial Sector Technology and Innovation Scheme, FSTI 3.0. FSTI 3.0 seeks to accelerate and strengthen innovation by supporting projects that involve the use of cutting-edge technologies or with a regional nexus.</p> <p>FSTI 3.0 will comprise the following new tracks:</p> <ul style="list-style-type: none"> <li>Enhanced Centre of Excellence track – Formerly known as the Innovation Labs track, the scope of grant funding will be expanded to include corporate venture capital (CVC) entities;</li> <li>Innovation Acceleration track – MAS recognises the importance of partnering with the industry to support innovative FinTech solutions arising from emerging technologies such as Web 3.0. MAS will conduct open calls for the use of innovative technologies in industry use cases. Grant funding will be provided to support actual trial and commercialisation; and</li> <li>Environmental, Social and Governance (ESG) FinTech track – To spur adoption of ESG fintech solutions, this track aims to support the development and deployment of projects that address ESG data, reporting, and analytics needs of the financial sector at funding support of up to 50% of qualifying expenses, capped at S\$500,000 per project.</li> </ul> <p><a href="#">MAS Commits Up To S\$150 million for Technology and Innovation in Financial Sector</a></p>	-

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# Taiwan

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	FSC Taiwan	<b>The FSC seeks public feedback on draft principles and policies regarding the use of AI in the financial industry</b>	<p>On 15 August 2023, The Financial Supervisory Commission (FSC) crafted a draft titled <i>Proposals for Core Principles and Associated Policy for AI Application in the Financial Industry</i> to guide financial institutions on AI utilisation, drawing from Taiwan's AI Action Plan 2.0 and global AI guidelines. This draft details six principles, encompassing governance, human-centric values, privacy protection, system security, transparency, and sustainable development. While recognising generative AI's benefits, the FSC advises caution in decision-making and emphasises objective assessments. The FSC aims to launch AI policies, adjust regulations, and promote AI best practices. All stakeholders were welcomed to submit feedback in the 10 days following the release.</p> <p><a href="#">Press Release-The FSC seeks public feedback on draft principles and policies regarding the use of AI in the financial industry-Financial Supervisory Commission</a></p>	Consultation ended on 25 August 2023
2	FSC Taiwan	<b>The Financial Supervisory Commission (FSC) releases the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards</b>	<p>In 2023, the ISSB introduced sustainability standards IFRS S1 and S2 to enhance transparency and counter "greenwashing." Following global endorsement by the IOSCO, Taiwan's FSC crafted a roadmap for its listed companies to adopt these standards.</p> <p>Key highlights include:</p> <ul style="list-style-type: none"> <li>Alignment: FSC will adopt IFRS standards, starting with S1 and S2 in 2026.</li> <li>Phased Adoption: Starting FY2026, companies of varying capital sizes will progressively adopt the standards.</li> <li>Disclosure Location: Companies will incorporate sustainability disclosures in annual reports.</li> <li>Content Flexibility: Initial disclosures permit qualitative data and certain estimates.</li> </ul> <p>The FSC, alongside Taiwan's major stock exchanges, will guide the alignment, offering resources and best practices.</p> <p><a href="#">Press Release-The Financial Supervisory Commission (FSC) releases the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards-Financial Supervisory Commission</a></p>	Phased IFRS Sustainability Disclosure Standard reporting commencing from FY2026
3	FSC Taiwan	<b>FSC announces the amendment of Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation</b>	<p>On 4 August 2023, in response to the rising adoption of technologies such as cloud computing in financial institutions, Taiwan's FSC is refining its Regulations for outsourced operations.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> <li>Risk-Based Management: Institutions should manage outsourcing risks using a risk-based approach, emphasising their responsibility for these operations.</li> <li>Simplified Outsourcing Process: The scope of permissible outsourced operations is clarified, with certain operations no longer requiring prior regulatory approval.</li> <li>Cross-Border and Cloud Outsourcing: The FSC has narrowed the scope of outsourcing needing authority approval and introduced tighter regulations for it.</li> </ul> <p>The FSC stresses that financial institutions must ensure information security and customer data protection during outsourcing and aims to align its guidelines with international standards.</p> <p><a href="#">Press Release-FSC announces the amendment of Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation-Financial Supervisory Commission</a></p>	-

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1	SECT	<b>Guideline on technology applied for KYC</b>	<p>On 3 July 2023, The Securities and Exchange Commission Thailand (SECT) has issued guidelines on the technology applied in KYC operations. It aims to guide the operations of opening an account and E-KYC for organisations, which include identity proofing, authentication, client due diligence, and Ongoing / Enhanced KYC. The guideline includes IT risk management and data management.</p> <p><a href="#">Guideline on technology applied for KYC   SECT</a></p>	Effective 16 July 2023
2	BOT	<b>Responsible lending guideline</b>	<p>On 4 September 2023, The Bank of Thailand (BOT) prepared (draft) responsible lending guidelines to improve the loan quality in the Thai financial system, particularly new loan offerings. According to the guidelines, creditors must consider their client's ability to repay the debt and afford other essential living expenses.</p> <p><a href="#">Responsible lending guideline   BOT</a></p>	<p>Draft comments due by 20 September 2023</p> <p>Effective 1 January 2024</p> <p>Criteria outlined in Section 5.3.1 (6) effective from 1 April 2024</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	SBV	<b>Draft circular amending and supplementing circular on licensing, organisation and operation of microfinance institutions</b>	<p>On 5 July 2023, the State Bank of Vietnam (SBV) sought the opinions of individuals and organisations on the draft Circular amending and supplementing a number of articles of SBV's Circular regulating the issuance of licenses, organisation and operation of microfinance institutions</p> <p><a href="#">SBV - Draft Circular amending and supplementing a number of articles of Circular No. 03/2018/TT-NHNN</a></p>	-
2	Government of Vietnam	<b>Detailing the implementation of a number of articles of the Law on Insurance Business</b>	<p>On 1 July 2023, the Vietnamese Government issued a Decree detailing the implementation of regulations outlined in the <i>Law on Insurance Business</i>. It is expected that the document will affect the operations of insurance businesses, reinsurers, and insurance brokers, insurance agents, organisations providing insurance auxiliary services and providing micro-insurance.</p> <p>The Decree details the implementation of:</p> <ul style="list-style-type: none"> <li>• A database for insurance business activities;</li> <li>• The establishment and operation of insurance enterprises (conditions for establishment; documents, order, procedures for granting/Changing licenses; conditions and standards for diplomas, certificates, experience for personnel);</li> <li>• The provision and use of cross-border insurance services;</li> <li>• Managed operations of foreign branches in Vietnam; and</li> <li>• Funds to protect the insured.</li> </ul> <p><a href="#">Decree No. 46/2023/ND-CP of the Government: Detailing the implementation of a number of articles of the Law on Insurance Business (chinhphu.vn)</a></p>	Effective from 1 July 2023
3	Ministry of Finance of Vietnam	<b>Circular providing guidelines for registration, depositing, corporate actions, transfer of ownership, settlement for transactions and organisation of trading market for corporate bonds privately placed in domestic market.</b>	<p>On 6 June 2023, the Ministry of Finance of Vietnam published a Circular providing guidelines for registration, depositing, performance of corporate actions, transfer of ownership, settlement for transactions and organisation of trading market for corporate bonds privately placed in the domestic market from the effective date of the Government's Decree No. 153/2020/ND-CP dated December 31, 2020.</p> <p><a href="#">Circular 30/2023/TT-BTC guiding registration, depository and transfer of ownership of corporate bonds (chinhphu.vn)</a></p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	SBV	<b>Amending and supplementing articles of Circular No. 39/2016/TT-NHNN of the Governor of the State Bank of Vietnam regulating lending activities of credit institutions and branches of foreign banks to customers</b>	<p>On 28 June 2023, the State Bank of Vietnam issued a circular to amend and supplement Circular No. 39/2016/TT-NHNN articles. The key amendments to Circular No.39 include:</p> <ul style="list-style-type: none"> <li>The addition of new provisions on lending activities through electronic means, allowing credit institutions to conduct customer verification and authentication online;</li> <li>The expansion of rejected loan demands;</li> <li>Adjustment of the maximum ratio of short-term funds used for medium and long-term loans adjusted from 40% to 45% until 31 December 2023;</li> <li>Increasing the maximum loan-to-value ratio for mortgages from 70% to 80%; and</li> <li>Increasing the maximum debt-to-income ratio for consumer loans from 50% to 60%.</li> </ul> <p>The changes aim to create favourable conditions for credit institutions and foreign bank branches to provide credit to customers whilst ensuring the safety and efficiency of banking operations</p> <p><a href="#">Circular No. 06/2023/TT-NHNN of the State Bank of Vietnam: Amending and supplementing a number of articles of Circular No. 39/2016/TT-NHNN dated December 30, 12 of the Governor of the State Bank of Vietnam regulating lending activities of credit institutions and branches of foreign banks to customers (chinhphu.vn)</a></p>	Effective 1 September 2023
5	Prime Minister of Vietnam	<b>Draft decision of the Prime Minister on credit risk handling mechanism at Vietnam Development Bank</b>	<p>On 16 August 2023, the Prime Minister of Vietnam announced a draft decision on the mechanism for handling credit risk at the Vietnamese Development Bank (VDB). The draft aims to create a legal framework for the VDB to deal with non-performing loans and bad debts to ensure its financial stability. Furthermore, the draft outlines the responsibilities and principles for supervision of credit risk management at the VDB.</p> <p><a href="#">Draft Decision of the Prime Minister on mechanism for dealing with credit risks at the Vietnam Development Bank (chinhphu.vn)</a></p>	-
6	SBV	<b>Circular Guiding Implementation of the Law on Anti-money Laundering</b>	<p>On 28 July 2023, the SBV issued guidance on the implementation of the <i>Law on Anti-money Laundering</i>. Applicable to credit institutions, branches of foreign banks and other organisations susceptible to AML activities, the Circular specifies:</p> <ul style="list-style-type: none"> <li>Criteria and methods for assessing money laundering (ML) risks of reporting subjects;</li> <li>Reporting regime for large-value or suspicious transactions;</li> <li>Internal regulations and risk management processes on ML prevention;</li> <li>Money laundering risk level classification for customers; and</li> <li>Electronic money transfer transaction reporting.</li> </ul> <p><a href="#">Circular No. 09/2023/TT-NHNN of the State Bank of Vietnam: Guiding the implementation of a number of articles of the Law on Anti-Money Laundering (chinhphu.vn)</a></p>	Effective 28 July 2023

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# Contacts



**Seiji Kamiya**

Executive Sponsor

Asia Pacific Risk Advisory Regulatory and Legal Support Leader

[seiji.kamiya@tohmatu.co.jp](mailto:seiji.kamiya@tohmatu.co.jp)



**Nai Seng Wong**

SEA Co-lead

Partner, SEA Regulatory  
Strategy Leader

[nawong@deloitte.com](mailto:nawong@deloitte.com)



**Sean Moore**

Australia Co-lead

Partner, AU Risk Advisory  
FS Industry Lead

[semoore@deloitte.com.au](mailto:semoore@deloitte.com.au)



**Shinya Kobayashi**

Japan Co-lead

Managing Director,  
RA FIRR Japan

[shinya.kobayashi@tohmatu.co.jp](mailto:shinya.kobayashi@tohmatu.co.jp)



**Jaramie Nejal**

Operations Lead

Director,  
RA FIRR Australia

[jnejal@deloitte.com.au](mailto:jnejal@deloitte.com.au)



**Ningxin Su**

Manager, Coordinator  
Hong Kong SAR

[nsu@deloitte.com.hk](mailto:nsu@deloitte.com.hk)



**Radha Manogaran**

Senior Manager  
Singapore

[rmanogaran@deloitte.com](mailto:rmanogaran@deloitte.com)



**Suleigh Huang**

Manager  
Australia

[sulhuang@deloitte.com.au](mailto:sulhuang@deloitte.com.au)



**Andrew Neilson**

Senior Analyst  
Australia

[aneilson@deloitte.com.au](mailto:aneilson@deloitte.com.au)



**Jennifer Martiniak**

Associate  
Singapore

[jemartiniak@deloitte.com](mailto:jemartiniak@deloitte.com)



**Eugenia Hui**

Consultant  
Japan

[eugenia.hui@tohmatu.co.jp](mailto:eugenia.hui@tohmatu.co.jp)

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**Contacts**

# Acknowledgements

**Cynthia Guo-ya Cai**  
Partner  
Deloitte China

**Henry Liang Cao**  
Partner  
Deloitte China

**Anthony Crasto**  
Partner  
Deloitte India

**Rhys Hermansson**  
Partner  
Deloitte New Zealand

**Robertus Indrakrishna**  
Partner  
Deloitte Indonesia

**Somkrit Krishnamra**  
Partner  
Deloitte Thailand

**Kelly Liu**  
Partner  
Deloitte Taiwan

**Tho Nguyen**  
Partner  
Deloitte Vietnam

**Justin Ong**  
Partner  
Deloitte Malaysia

**Anna Marie Pabellon**  
Partner  
Deloitte Philippines

**Thi Thu Huong Dong**  
Director  
Deloitte Vietnam

**Tommy Hartanto**  
Director  
Deloitte Indonesia

**Bonnie Lee**  
Associate Director  
Deloitte Malaysia

**Melisa Turingan**  
Senior Manager  
Deloitte Philippines

**Rebecca Faun**  
Manager  
Deloitte Malaysia

**Cathy Nguyen**  
Manager  
Deloitte Australia

**Monai Supanit**  
Manager  
Deloitte Thailand

**Sebastian Carino**  
Assistant Manager  
Deloitte Philippines

**Prashasti Singh**  
Deputy Manager  
Deloitte India

**Joey Suet Yen Ng**  
Senior Consultant  
Deloitte Malaysia

**Eric Kanikevich**  
Graduate  
Deloitte Australia

**Cathy Zhang**  
Graduate  
Deloitte Australia

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