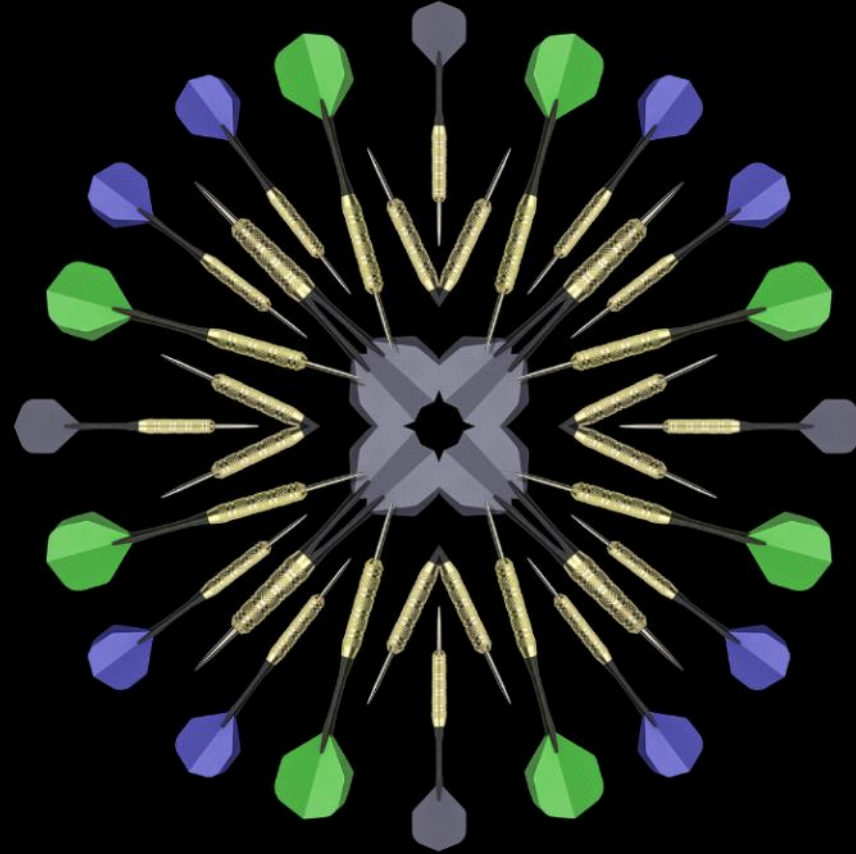


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**Asia Pacific Financial Services
Regulatory Update**

Q1 2024

April 2024

CENTRE for
**REGULATORY
STRATEGY**
ASIA PACIFIC

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Introduction

Dear clients and colleagues,

The Deloitte Asia Pacific Centre for Regulatory Strategy is pleased to share with you the key regulatory updates from the Asia Pacific (AP) region for Q1 2024.

The start of 2024 saw regulators across the region consolidate their upcoming areas of focus. In Hong Kong SAR (HK SAR), the Securities and Futures Commission (HK SFC) highlighted a focus on maintaining market resilience, enhancing the competitiveness of HK SAR globally, leveraging technology to lead financial market transformation, and, like many regulators in AP and globally, enhancing institutional resilience (both operational and financial) and increasing operational efficiency. In other jurisdictions, regulators such as the Australian Securities and Investments Commission (ASIC) released greater detail of their upcoming enforcement and supervisory priorities at a sector level. For the superannuation sector, ASIC's focus for 2024 is centred on misconduct which may result in member services failures or a failure to protect member balances, and misleading conduct, including greenwashing.

Unsurprisingly, protecting consumers against harm by focusing on misconduct is a key theme for regulators across the AP region in 2024, with several regulators revising existing requirements to strengthen protections for consumers against misconduct and exploitation when dealing with financial institutions. For example, the National Financial Regulatory Authority (NFRA) in Mainland China recently revised the *Administrative Measures for Consumer Finance Companies*, introducing with it higher admission standards for consumer finance companies, and strengthening the protection of consumer rights and interests. In New Zealand, the Federal Government announced they would no longer repeal the *Financial Markets (Conduct of Institutions) Amendment Act*, in recognition of the Act's role in supporting "good financial outcomes for consumers" by imposing responsibilities on financial institutions to treat customers fairly.

Climate and sustainability remains another priority for AP regulators, with regulators focused on three key areas: 1) climate and sustainability disclosure, 2) helping firms identify and manage climate related risks, and 3) reducing complexity surrounding sustainable finance initiatives to help accelerate the green transition towards net-zero.

Legislators and regulators across the AP region have continued to enhance and align their domestic climate and sustainability disclosure regimes and frameworks in Q1 2024, with several regulators affirming their commitment to adopt and develop climate and sustainability focused disclosure regimes (HK SAR), announcing legislation and/or guidance (Australia, Taiwan), or consultation packages (Philippines) to align their current regimes and frameworks to international standards, such as the upcoming International Financial Reporting Standards (IFRS) sustainability- (S1) and climate- (S2) related disclosure regimes.

For firms starting to contemplate the significant requirements of complying with disclosure regimes (particularly those operating across several jurisdictions), consideration and evaluation of requirements and implementation timelines within their relevant jurisdiction(s) as part of comprehensive current state assessment will help to identify potential gaps and areas for uplift as part of the roadmap to compliance with the IFRS S1 and S2 aligned disclosure regimes.

Elsewhere in the region, regulators such as Malaysia's Bank Negara Malaysia (BNM) released the *Methodology Paper on Climate Risk Stress Testing*, to help facilitate firms learning and capacity building in addressing risks arising from climate change. In Taiwan, the Financial Supervisory Commission (FSC) launched several initiatives to support regulated entities access and understand the regulatory framework relating to sustainable finance and managing physical climate-related risks within the finance sector.

Finally, the rapid pace of technological change and its potential impacts (and benefits) remains a high priority for AP regulators, with several releasing revised regulations and consultation papers relating to how technology can be leveraged to support modernisation and innovation throughout the financial services industry. For example, the HKMA announced the creation of a new wholesale central bank digital currency project and launched a new stablecoin issuer 'sandbox arrangement' for those interested in issuing fiat-referenced stablecoins in HK SAR. In Malaysia, BNM also released a revision to its *Financial Technology Regulatory Sandbox Framework*, focused on ensuring proportionate regulatory facilitation and improving operational efficiency of existing innovation sandbox procedures. In Japan, the Japan Financial Services Agency (JFSA) released a public consultation on proposed amendments intended to improve the accessibility of financial regulations and laws through digital means. Finally, in Thailand, the Bank of Thailand (BoT) released a consultation paper proposing additional guidelines and regulations for the *Virtual Bank Regulatory Framework*, which have been drafted to enhance and support greater stability of the wider financial system within Thailand.

It is clear that the new year has not slowed down the regulatory agenda across the Asia Pacific region – regulators continue to transform and shape their regulatory and supervisory priorities to address the ever-evolving risk landscape, as well as continuing their existing programs to address global priority issues, such as increasing resilience across the financial services industry, addressing the impacts of climate change, and helping to facilitate innovation through embracing sustainable finance and technology-led initiatives. For FS firms, keeping up to date with regulatory requirements and expectations will help to reduce the potential for 'missed turns' as they navigate through the complex (and sometimes bumpy) road to compliance.

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

Best regards,
The ACRS Co-leads

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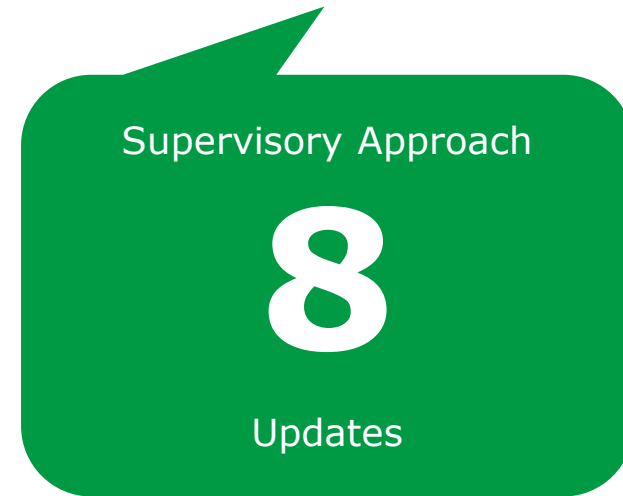
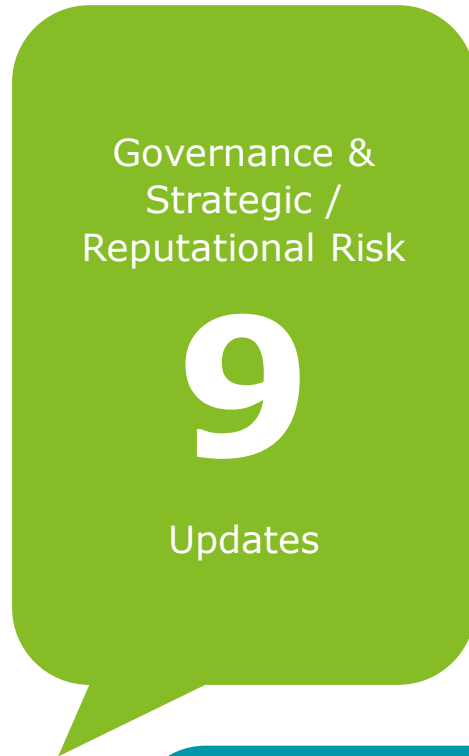
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Regulatory Hot Topics – Top six most talked about themes this quarter



Taxonomy

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

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	APRA / ASIC	<p>ASIC and APRA issue joint letter on Financial Accountability Regime commencement and implementation</p> <p>APRA and ASIC issue final rules and further guidance for the Financial Accountability Regime</p> <p>ASIC and APRA release a cross-industry information package on the Financial Accountability Regime</p>	<p>On 8 March 2024, the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC) jointly published the final rules and further guidance for the Financial Accountability Regime (FAR). This follows a joint letter from both regulators released on 5 February 2024 to all authorised deposit-taking institutions (ADIs) and their authorised non-operating holding companies (NOHCs). ASIC and APRA noted expectations for entities to submit registration applications and relevant notifications by no later than 30 June 2024.</p> <p>The FAR replaces the Banking Executive Accountability Regime (BEAR) and seeks to improve risk and governance cultures of financial institutions. The regime imposes an enhanced responsibility and accountability framework for APRA-regulated entities, their directors, and most senior executives in the financial services industry. The FAR takes effect for banks from 15 March 2024 and one year later for the insurance and superannuation industries.</p> <p>The final rules and guidance package includes:</p> <ul style="list-style-type: none"> • Regulator rules, which prescribe information to be included within the FAR register of accountable persons; • Transitional rules, which prescribe information to be provided by ADIs in relation to their existing accountable persons under the BEAR; • descriptions of ADI key functions to assist banking entities in the allocation of key functions; and • instructions on reporting required information to ASIC and APRA. <p>An additional information package was also released on 14 March 2024 to provide further guidance materials relevant to all industries. The package also includes a consultation relevant to insurance and superannuation entities, outlining:</p> <ul style="list-style-type: none"> • steps insurance and superannuation entities should take ahead of the commencement of FAR for these industries on 15 March 2025; and • proposed amendments to the Regulator rules and draft key functions descriptions for insurance and superannuation entities. <p>The consultation is seeking industry feedback on the proposed list of key functions for the insurance and superannuation industries and the supporting key functions descriptions by 19 April 2024.</p> <p>ASIC and APRA issue joint letter on Financial Accountability Regime commencement and implementation ASIC</p> <p>APRA and ASIC issue final rules and further guidance for the Financial Accountability Regime APRA</p> <p>ASIC and APRA release a cross-industry information package on the Financial Accountability Regime ASIC</p> <p>Financial Accountability Regime - Regulator rules and Transitional rules APRA consultation</p>	<p>FAR commencement date (banks): 15 March 2024</p> <p>Consultation due date: 19 April 2024</p> <p>FAR commencement (superannuation and insurance): 15 March 2025</p>

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#	Issuing Authority	Title	Regulatory Update	Key Dates
2	ASIC	ASIC's 2024 enforcement priorities in the superannuation sector	<p>On 1 February 2024, ASIC Deputy Chair Sarah Court outlined the regulator's 2024 enforcement priorities for the superannuation sector. This was intended to supplement ASIC's 2024 enforcement priorities for the broader industry released in late 2023.</p> <p>ASIC's enforcement priorities for the superannuation sector in 2024 focus on the following three key themes:</p> <ul style="list-style-type: none"> • member services failures; • misleading conduct, including greenwashing; and • failures to protect superannuation balances. <p>These priorities were emphasised as areas representing serious harm observed by ASIC, and where significant performance improvement is required. The role of fund Board members to be proactive in placing member interests as the central focus of organisations' daily operations was also emphasised.</p> <p>ASIC's 2024 enforcement priorities in the superannuation sector ASIC</p>	-
3	APRA	APRA to publish super fund expense data	<p>On 27 March 2024, APRA announced plans to publish new data on how trustees spend members' funds. Intended to increase transparency in the superannuation sector, the decision follows industry consultation last year on proposals to treat most data collected as 'non confidential' and therefore available for public release. APRA noted that the industry has been broadly supportive of these proposals.</p> <p>The new data will report on:</p> <ul style="list-style-type: none"> • a more detailed breakdown of expenses for the whole industry, including those related to administration, advice, member services and marketing; and • recipients of payments made by each fund to industrial bodies and related parties. <p>APRA will also release data on the type of investments superannuation funds hold in relation to property and infrastructure, alternative strategy funds, listed equity and private equity.</p> <p>APRA to Publish Super Fund Expense Data APRA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	APRA	APRA consults on proposed amendments to the Operational Risk Financial Requirement for superannuation	<p>On 19 February 2024, APRA released a consultation paper on proposed amendments to the Prudential Standard SPS 114 <i>Operational Risk Financial Requirement</i> (SPS 114) and its relevant guidance. The amendments are intended to ensure superannuation funds maintain the financial strength required to operate effectively and protect members' best financial interests.</p> <p>In consideration of both industry feedback received to date on proposed changes to SPS 114, along with the interaction between this policy area and Prudential Standard CPS 230 Operational Risk Management (CPS 230), APRA announced it will not progress with the proposal to introduce separate components to the operational risk financial requirement (ORFR). Instead, APRA is focused on integration with CPS 230 and enabling the ORFR when needed.</p> <p>Specifically, APRA proposes to amend SPS 114 and the guidance supporting it to:</p> <ul style="list-style-type: none"> clarify the purpose of the ORFR; introduce a clear and direct relationship with CPS 230; widen the range of uses for the ORFR; and amend the notification requirements to facilitate use of the ORFR. <p>Submissions to the consultation are due 13 May 2024, with APRA planning to finalise updates later in 2024.</p> <p>APRA Consults on Proposed Amendments to the Operational Risk Financial Requirement for Superannuation APRA</p> <p>Consultation on Financial Resources for Risk Events in Superannuation: Operational Risk Financial Requirement APRA</p>	Submissions to consultations are due 13 May 2024
5	ASIC	ASIC to crack down on predatory lending	<p>On 8 February 2024, ASIC released an article reiterating its commitment to combat predatory lending and holding directors accountable for consumer harm.</p> <p>ASIC announced plans to sustain its regulatory focus on issues such as breach of director duties, concealment of company assets, and failures to comply with obligations during liquidation. ASIC in 2024 will increase its focus on high-cost credit and predatory lending to consumers and small business. The regulator also noted concerns over business models designed to avoid consumer credit protections and will hold directors accountable in cases of significant corporate misconduct.</p> <p>ASIC's emphasis this year will be on ensuring compliance with financial hardship obligations to provide appropriate support to customers facing hardship. ASIC has conveyed these enforcement priorities to encourage company directors to proactively assess their practices before the event of regulatory scrutiny.</p> <p>ASIC to Crack Down on Predatory Lending ASIC</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
6	Treasury	New legislation to strengthen financial system and boost investment in cleaner cheaper, energy	<p>On 27 March 2024, Treasury announced new legislation to introduce mandatory climate reporting requirements for large companies. The Bill aims to establish Australia’s climate risk disclosure framework and standardise reporting requirements for businesses in line with international standards.</p> <p>Treasury intends to ensure accurate climate-related disclosures and states the regime will support Australia’s reputation as an attractive jurisdiction for capital investment in clean energy. Reporting requirements will commence from 1 January 2025 for Australia’s largest listed and unlisted companies, with other large businesses phased into the framework over time.</p> <p>The legislation also includes new reforms to protect financial market infrastructure, addressing gaps in Australia’s current regulatory landscape in the financial system. The legislation will strengthen the RBA and ASIC’s regulatory powers, giving the RBA authority to step in quickly to resolve crises impacting critical financial market infrastructure. It will also ensure continuity of clearing and settlement services in time of crisis.</p> <p>New Legislation to Strengthen Financial System and Boost Investment in Cleaner Cheaper, Energy Treasury</p>	Climate reporting requirements commencement: 1 January 2025

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Mainland China (1/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	NFRA	NFRA releases Measures for Data Security Management in Banking and Institutions for public consultation	<p>On 22 March 2024, the NFRA (National Financial Regulatory Authority) introduced the <i>Measures for Data Security Management in Banking and Insurance Institutions</i> for public consultation to regulate data handling activities and ensure data security in the financial sector.</p> <p>The proposed measures aim to:</p> <ul style="list-style-type: none"> • promote the reasonable development and utilisation of data; • enhance digitalisation and intelligence in financial services; and • protect the rights and interests of individuals and organisations. <p>Key aspects of the measures include:</p> <ul style="list-style-type: none"> • establishing a data security governance framework; • implementing data classification and grading standards; • strengthening data security management; • building a robust data security technology protection system; • enhancing personal information protection; • improving data security risk monitoring and response mechanisms; and • clarifying supervisory responsibilities. <p>Measures for Data Security Management in Banking and Institutions for Public Consultation NFRA</p>	The deadline for public comments ended 23 April 2024
2	NFRA	NFRA holds 2024 work conference	<p>The NFRA held its annual work conference on 30 January 2024.</p> <p>The conference reviewed the regulatory work in 2023 and outlined key tasks for 2024. The NFRA highlighted its achievements, including issuing regulatory documents, restructuring institutions, resolving risks, improving financial services, enhancing regulatory capacity, and promoting Party governance and anti-corruption efforts.</p> <p>In 2024, the NFRA aims to strengthen supervision, manage risks, promote financial development, and achieve the objectives of the <i>14th Five-Year Plan</i>. Specific tasks include:</p> <ul style="list-style-type: none"> • resolving small and medium-sized financial institution issues; • controlling credit risks, strengthening supervision; • collaborating with local governments; • cracking down on illegal financial activities; • deepening financial reform and 'opening up'; • providing targeted financial services; and • completing institutional restructuring. <p>NFRA Work Conference NFRA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	NFRA	NFRA revises Administrative Measures for Consumer Finance Companies	<p>On 18 March, the NFRA revised and released the revised <i>Administrative Measures for Consumer Finance Companies</i>.</p> <p>The main revisions are as follows:</p> <ul style="list-style-type: none"> • raise admission standards for consumer finance companies; • strengthening the business activities-based supervision of business; • strengthening corporate governance supervision; • enhancing risk management; and • strengthening consumer rights protection. <p>The NFRA will continue to guide consumer finance companies in implementing the measures and support the recovery and expansion of consumption.</p> <p>NFRA Revises Administrative Measures for Consumer Finance Companies NFRA</p>	This regulation will come into effect 18 April 2024
4	NFRA	NFRA revises credit management rules for banks	<p>On 2 February 2024, the NFRA announced revised credit management regulations to enhance banking institutions' capabilities and service quality.</p> <p>The updated regulations, including the <i>Management Measures for Fixed Asset Loans</i>, <i>Measures for Working Capital Loans</i>, and <i>Measures for Personal Loans</i>, will take effect on July 1, 2024.</p> <p>The revisions aim to:</p> <ul style="list-style-type: none"> • broaden loan purposes; • adjust payment standards; • clarify online processing; and • strengthen risk control. <p>NFRA Revises Credit Management Rules for Banks NFRA</p>	The regulation will come into effect 1 July 2024
6	NFRA	NFRA issues Rating Measures for Life Insurance Companies	<p>On 18 March 2024, the NFRA issued the <i>Rating Measures for Life Insurance Companies (Rating Measures)</i>.</p> <p>The Rating Measures primarily focus on the following aspects:</p> <ul style="list-style-type: none"> • establishing a comprehensive risk assessment system for life insurers; • strengthening risk identification and early warning capabilities; and • quantifying risk levels based on their severity. <p>The implementation of the Rating Measures is expected to strengthen classification-based supervision and guide life insurance companies to develop distinctive models and competitive advantages.</p> <p>NFRA issues Rating Measures for Life Insurance Companies NFRA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
6	PBOC	PBOC issues Opinions on Further Optimising Payment Services and Enhancing Payment Convenience	<p>On 7 March 2024, the People's Bank of China (PBOC) issued <i>Opinions on Further Optimising Payment Services and Enhancing Payment Convenience</i>. The opinions aim to enhance payment convenience by optimising payment services.</p> <p>The key points are as follows:</p> <ul style="list-style-type: none"> improve the acceptance environment for bank cards to meet the payment needs of various groups, such as the elderly and foreigners living in China; maintain cash as a fallback option while continuously enhancing the cash usage environment, including improving foreign currency exchange services and cash-related services; enhance the convenience of mobile payments by encouraging collaboration among banks, payment institutions, and clearing institutions, while ensuring the provision of services suitable for the elderly and international users; safeguard consumers' right to choose their preferred payment methods; optimise the account opening process; and utilise various means and channels to promote and publicise payment services effectively. <p>PBOC Issues Opinions on Further Optimising Payment Services and Enhancing Payment Convenience PBOC</p>	-
7	CSRC	CSRC issues Opinion on Enhancing the Quality and Value of Listed Companies	<p>On 15 March 2024, the China Securities Regulatory Commission (CSRC) have released opinions to further enhance the quality and investment value of listed companies.</p> <p>Other aims of the opinions include:</p> <ul style="list-style-type: none"> to strengthen information disclosure supervision and impose severe penalties for performance fraud; guard against circumvention of rules in reducing holdings to maintain market confidence; strengthen supervision of cash dividends to enhance investor returns; and promote listed companies to enhance market value management and improve investment value. <p>CSRC Issues Opinion on Enhancing the Quality and Value of Listed Companies CSRC</p>	-
8	CSRC	Revision of Information Disclosure Rules for Insurance Companies for public consultation	<p>On 9 February 2024, the CSRC released revisions to the <i>Special Provisions on Information Disclosure for Insurance Companies (Special Provisions)</i> to seek public opinions on the proposed revisions.</p> <p>The proposed revisions build upon relevant regulations such as the <i>Enterprise Accounting Standard No. 25 - Insurance Contracts</i>, <i>Enterprise Accounting Standard No. 22 - Recognition and Measurement of Financial Instruments</i>, and the <i>Regulatory Rules on Solvency Supervision of Insurance Companies (II)</i>.</p> <p>The revisions aim to enhance the relevance and effectiveness of information disclosure by insurers. The CSRC welcomes input from all market participants regarding the proposed revisions. Based on the feedback received during the public consultation, the CSRC will further refine and publish the revised rules for implementation.</p> <p>Revision of Information Disclosure Rules for Insurance Companies for Public Consultation CSRC</p>	The deadline for public comments was 8 March 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	HKMA	Cross-Agency Steering Group announces key initiatives to support Hong Kong in capitalising sustainable finance opportunities	<p>On 8 January 2024, the Cross-Agency Steering Group (Steering Group) met and agreed on three key initiatives to capture financing and investment opportunities from the Asia-Pacific Region's low carbon transition in 2024.</p> <p>The three initiatives agreed upon are as follows:</p> <ul style="list-style-type: none"> adopting International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards locally as appropriate; leveraging technology to support sustainability reporting and data analysis; and supporting the development of transition finance to consolidate Hong Kong's role as a leading sustainable finance hub. <p>Cross-Agency Steering Group announces key initiatives to support Hong Kong in capitalising sustainable finance opportunities HKMA</p>	-
2	HKMA	Public consultation on proposal for information sharing among Authorised Institutions to aid in prevention or detection of crime	<p>On 23 January 2024, the Hong Kong Monetary Authority (HKMA) announced a public consultation on its proposal to allow Authorised Institutions (AIs) to share information on customer accounts for the purposes of preventing and detecting financial crime.</p> <p>In response to a sharp increase in financial crime in recent years, particularly digital fraud, the HKMA is seeking to enhance faster sharing of information to support the development of technology and analytics to detect and disrupt fraud and mule account networks and intercept illicit funds more effectively.</p> <p>The proposals by the HKMA focus upon AI-AI information sharing, in addition to accompanying safeguards to protect consumer data.</p> <p>Public consultation on proposal for information sharing among Authorized Institutions to aid in prevention or detection of crime HKMA</p>	The consultation ended 29 March 2024.
3	SFC	SFC Announces Strategic Priorities for 2024-2026	<p>On the 23 January, the Hong Kong Securities and Futures Commission (SFC) announced its three-year strategic plan (2024-2026).</p> <p>The SFC announce that on top of its existing mandate, it will seek to pursue four main priorities for the next three years:</p> <ul style="list-style-type: none"> Maintaining market resilience and mitigating serious harm to markets; Enhancing the global competitiveness and appeal of Hong Kong capital markets; Leading financial market transformation through technology and ESG; and Enhancing institutional resilience and operational efficiency. <p>SFC's Strategic Priorities for 2024-2026 SFC</p>	-

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4	HKDPB / HKMA	Consultation conclusions on enhancements to the Deposit Protection Scheme	<p>On 6 February 2024, the Hong Kong Deposit Protection Board (the Board) of the HKMA released the conclusions of their public consultation on proposed enhancements to the <i>Deposit Protection Scheme</i> (DPS).</p> <p>The proposed changes to the DPS were generally supported by the public comments responding to the consultation. The Board concluded that raising the DPS protection limit to HK\$ 800,000 would be a suitable protection limit for consumers, a 60% rise from the prior protection limit. 92% of depositors will enjoy full deposit coverage as a result of raising the protection limit. The Board will begin the process of preparing legislative amendments based upon the results of the consultation.</p> <p>Consultation conclusions on enhancements to the Deposit Protection Scheme HKMA</p> <p>Conclusions on enhancements to the Deposit Protection Scheme HKDPB</p>	-
5	HKMA	HKMA publishes Report on Loss-Absorbing Capacity Requirements Implementation in Hong Kong	<p>On 8 February, the HKMA released the <i>Report on Loss-Absorbing Capacity Requirements Implementation in Hong Kong</i> (the Report).</p> <p>Loss-Absorbing Capacity (LAC) refers to the financial resources of a financial institution (FI) that can absorb losses and support recapitalisation in case of potential failure. Adequate LAC is important for stabilising failing FIs and protecting financial stability. To ensure sufficient LAC, the HKMA introduced LAC Rules in 2018. The Report covers AI's LAC positions, LAC debt instruments, compliance with LAC Rules, interaction with capital regime, and implementation details.</p> <p>HKMA publishes Report on Loss-Absorbing Capacity Requirements Implementation in Hong Kong HKMA</p> <p>Report on Loss-Absorbing Capacity Requirements Implementation in Hong Kong HKMA</p>	-
6	FSTB	Government launches consultation on legislative proposals to regulate over-the-counter trading of virtual assets	<p>On 8 February 2024, the Financial Services and Treasury Bureau (FSTB) announced a public consultation on legislative proposals to introduce a licensing regime for providers of over-the-counter (OTC) trading services of virtual assets (VA).</p> <p>The legislative proposals are as follows:</p> <ul style="list-style-type: none"> • requiring any person who conducts a business in providing services of spot trade of any VA for money in Hong Kong to be licensed by the Commissioner of Customs and Excise (CCE); • covering all VA OTC services irrespective of whether the services are provided through a physical outlet and/or other platforms; • providing powers for CCE to supervise the anti-money laundering and counter-terrorist financing conduct of licensees, and enforce the statutory and regulatory requirements under the new regime; and • providing transitional arrangement to facilitate the effective implementation of the regulatory regime. <p>Government launches consultation on legislative proposals to regulate over-the-counter trading of virtual assets FSTB</p>	The consultation closes 12 April 2024

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Hong Kong SAR (3/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
7	SFC / GSFCAG	New greenhouse gas emissions calculation and estimation tools to support sustainability reporting	<p>On 21 February 2024, the The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) and the Hong Kong University of Science and Technology (HKUST) today launched two greenhouse gas emissions calculation and estimation tools (GHG emissions tools) to facilitate sustainability reporting by corporates and financial institutions in Hong Kong.</p> <p>The tools will seek to enhance the quality and availability of sustainability-related data within the financial sector and to support decarbonisation efforts in Hong Kong.</p> <p>The new tools include:</p> <ul style="list-style-type: none"> • a calculation tool that enables users, especially small and medium-sized enterprises (SMEs), to calculate their own GHG emissions based on actual activity levels; and • an estimation tool that enables users, primarily financial institutions, to estimate the GHG emissions of their investees or borrowers where data of underlying companies is limited. <p>New greenhouse gas emissions calculation and estimation tools to support sustainability reporting SFC</p>	-
8	HKMA	HKMA unveils Project Ensemble to support the development of the Hong Kong tokenisation market	<p>On 7 March 2024, the HKMA announced the creation of Project Ensemble, a new wholesale central bank digital currency (wCBDC) project to render support to the development of the tokenisation market in Hong Kong.</p> <p>The project focuses on tokenised deposits and aims to unlock new opportunities for transactions involving tokenised assets. The HKMA will launch a wCBDC Sandbox to research and test tokenisation use cases, including settlement of tokenised real-world assets. The HKMA will also collaborate with industry stakeholders and institutions to establish standards and support asset tokenisation. Project Ensemble is part of the HKMA's broader efforts to develop the tokenisation market and may lead to a "live" issuance of the wCBDC in the future.</p> <p>HKMA unveils Project Ensemble to support the development of the Hong Kong tokenisation market HKMA</p>	-
9	HKMA	HKMA launches the stablecoin issuer sandbox arrangement	<p>On 12 March 2024, the HKMA announced the launch of the stablecoin issuer sandbox arrangement.</p> <p>The HKMA plans to use the sandbox arrangement to communicate supervisory expectations to those interested in issuing fiat-referenced stablecoins in Hong Kong. They also seek feedback on proposed regulatory requirements.</p> <p>Applicants should have a genuine interest in developing a stablecoin issuance business in Hong Kong, with a reasonable business plan. Operations within the sandbox will be conducted within a limited scope and in a risk-controllable manner.</p> <p>HKMA launches the stablecoin issuer sandbox arrangement HKMA</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
10	HKMA	HKMA launches Phase 2 of the e-HKD Pilot Programme	<p>On 14 March 2024, the HKMA announced the launch of Phase 2 of the e-HKD Pilot Programme.</p> <p>The HKMA has completed Phase 1 of the e-HKD Pilot Programme, studying domestic retail use cases for programmable payments, settlement of tokenised assets, and offline payments. Phase 2 will focus on select pilots from Phase 1 and explore new use cases. An enhanced e-HKD sandbox will be utilised to accelerate prototyping, development, and testing of use cases, as well as study interoperability and interbank settlement. The research conducted will contribute to the HKMA's broader exploration of central bank digital currencies (CBDCs), and engagement with stakeholders will continue.</p> <p>HKMA launches Phase 2 of the e-HKD Pilot Programme HKMA</p>	Application deadline for participation in Phase 2 is 17 May 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	SEBI	SEBI publishes Circular on Foreign Investment in Alternative Investment Funds (AIFs)	<p>On 11 January 2024, the Security and Exchange Board of India (SEBI) issued a circular modifying para 4.1.2. of <i>SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130</i>. The changes are made in view of the amendments to the <i>Prevention of Money-Laundering (Maintenance of Records) Rules, 2005</i>. The modifications focus on raising funds from investors and the responsibilities of Alternative Investment Fund (AIF) Managers during the onboarding process.</p> <p>Under the new provisions, investors or their beneficial owners must not be on the United Nations Security Council's Sanctions List. Additionally, they should not be residents of countries identified by the Financial Action Task Force as having AML/CFT deficiencies. AIF Managers are prohibited from drawing further capital contributions from non-compliant investors until they meet the specified conditions.</p> <p>These changes emphasise compliance with international standards and aim to prevent money laundering and terrorist financing. It is crucial for market participants to understand and adhere to the revised requirements in their interactions with investors, as they contribute to maintaining the integrity of the financial system and combating illicit activities.</p> <p>SEBI publishes Circular on Foreign Investment in Alternative Investment Funds (AIFs) SEBI</p>	Effective as of 11 January 2024
2	RBI	RBI releases Master Direction on Commercial Paper and Non-Convertible Debentures	<p>On 3 January 2024, the Reserve Bank of India (RBI) released the <i>RBI (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024</i>.</p> <p>These directions are applicable to eligible market participants dealing in Commercial Paper and/or Non-Convertible Debentures with a maturity of up to one year. They provide guidelines on minimum disclosure, primary issuance, credit enhancement, end-use, rating requirements, secondary market trading, buyback, and repayment of Commercial Paper / Non-Convertible Debentures (CPs/NCDs). Reporting requirements are also prescribed.</p> <p>The RBI has clarified that the <i>Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016</i>, and subsequent updates do not apply to the raising of funds through CPs by Non-Banking Financial Companies (NBFCs) in accordance with these directions.</p> <p>These directions aim to establish a regulatory framework, enhance transparency, and promote a well-regulated market for short-term debt instruments such as CPs and NCDs.</p> <p>RBI releases Master Direction on Commercial Paper and Non-Convertible Debentures RBI</p>	Effective as of 3 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	SEBI	SEBI holds board meeting	<p>On 15 March 2024, the SEBI held a board meeting where they approved a series of proposals to ease regulatory requirements and streamline business operations for Foreign Portfolio Investors (FPIs). These measures aim to enhance efficiency and flexibility for FPIs, simplify compliance procedures, and facilitate a smoother operating environment.</p> <p>Key highlights of the board meeting include the approval of an optional T+0 settlement system for a limited set of 25 scrips and selected brokers, exemption of additional disclosure requirements for FPIs holding over 50% of their India equity assets under management in a single corporate group, and relaxed timelines for disclosure of material changes by FPIs. SEBI also introduced measures to handle securities post-expiry of registration, providing more flexibility to FPIs.</p> <p>Furthermore, amendments to the <i>SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</i> were approved to facilitate ease of doing business for companies during IPOs and fundraising activities. Other decisions covered various aspects such as verification of market rumors, encumbrances on equity holdings in infrastructure sector investee companies for Category I and II AIFs, due diligence measures for AIFs and their managers, and a framework for issuing subordinate units through private placements.</p> <p>SEBI Board Meeting SEBI</p>	-
4	IRDAI	IRDAI releases Circular for Investments in Infrastructure Debt Funds-NBFC	<p>On 5 January 2024, the Insurance Regulatory and Development Authority of India (IRDAI) issued a circular regarding investments in Infrastructure Debt Funds-NBFC (IDF-NBFC).</p> <p>The circular addresses the regulations pertaining to investments in infrastructure as stipulated in the <i>IRDAI (Investment) Regulations 2016</i>. Previously, insurers were required to seek case-by-case approval for investments in IDFs backed by the central government.</p> <p>In a move to promote investments in the infrastructure sector and streamline processes, the IRDAI has waived off the requirement for case-by-case approval. Insurers are now allowed to invest in IDF-NBFCs, which will be considered as infrastructure investments, subject to certain conditions. These conditions include the IDF-NBFC being registered with the RBI, debt securities having a residual tenure of at least 5 years, and a minimum credit rating of AA or its equivalent by a Credit Rating Agency registered with the SEBI.</p> <p>Additionally, exposure norms specified in the <i>IRDAI (Investment) Regulations, 2016</i>, will be applicable to such investments. This regulatory update aims to facilitate ease of doing business for insurers and encourage investments in the infrastructure sector, aligning with the government's efforts to boost infrastructure development in India.</p> <p>IRDAI releases Circular for Investments in Infrastructure Debt Funds-NBFC IRDAI</p>	Effective as of 5 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
5	IRDAI	IRDAI de-notifies Arbitration Clause in Insurance Tariffs	<p>On 22 January 2024, the IRDAI issued a notification regarding the de-notification of the arbitration clause in various insurance tariff products, including Fire, Motor, Engineering, Workmen's Compensation, and others.</p> <p>Previously, these classes of insurance business followed tariff general regulations until further orders. However, effective from 27 October 2023, the arbitration clause provisions in the tariff regulations have been de-notified. Insurance contracts for specified risks will now be subject to the circular issued by the IRDAI concerning arbitration clauses. This regulatory change provides greater flexibility in including or excluding arbitration clauses in insurance contracts, requiring adherence to the updated guidelines provided by the IRDAI.</p> <p>IRDAI De-Notifies Arbitration Clause in Insurance Tariffs IRDAI</p>	Effective as of 22 January 2024
6	SEBI	SEBI publishes Consultation Paper on Flexibility to Category I and II AIFs	<p>On 2 February 2024, the SEBI issued a Consultation Paper seeking feedback on a proposed amendment to the <i>SEBI (Alternative Investment Funds) Regulations, 2012</i>.</p> <p>The proposed amendment aims to introduce flexibility for Category I and II AIFs by allowing them to create encumbrance on their equity holdings in infrastructure sector investee companies. This move is intended to facilitate these investee companies in raising debt capital, thereby expanding their financial options and fostering growth in the infrastructure sector.</p> <p>SEBI Publishes Consultation Paper on Flexibility to Category I and II AIFs SEBI</p>	Consultation period ended on 23 February 2024
7	SEBI	SEBI publishes Consultation Paper on Flexibility to AIFs	<p>On 12 January 2024, the SEBI issued a Consultation Paper inviting public comments on proposals to provide flexibility for AIFs and Venture Capital Funds (VCFs). The proposals aim to address unliquidated investments beyond the tenure of the funds.</p> <p>The consultation contains three proposals:</p> <ul style="list-style-type: none"> proposal A suggests allowing AIFs to enter a Dissolution Period/Process after completing their tenure, ensuring asset quality recognition; proposal B proposes granting a fresh one-time Liquidation Period for AIFs whose initial Liquidation Period has expired or is about to expire. The funds can fully liquidate their investments, distribute investments in-kind, or opt for the Dissolution Period/Process; and proposal C outlines a regulatory framework for the migration of VCFs to AIF Regulations. It suggests creating a sub-category called "Migrated VCFs" under Category I - VCFs within the AIF Regulations. VCFs would migrate as Category I AIF - VCF (Migrated VCFs) within six months of SEBI's notification. <p>The proposals aim to enhance flexibility, ensure smooth migration, and provide certain benefits available under the AIF Regulations.</p> <p>SEBI Publishes Consultation Paper on Flexibility to AIFs SEBI</p>	Consultation period ended on 2 February 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	OJK	OJK Releases Regulation on Rural Bank Asset Quality	<p>On 11 January 2024, the Indonesia Financial Services Authority (OJK) released a new regulation to harmonise regulations on foreclosed collateral and permitted business activities in alignment with the <i>Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector</i>. The regulation also establishes financial accounting standards for private entities and emphasises the evaluation of credit provision issues post-Covid-19.</p> <p>Under the new regulation, rural banks are required to assign the same quality to productive assets provided by multiple banks for a single debtor, project, or business. The criteria include specific thresholds based on the amount of assets provided by each bank. In cases where there are variations in asset quality, banks must assign the lowest quality to ensure consistency.</p> <p>OJK Releases Regulation on Rural Bank Asset Quality OJK</p>	Regulation effective as of 11 January 2024
2	OJK	OJK publishes Procedures and Mechanisms for Submitting Data on Funding Transactions and Reporting for Information Technology-Based Joint Funding Service Providers	<p>On 31 January 2024, the OJK released a circular containing measures to regulate the submission of funding transaction data and reporting for Information Technology-Based Joint Funding Service Providers.</p> <p>The reporting requirements include:</p> <ul style="list-style-type: none"> • funding transaction data reporting; • periodic reporting (monthly and annual financial reports); and • incidental reporting. <p>These measures aim to enhance transparency and reliability within the Information Technology-Based Joint Funding Services sector. By ensuring the publication of audited reports, stakeholders can access accurate information and make informed decisions.</p> <p>OJK publishes Procedures and Mechanisms for Submitting Data on Funding Transactions and Reporting for Information Technology-Based Joint Funding Service Providers OJK</p>	Effective as of 31 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
3	OJK	OJK issues Implementation of Risk Management for Sharia Commercial Banks and Sharia Business Units	<p>On 1 January 2024, the OJK issued a circular that aims to enhance risk management in Sharia Commercial Banks and Sharia Business Units.</p> <p>Key points include the implementation of risk management practices tailored to the bank's objectives, business policies, size, and complexity. The circular emphasises active supervision by the Board of Directors, Board of Commissioners, and Sharia Supervisory Board, along with the establishment of comprehensive risk management policies, procedures, and limits. It also highlights the importance of risk identification, measurement, monitoring, and control processes, as well as the submission of Risk Profile Reports and other relevant reports.</p> <p>To facilitate effective risk management, banks are required to form a Risk Management Committee and a dedicated work unit. For Sharia Business Units, these entities can be established separately or combined with Conventional Commercial Banks if they have Sharia Business Units. The circular emphasises the need for compliance with Sharia principles and the implementation of a robust internal control system. By adhering to these guidelines, Sharia Commercial Banks and Sharia Business Units aim to mitigate risks effectively and maintain a strong financial position.</p> <p>OJK issues Implementation of Risk Management for Sharia Commercial Banks and Sharia Business Units OJK</p>	Issued on 1 January 2024
4	OJK	OJK issues Regulation Regarding Monthly Report of Housing Secondary Mortgage Company	<p>On 31 January 2024, the OJK issued a regulation which mandates the Monthly Report of Housing Secondary Mortgage Companies.</p> <p>This regulation specifies the requirements for the form, structure, and procedures of submitting monthly reports for said companies. According to the regulation, companies must submit their monthly reports no later than the 10th day of the following month.</p> <p>These measures aim to streamline the reporting process for secondary housing finance companies and ensure timely and accurate submission of monthly reports. By adhering to these guidelines, these institutions can fulfill their reporting obligations and contribute to the transparency and efficiency of the housing finance sector.</p> <p>OJK Issues Regulation Regarding Monthly Report of Housing Secondary Mortgage Company OJK</p>	Effective as of 31 January 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	JFSA	TSE to publish a list of companies in compliance with recent regulatory initiative	<p>On 15 January 2024, the Tokyo Stock Exchange (TSE) published a list of companies that have disclosed information in compliance with the March 2023 request <i>Action to Implement Management That Is Conscious of Cost of Capital and Stock Price</i>.</p> <p>The purpose of publishing the list is to inform investors of who has taken the required actions and to encourage companies to make a proactive effort to comply with the regulations.</p> <p>TSE to Publish a List of Companies That Have Disclosed Information Regarding "Action to Implement Management That Is Conscious of Cost of Capital and Stock Price" JFSA</p> <p>Action to Implement Management that is Conscious of Cost of Capital and Stock Price TSE</p>	-
2	JFSA	JFSA launches public consultation on Amendments to Regulations Relating to the Transfer of Criminal Proceeds	<p>On 26 January 2024, the Japan Financial Services Agency (JFSA) published the <i>Partial Amendment to the Designation of a country or region under Articles 17-2 and 17-3 of the Order for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds</i> for public consultation.</p> <p>This proposal amends the list jurisdictions designated by the Commissioner of the Financial Services Agency and the Minister of Finance as countries or regions that do not have an obligation to notify under the provisions of foreign laws and regulations corresponding to the provisions of Article 10-3 and Article 10-5 of the <i>Act on Prevention of Transfer of Criminal Proceeds</i>, based on the status of enforcement of laws and regulations in each jurisdiction.</p> <p>Announcement of "Partial Amendment to the Designation of Countries or Regions Based on the Provisions of Article 17-2 and Article 17-3 of the Enforcement Order of the Act on Prevention of Transfer of Criminal Proceeds" JFSA</p>	Public call for comments ended 25 February 2024
3	JFSA	JFSA launches public consultation on Use of Information and Communications Technology in Document Preservation	<p>On 18 January 2024, the JFSA proposed draft amendments to the <i>Regulation for Enforcement of the Act on the Use of Information and Communications Technology in the Preservation of Documents Conducted by Private Business Operators, etc. Pertaining to the Finance-Related Laws and Regulations That Fall Under the Jurisdiction of the Cabinet Office</i> for public consultation.</p> <p>The proposal is intended to improve the accessibility of financial regulations and laws through digital means. The proposal is in line with the JFSA's digitalisation strategy and seeks to allow public access via the internet.</p> <p>Public Consultation on Use of Information and Communications Technology in the Preservation of Documents Conducted by Private Business Operators JFSA</p>	Public call for comments ended 19 February 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	JFSA	JFSA launches public consultation on crypto exchange regulations	<p>On 26 January 2024, the JFSA proposed the <i>draft Cabinet Office Order to Amend the Cabinet Office Order on Crypto-Asset Exchange Service Providers</i> for public consultation.</p> <p>The proposal seeks to impose an obligation for crypto-asset exchange service providers to provide information on crypto-assets with transfer restrictions to a certified association for payment service providers and to also make such information publicly available.</p> <p>Publication of the draft Cabinet Office Order to Amend the Cabinet Office Order on Crypto-Asset Exchange Service Providers for public consultation JFSA</p>	Public call for comments closed 26 February 2024
5	JFSA	JFSA announces amendments to the Financial Instruments and Exchange Act	<p>On 31 January 2024, the JFSA published the finalised <i>Cabinet Order and Cabinet Office Orders Pertaining to the Amendments to the Financial Instruments and Exchange Act, and Other Acts</i> after public consultation.</p> <p>The finalised Cabinet Order and Cabinet Office Orders provide amendments to the following:</p> <ul style="list-style-type: none"> the development of provisions concerning the establishment of the new public organisation to accelerate financial and economic education; and the development of provisions concerning accounting documents of investment corporations. <p>Results of Public Comments on the Draft Cabinet Order and Cabinet Office Ordinance Concerning the Revision of the Financial Instruments and Exchange Act JFSA</p>	The finalised Cabinet Order and Cabinet Office Orders were enforced on 1 February 2024
6	JFSA	JFSA announces amendments to the Ordinance on Accounting of Investment Trust Property and Ordinance on Accounting for Investment Corporations	<p>On 15 February 2024, the JFSA published the finalised <i>Cabinet Office Order to Amend the Ordinance on Accounting of Investment Trust Property</i> alongside the finalised <i>Cabinet Office Order to Amend the Ordinance on Accounting for Investment Corporations</i> and the finalised supplementary provisions of the said Cabinet Office Orders after public consultation.</p> <p>The revised regulations propose that in the event of a discrepancy between the net asset value per unit and the base value of investment trusts and investment corporations, the Company will make the necessary revisions so that the base value and the reason for the difference will be noted on the balance sheet, etc.</p> <p>Results of Public Comments on the Cabinet Office Ordinance Partially Amending the Rules for the Calculation of Investment Trust Assets JFSA</p>	The ordinance will be enforced as of 15 February 2024

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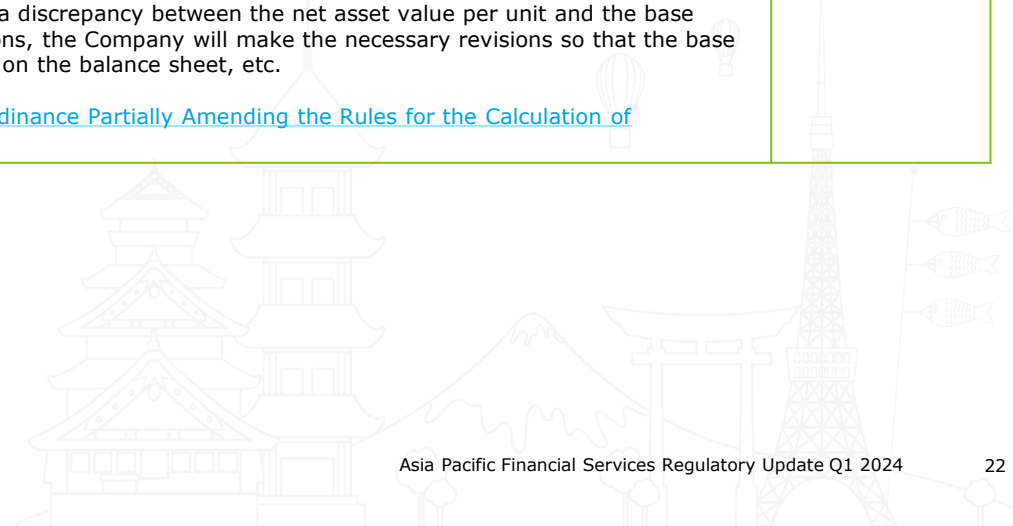
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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	JFSA	Publication of the draft Basic Policy Direction for Holistic Enhancement of Policy Measures to Support Households' Stable Asset Formation for public consultation	<p>On 13 February 2024, JFSA published the draft <i>Basic Policy Direction for Holistic Enhancement of Policy Measures to Support Households' Stable Asset Formation</i> for public consultation.</p> <p>The proposal is intended to set forth the basic policy direction for holistic enhancement of policy measures to support households' stable asset formation pursuant to the <i>Act on Provision of Financial Services and the Development of the Accessibility Environment Thereto</i>.</p> <p>Announcement of the Basic Policy on the Comprehensive Promotion of Measures to Support the Stable Asset Formation of the People JFSA</p>	Public call for comments closed 20 February 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BNM	BNM issues policy document on medical and health insurance / takaful business	<p>On 29 February 2024, Bank Negara Malaysia (BNM) released a policy document which issued revised requirements and guidance to licensed insurers and licensed takaful operators carrying the medical and health insurance/takaful (MHIT) business.</p> <p>This policy document sets out the regulatory requirements covering the following areas:</p> <ul style="list-style-type: none"> • underwriting and terms governing issuance of MHIT policies/takaful certificates; • product design, including limitations that apply; • re-pricing and risk pooling practices; • commissions and incentives; • monitoring and reporting requirements for MHIT-related data; and • business conduct and disclosure to consumers. <p>Supplementing this, BNM has also issued a Feedback Statement to address the key feedback and proposals received during the consultation period.</p> <p>Policy Document on Medical and Health Insurance/Takaful Business BNM</p> <p>Feedback Statement from the Exposure Draft on Medical and Health Insurance / Takaful Business BNM</p>	The regulations come into effect 1 June 2024
2	BNM	BNM issues Paper on Climate Risk Stress Testing	<p>On 29 February 2024, BNM released the <i>Methodology Paper on Climate Risk Stress Testing</i>. The 2024 Climate Risk Stress Test exercise is primarily intended to facilitate financial institutions' learning and capacity building in addressing risks from climate change.</p> <p>It aims to enhance financial institutions' capabilities in the following areas:</p> <ul style="list-style-type: none"> • improve understanding and appreciation amongst board, senior management, and staff of financial institutions on how the business and operations of the financial institutions could be impacted by climate-related risks; • explore novel approaches that could lead to better identification and measurement of financial institutions' exposures at risk to climate change; and • identify current gaps, specifically those related to data, measurement, methodology, technology, and capabilities, as well as potential solutions to these challenges. <p>Climate Risk Stress Testing Methodology Paper BNM</p>	Deadlines for stress testing submission: Domestic Banking Groups – 30 June 2025 Other Banks, Development Financial Institutions – 31 December 2025
3	BNM	BNM releases exposure draft on Product Transparency and Disclosure	<p>On 29 February 2024, BNM released an exposure draft requiring public comments on proposed new disclosure requirements for financial service providers (FSPs).</p> <p>This Policy Document establishes minimum requirements for enhanced consistency and comprehensive transparency aimed at improving information disclosure on financial products offered by financial service providers.</p> <p>Exposure Draft on Product Transparency and Disclosure BNM</p>	The deadline for public submissions was 29 March 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	BNM	BNM launches Financial Technology Regulatory Sandbox Framework	<p>On 29 February 2024, BNM released the revised <i>Financial Technology Regulatory Sandbox Framework (Framework)</i> policy document. The revised regulation contains enhancements to the policy document of the same name issued on 18 October 2016.</p> <p>The enhancements are focused on ensuring proportionate regulatory facilitation and improving the operational efficiency of the existing sandbox procedures through:</p> <ul style="list-style-type: none"> • simplifying the sandbox’s Stage 1 (eligibility) assessment; and • introducing a Green Lane, which aims to provide a risk-proportionate and accelerated pathway for innovative solutions by financial institutions with solid risk management capabilities. <p>Policy Document on Fintech Regulatory Sandbox Framework BNM</p>	Regulation is effective as of 29 February 2024
5	BNM	BNM releases RENTAS Modernisation Plans	<p>On 23 February 2024, BNM released a discussion paper proposing their plan for modernising the Real Time Electronic Transfer of Funds and Securities System (RENTAS).</p> <p>This paper aims to gather feedback and views from all RENTAS participants on the identified plans within the RENTAS modernisation strategy.</p> <p>The modernisation plan is centred around two overarching themes:</p> <ul style="list-style-type: none"> • futureproofing RENTAS; and • enhancing risk management and user functionalities. <p>Key areas of development include supporting near 24/7 operations, wider participant access to RENTAS, enhancing data sharing and analytics capabilities, as well as more effective liquidity management tools.</p> <p>Discussion Paper on RENTAS Modernisation Plans BNM</p>	The deadline for public comments was 22 March 2024
6	BNM	BNM consults public regarding islamic banking	<p>On 7 February 2024, BNM released an Exposure Draft relating to revised guidance on Islamic Banking.</p> <p>This Exposure Draft sets out BNM’s proposed enhancements to the <i>Guidelines on Skim Perbankan Islam</i> and outlines authorisation, prudential and operational regulatory requirements applicable to Islamic Banking Window (IBW).</p> <p>Exposure Draft on Islamic Banking Window BNM</p>	The deadline for public comments was 31 March 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	BNM	New policy document on Anti-Money Laundering (AML), Countering Financing of Terrorism (CFT), Countering Proliferation Financing (CPF) and Targeted Financial Sanctions (TFS) for FIs	<p>On 5 February 2024, BNM released a policy document relating to <i>Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions</i> regulations for financial institutions (FIs).</p> <p>The policy document is intended to set out:</p> <ul style="list-style-type: none"> obligations of reporting institutions with respect to the requirements imposed under the <i>Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001</i> (AMLA); requirements on reporting institutions in implementing a comprehensive risk-based approach in managing ML/TF/PF risks; and targeted financial sanctions requirements on financial institutions regulated or supervised by BNM. <p>AML/CFT/CPF and TFS for FIs BNM</p>	The effective date of the regulation is 6 February 2024
8	BNM	New Policy document on AML/CFT/CPF and TFS for DNFBPs and NBFIs	<p>On 5 February 2024, BNM released a policy document relating to <i>Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions</i> for Designated Non-Financial Businesses and Professions (DNFBPs) and Non-Bank Financial Institutions (NBFIs).</p> <p>This policy document is intended to set out:</p> <ul style="list-style-type: none"> obligations of reporting institutions with respect to the requirements imposed under the <i>Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001</i> (AMLA); requirements on reporting institutions in implementing a comprehensive risk-based approach in managing ML/TF/PF risks; and requirements on reporting institutions in implementing targeted financial sanctions. <p>AML/CFT/CPF and TFS for DNFBPs and NBFIs BNM</p>	The effective date of the regulation is 6 February 2024
9	BNM	BNM releases exposure draft on Skim Pembiayaan Mikro (SPM)	<p>On 8 January 2024, BNM released an exposure draft outlining the revised requirements and guidance on SPM, Micro Enterprises Facility (MEF) and other microfinance-related policies.</p> <p>As part of the <i>Financial Sector Blueprint 2022-2026</i> (FSBP) initiative to reinforce the finance ecosystem for microentrepreneurs (MEs), BNM is holistically reviewing the microfinance ecosystem, including the SPM and MEF.</p> <p>The review seeks to ensure these policy measures remain relevant and effective in providing access to loan/financing for the unserved or underserved MEs. This exposure draft sets out BNM's proposed requirements and guidance on SPM that aims to better serve the needs of the MEs and to attract greater participation of financial institutions to achieve greater financial inclusion.</p> <p>Exposure Draft on Skim Pembiayaan Mikro BNM</p>	The deadline for responses was 5 April 2024

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Malaysia (4/4)

#	Issuing Authority	Title	Regulatory Update	Key Dates
10	BNM	BNM issues policy document regarding Hajah and Darurah	<p>On 3 January 2024, BNM released policy document relating to Hajah and Darurah Islamic Finance regulations.</p> <p>This policy document sets out the Shariah and operational requirements and expectations concerning the application of hajah and darurah, as follows:</p> <ul style="list-style-type: none"> • outline the definition, preconditions, scope of prohibited application and parameters of different categories of hajah and darurah; • clarify and strengthen the accountability of individuals responsible for the assessment, deduction as well as implementation of hajah and darurah; and • outline the operational requirements and guidance in facilitating Shariah deliberation and decision-making on the application of hajah and darurah. <p>Hajah and Darurah BNM</p>	The effective date of the regulations is 2 January 2025
11	BNM	BNM releases guidelines regarding currency processing business	<p>On 17 January 2024, BNM released an exposure draft detailing revised guidelines relating to Registered Currency Processors (RCPs).</p> <p>This exposure draft outlines the proposed standards and guidelines that RCPs must observe to ensure prudent practice, professionalism, integrity, accountability and transparency of currency processing businesses.</p> <p>The exposure draft proposed regulations in such key areas as:</p> <ul style="list-style-type: none"> • governance; • operational requirements; • internal control; and • information technology (IT) requirements. <p>Currency Processing Business BNM</p>	The deadline for public comments was 15 March 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	New Zealand Government	Government renounces intention to repeal <i>Financial Markets (Conduct of Institutions) Amendment Act 2022</i>	<p>On 31 January 2024, the recently elected National Government have stated they will no longer repeal the <i>Financial Markets (Conduct of Institutions) Amendment Act 2022</i> (CoFI) as it "serves an important purpose to support good financial outcomes for consumers".</p> <p>In its current state, CoFI expands the Financial Markets Authority's (FMA's) mandate as a conduct regulator, introducing new responsibilities on financial institutions to treat consumers fairly. However, the Government plans to perform a targeted review to ensure good conduct obligations are "proportionate" and "fit-for-purpose". This will likely see a proportionate approach being introduced, with the businesses applying for a license under CoFI having the responsibility for determining what an appropriate fair conduct programme is for their needs.</p> <p>Financial Markets (Conduct of Institutions) Amendment Act 2022 New Zealand Government</p>	-
2	New Zealand Government	Government announces proposal to review <i>Credit Contracts and Consumer Finance Act 2003</i>	<p>On 13 March 2024, the Minister of Commerce and Consumer Affairs, Andrew Bayly, issued a proposal to review the <i>Credit Contracts and Consumer Finance Act 2003</i> (CCCFA).</p> <p>The CCCFA was introduced to regulate credit that is available for personal, domestic, or household purposes, however, the Minister states it has contributed to declines in lending rates resulting in vulnerable borrowers resorting to unregulated high-cost sources of lending.</p> <p>The review will be conducted in two phases, with Phase 1 removing prescriptive affordability requirements for lower-risk lending and lenders. Phase 2 will undertake a more substantive review of the legislation, exploring:</p> <ul style="list-style-type: none"> longer-term solutions to already identified problems particularly regarding the liability settings; and addressing under-performing areas and considering streamlining the CCCFA's relationship with CoFI, potentially involving changes to institutional arrangements. <p>Such changes to institution arrangements would see responsibility of the CCCFA transfer from the Commerce Commission to the FMA as the conduct regulator.</p> <p>Credit Contracts and Consumer Finance Act 2003 New Zealand Government</p>	-
3	RBNZ	Next stage of depositor compensation scheme announced	<p>On 11 March 2024, the Reserve Bank of New Zealand (RBNZ) has completed consultation and engagement with the deposit taking sector and released the next iteration of policy proposals for the <i>Deposit Compensation Scheme</i> (DCS) under the <i>Deposit Takers Act</i> (DTA).</p> <p>The DCS is to come into effect from mid-2025 and covers customers deposits for up to NZ\$100,000 in the event of a deposit taker failure. Consultation discussed the design of levies, estimation of protected deposit base prior to introduction of the Single Customer View Standard and how frequently DCS levies should be set.</p> <p>Depositor Compensation Scheme RBNZ</p>	Public consultation closes 10 May 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	New Zealand Government	The New Zealand government publishes market study on personal banking services	<p>On 21 March 2024, the New Zealand Government published a draft report following their market study into personal banking services.</p> <p>On June 2023, the Government requested the Commerce Commission to carry out a study into whether competition for personal banking services in New Zealand is working well and if not, what can be done to improve it. The draft report sets out the Commerce Commissions preliminary findings on the factors affecting competition for personal banking. The preliminary view is that New Zealand's four largest banks being ANZ, ASB, BNZ and Westpac do not face strong competition when providing personal banking services. These four banks have high and stable shares of supply for personal banking services, with no new entrants meaningfully increasing competition since the establishment of Kiwibank in 2001.</p> <p>The four main factors limiting competition include:</p> <ul style="list-style-type: none"> • structural advantages of the major banks; • regulatory barriers to entry and expansion; • barriers to consumer switching and engagement; and • impediments to innovation by fintechs. <p>A multi-faceted approach is suggested to lift competition for the long-term benefit of consumers which would see the regulatory environment better supporting competition and consumers given better access to the benefits of competition.</p> <p>Market Study Into Personal Banking Services New Zealand Government</p>	The final report will be published by 20 August 2024

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Philippines (1/1)

#	Issuing Authority	Title	Regulatory Update	Key Dates
1	BSP	Adoption of the Philippine Sustainable Finance Taxonomy Guidelines	<p>On 21 February 2024, Bangko Sentral Ng Pilipinas (BSP) issued a circular announcing the adoption of the <i>Philippine Sustainable Finance Taxonomy Guidelines for Banks</i> (SFTG).</p> <p>The guidelines provide details on the following:</p> <ul style="list-style-type: none"> assessment process; ranking/classifying economic activities based on degree of sustainability (green, amber, red). <p>This first version of the SFTG focuses on two (2) Environmental Objectives i.e., climate change mitigation and climate change adaptation. Future iterations will cover biodiversity and circular economy.</p> <p>The taxonomy provides a simplified approach in assessing the economic activities of micro, small and medium enterprises (MSMEs). This recognises the important role of MSMEs in the economy and aims to promote financing to the sector.</p> <p>The BSP provides an observation period until the end of 2024 to give banks ample time to increase familiarity and understanding of the SFTG principles. During this period, a pilot testing exercise will be conducted in partnership with the industry. The results of the exercise will also inform the development of additional guidance on the use of the taxonomy.</p> <p>Philippine Sustainable Finance Taxonomy Guidelines BSP</p>	Banks are granted an observation period until December 2024, as of 2025 BSP will begin data collection in accordance with SFTG
2	BSP	Creation of Manual of Regulations for Payment Systems (MORPS)	<p>On 14 March 2024, BSP released a circular which announced the creation of the <i>Manual of Regulations for Payment Systems</i> (MORPS). The MORPS is where the regulations on payment systems and operators are compiled by BSP.</p> <p>The manual covers the following:</p> <ul style="list-style-type: none"> regulatory framework; retail payment system framework; governance and oversight; licensing and registration; settlement; efficiency and effectiveness; and sanctions and enforcement framework. <p>The MORPS is primarily designed to foster adherence by operators of payment systems (OPS) to standards that are aimed at fortifying the safety, efficiency, and reliability of the national payment system. Its significance, however, extends beyond OPS as it serves as an invaluable reference for any individual, institution, or agency with an active interest in the national payment landscape.</p> <p>Creation of Manual of Regulations for Payment Systems (MORPS) BSP</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	MAS	Inclusion of D-SIIs framework in MAS' Framework for Impact and Risk Assessment of Financial Institutions	<p>On 22 March 2024, the Monetary Authority of Singapore (MAS) released the updated <i>Framework for Impact and Risk Assessment of Financial Institutions</i> for insurers.</p> <p>The updated framework follows consultations from Q4 2023 on the proposed changes as well as a new Notice for recovery and resolution planning for insurers. Within this updated framework, insurers deemed to have a substantial impact on Singapore's financial system and broader economy in the event of failure will be officially designated as "Domestic Systemically Important Insurers" (D-SIIs) and subjected to additional supervisory measures.</p> <p>Inclusion of Domestic Systemically Important Insurers (D-SII) Framework in MAS' Framework for Impact and Risk Assessment of Financial Institutions MAS</p> <p>MAS' Framework for Impact and Risk Assessment of Financial Institutions MAS</p>	Updated framework effective as of 22 March 2024
2	MAS	Ms. Gillian Tan makes remarks titled <i>Beyond the Horizon: Unlocking Value in the Future of Alternative Investments</i>	<p>On 20 March 2024, Ms Gillian Tan, Assistant Managing Director (Development & International) and Chief Sustainability Officer, MAS, made opening remarks at the 2024 Alternative Investment Management Association Singapore Annual Forum.</p> <p>Ms. Tan highlighted the resilience of global financial markets and Asia's economic potential while projecting growth opportunities for Singapore. Despite challenges, she noted the robustness of the global alternatives sector, with record-high assets under management (AUM) and optimistic forecasts for hedge fund performance and private credit.</p> <p>She identified three key forces shaping the industry's future:</p> <ul style="list-style-type: none"> • the net-zero transition; • digitalisation; and • and the rise of generative artificial intelligence (Gen AI). <p>Ms. Gilian Tan Makes Remarks Titled Beyond the Horizon: Unlocking Value in the Future of Alternative Investments MAS</p>	-
3	MAS	MAS releases <i>Good Practices for Auditors of Fund Management Companies</i>	<p>On 21 February 2024, MAS released guidance on recommended practices for auditors of fund management companies to adopt.</p> <p>Auditors play a crucial role in advancing robust internal controls, risk management practices, and business conduct within fund management companies (FMCs). It is imperative for third-party entities offering regulatory and compliance services to FMCs to heed these fundamental expectations outlined by MAS.</p> <p>The good practices are grouped into the following:</p> <ul style="list-style-type: none"> • Regulatory Compliance Monitoring; • Support in Risk Management and Internal Controls; • Maintaining Independence; • Verification of FMCs' financial regulatory returns; and • Reporting Regulatory Non-Compliance. <p>Good Practices for Auditors of Fund Management Companies MAS</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	MAS	MAS releases Advisory on Addressing the Cybersecurity Risks Associated with Quantum	<p>On 20 February 2024, the MAS released an advisory delineating cybersecurity risks stemming from advancements in quantum computing, emphasising mitigating actions that should be considered by financial institutions.</p> <p>Quantum computing poses cybersecurity risks for financial institutions and efforts such as NIST's standardisation of post-quantum cryptography aim to mitigate these risks. FIs must prepare for this transition by ensuring crypto-agility and exploring quantum security solutions like Quantum Key Distribution (QKD). Key measures include monitoring developments, raising awareness, collaborating with vendors, and maintaining cryptographic asset inventories. FIs should also assess system infrastructures, build technical competencies, review internal policies, and develop risk mitigation strategies.</p> <p>MAS releases Advisory on Addressing the Cybersecurity Risks Associated with Quantum MAS</p>	-
5	MAS	MAS Proposes to simplify requirements and facilitate access to simple and cost-effective insurance products	<p>On 2 February 2024, the MAS announced a consultation paper seeking feedback on proposals aimed at streamlining the information collected by financial institutions for certain insurance policies recommended based in the <i>Basic Financial Planning Guide</i>.</p> <p>The proposals aim to facilitate easier access to essential protection for consumers through simpler and more affordable insurance options. MAS, in collaboration with MoneySense, the Central Provident Fund (CPF) Board, and finance industry associations, introduced the <i>Basic Financial Planning Guide</i> in October 2023 to assist Singaporeans in improving their financial well-being. The Guide suggests guidelines for allocating income towards insurance protection and advises coverage amounts for death, total permanent disability, and critical illness.</p> <p>The MAS is proposing a reduction in information collection requirements for term life insurance and standard critical illness policies, aligning with the Guide's recommendations. These measures seek to simplify the process for consumers and promote the availability of straightforward and cost-effective insurance products.</p> <p>MAS Proposes to Simplify Requirements and Facilitate Access to Simple and Cost-Effective Insurance Products MAS</p>	Deadline for public comments was 15 March 2024
6	MAS	Publication of best practice paper by the ICCSC	<p>On 10 January 2024, the Insurance Culture and Conduct Steering Committee (ICCSC) released a best practice paper, supported by the MAS, focusing on fostering ethical culture and conduct among general insurance intermediaries.</p> <p>The ICCSC, a body initiated by the financial industry in December 2019, aims to cultivate a robust culture and enhance standards of conduct within the Singapore insurance sector. This paper outlines best practices for these intermediaries to uphold and enhance levels of integrity and professionalism, thereby fostering customer trust and confidence.</p> <p>Publication of Best Practice Paper by the Insurance Culture and Conduct Steering Committee (ICCSC) MAS</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	MAS	MAS issues the <i>Financial Institutions (Miscellaneous Amendments) Bill 2024</i>	<p>On 10 January 2024, MAS presented the <i>Financial Institutions (Miscellaneous Amendments) Bill 2024</i> (FIMA Bill) for First Reading in Parliament.</p> <p>This bill aims to enhance and streamline MAS' investigative, reprimand, supervisory, and inspection powers across various Acts under its purview, including the <i>Financial Advisers Act 2001</i>, <i>Financial Services and Markets Act 2022</i>, <i>Insurance Act 1966</i>, <i>Payment Services Act 2019</i>, <i>Securities and Futures Act 2001</i>, and <i>Trust Companies Act 2005</i>.</p> <p>The FIMA Bill focuses on strengthening MAS' investigative powers, clarifying reprimand powers, expanding powers relating to unregulated business by capital markets services license holders, and enhancing supervisory and inspection powers, aiming to fortify MAS' regulatory framework and ensure the stability and integrity of Singapore's financial sector.</p> <p>The Financial Institutions (Miscellaneous Amendments) Bill 2024 MAS</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	FSC (Taiwan)	FSC approves the first pilot application for collaboration between the insurance industry and other sectors on service and process innovation	<p>On 2 January 2024, the Financial Supervisory Commission Taiwan (FSC) announced that they had relaxed certain regulations to foster innovation in the insurance sector, allowing collaboration with financial technology sectors.</p> <p>The relaxed measures include pilot projects for new insurance products, services, and processes, with the first approved collaboration between the insurance and telecommunications industries. These initiatives aim to meet diverse insurance needs through a digital ecosystem, with the first project allowing Taiwan Mobile users to easily purchase insurance via an app. This collaboration signifies a shift towards integrating financial technology to enhance insurance accessibility and consumer convenience, aligning with the rapid growth of the digital economy.</p> <p>FSC Approves the First Pilot Application for Collaboration Between the Insurance Industry and Other Sectors on Service and Process Innovation FSC Taiwan</p>	-
2	FSC (Taiwan)	FSC launches "Sustainable Finance Website" to provide easier access to sustainable finance information	<p>On 10 January 2024, the FSC launched a "Sustainable Finance Website" to centralise information on sustainable finance, including policies, statistics, regulations, assessments, and training.</p> <p>This platform aims to simplify access to such information which was previously scattered across different sources. The website features sections on policy, regulation, actions, evaluations, talent development, and course offerings, facilitating a one-stop solution for sustainable finance resources. The FSC plans to update the site with ongoing initiatives and achievements in sustainable finance, encouraging widespread use.</p> <p>FSC Launches "Sustainable Finance Website" to Provide Easier Access to Sustainable Finance Information FSC Taiwan</p>	-
3	FSC (Taiwan)	Joint Credit Information Center launches "Financial Industry Climate Physical Risk Information Integration Platform" to further assist in managing climate change risks	<p>On 31 January 2024, the FSC launched an information integration platform for climate physical risks in the financial sector, developed by the Joint Credit Information Center (JCIC).</p> <p>This platform centralises climate-related data to aid financial institutions in identifying and managing climate change risks. It aggregates diverse data like temperature, heatwaves, cold waves, sea levels, flooding, drought, landslides, and typhoons, offering over 140 types of physical risk data for risk assessment tasks such as modelling, disclosure, scenario analysis, and stress testing. The platform also includes a section for transition risks and provides comprehensive support, including educational materials and expert consultations for financial institutions.</p> <p>Joint Credit Information Center Launches Financial Industry Climate Physical Risk Information Integration Platform to Further Assist in Managing Climate Change Risks FSC Taiwan</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	FSC Taiwan	Announcement of the draft amendments to articles 5, 19, and 41 of the Regulations on Internal Control and Audit System for the Insurance Industry	<p>On 10 February 2024, in response to growing global attention to corporate sustainability in Environmental, Social, and Governance (ESG), the FSC has published action plans for listed companies' sustainability and a blueprint aligning with IFRS for sustainability disclosure.</p> <p>To enhance the disclosure quality of sustainability information in the insurance sector, amendments to Articles 5, 19, and 41 of the <i>Regulations on Internal Control and Audit System for the Insurance Industry</i> are proposed, focusing on improving the management, collection, application, and reporting of sustainable information.</p> <p>Announcement of the Draft Amendments to Articles 5, 19, and 41 of the Regulations on Internal Control and Audit System for the Insurance Industry FSC Taiwan</p>	Regulations will be implemented 1 January 2025

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	Bank of Thailand	BoT issues Virtual Bank Regulatory Framework	<p>On 19 March 2024, Bank of Thailand (BoT) released a consultation paper proposing additional guidelines and regulatory requirements for virtual banks.</p> <p>In addition to meeting the regulatory requirements of conventional commercial banks, virtual banks must comply with additional specific supervision criteria. The proposed measures centre around enhanced risk management processes and availability of liquid capital data to the regulator.</p> <p>The purpose of the enhanced requirements is to ensure the stability of the wider financial system within Thailand.</p> <p>Virtual Bank Regulatory Framework Bank of Thailand</p>	Public hearing of proposed regulations ends 17 April 2024
2	SECT	SECT issues Notification amending regulations related to offering for sale of bills	<p>On 19 January 2024, the Securities and Exchange Commission Thailand (SECT) issued amendments to regulations governing the offering for sale of bills.</p> <p>The amendments to the regulations on offering for sale of bills are in alignment with the revised characteristics of bills deemed as securities.</p> <p>Key points of the amendments are as follows:</p> <ul style="list-style-type: none"> determining that the approved applicant for a public offering of debt securities in a medium term note program (MTN) under the Notification of the Capital Market Supervisory Board Re: Application and Approval for Public Offering of Newly Issued Debt Securities is also granted an approval for offering for sale of debt securities to Institutional Investors (II), Ultra High Net Worth Investors (UHNW) and High Net Worth Investors (HNW); requiring a statement on the bill in case of offering for sale to UHNW or HNW for clarity and consistency with the operating guidelines. <p>Notification Amending Regulations Related to Offering for Sale of Bills SECT</p>	Effective from 16 March 2024

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#	Issuing Authority	Title	Regulatory Update	Key Dates
1	SBV	SBV issues Draft Circular Prescribing Prudential Ratios For Operations Of Banks and Foreign Bank Branches	<p>On 7 January 2024, the State Bank of Vietnam (SBV) issued the <i>draft Circular 22/2023/TT-NHNN</i>, amending regulations relating to prudential ratios for operations of banks and foreign bank branches.</p> <p>The revised regulations cover the following areas:</p> <ul style="list-style-type: none"> • credit risk weights, credit risk mitigation, credit risk mitigation by the collateral, credit risk mitigation by the third-party guarantee; • policies and procedures for determination of the exposure for calculation of the regulatory capital for market risk, regulatory capital for market risk; • components and determination of equity; • counterparty credit risk-weighted assets; • determination of business indicator values; • conditions for home mortgage loans; and • specialised lending, reverse repo. <p>Circular Prescribing Prudential Ratios For Operations Of Banks and Foreign Bank Branches SBV</p>	Effective on 7 January 2024
2	SBV	SBV issues Draft Circular Prescribing Lending Transactions of Credit Institutions and/or Foreign Bank Branches	<p>On 8 March 2024, the SBV released a draft circular on lending transactions of credit institutions and/or foreign bank branches. The legal regulations on lending are undergoing urgent refinement.</p> <p>The draft circular aims to establish a consistent legal foundation for implementing the provisions of the <i>Law on Credit Institutions</i> (LCI). The draft Circular focuses on amending several articles related to various aspects of lending practices, including:</p> <ul style="list-style-type: none"> • Article 2: Definition; • Article 4: Lending and borrowing rules; • Article 7: Eligibility requirements for a loan; • Article 9: Loan application; • Article 16: Provision of information; • Article 22: Internal rules; • Article 24: Inspection of loan use; and • Article 26: Other provisions <p>These refinements aim to enhance the effectiveness, efficiency, and transparency of lending practices, promoting a secure and stable credit environment. By establishing a clear and comprehensive legal framework, the proposed amendments strive to strengthen the governance and oversight of lending activities in accordance with the LCI.</p> <p>Circular Prescribing Lending Transactions of Credit Institutions and/or Foreign Bank Branches With Customers SBV</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
4	The National Assembly	National Assembly passes Law on Credit Institutions	<p>On 19 February 2024, the National Assembly announced the official passing of the <i>Law on Credit Institutions</i> which will take effect on 1 July 2024.</p> <p>The Law governs various aspects related to credit institutions, including their establishment, organisation, operation, early intervention, dissolution, and termination. It also covers foreign bank branches, representative offices of foreign credit institutions, and other foreign organisations engaged in banking activities in Vietnam. Additionally, the Law addresses the handling of bad debts and collateral assets of credit institutions, foreign bank branches, and state-owned organisations involved in debt transactions.</p> <p>The primary objective of the Law is to refine the legal provisions governing the organisation and operation of credit institutions. It aims to address existing obstacles and shortcomings present in the current Law on Credit Institutions. Furthermore, the Law seeks to promote the application of science and technology in the banking sector, foster the development of modern banking products and services, and strengthen internal self-assessment, control, and accountability within credit institutions. It also emphasises the importance of transparency and accountability in banking activities. Additionally, the Law aims to improve the legal framework for managing liquidity risks faced by credit institutions and legalise specific provisions regarding the handling of bad debts by these institutions.</p> <p>Law on Credit Institutions (amended) The National Assembly</p>	The law will come into effect 1 July 2024
5	SBV	SBV issues Draft Circular on Regulations on Classification of Assets of Microfinance Institutions	<p>On 12 March 2024, the SBV issued a draft Circular regulating the classification of assets of microfinance institutions.</p> <p>The purpose of this draft Circular is to provide guidelines for the classification of assets resulting from various activities conducted by microfinance institutions. Specifically, it focuses on the classification of assets arising from the following activities: lending, entrusting lending, and deposits (excluding checkable deposits) held at credit institutions and foreign bank branches, in accordance with the relevant legal provisions.</p> <p>Draft Circular on Regulations on Classification of Assets of Microfinance Institutions State Bank of Vietnam</p>	-
6	SBV	SBV issues Draft Circular Prescribing Financial Leasing Activities of Non-Bank Credit Institutions	<p>On 15 March 2024, the SBV released a draft Circular regulating financial leasing activities of non-bank credit institutions.</p> <p>The purpose of this draft Circular is to establish regulations for financial leasing activities conducted by non-bank credit institutions. It builds upon the principles and provisions outlined in <i>Government Decree 39/2014/ND-CP</i> and <i>Circular 30/2015/TT-NHNN</i> issued by the State Bank. Additionally, the draft Circular provides detailed guidance on the provisions specified in Article 102 of the <i>Law on Credit Institutions 2024</i>.</p> <p>Draft Circular Prescribing Financial Leasing Activities of Non-Bank Credit Institutions State Bank of Vietnam</p>	-

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#	Issuing Authority	Title	Regulatory Update	Key Dates
7	SBV	SBV issues Draft Circular Prescribing Grant of Special Loans	<p>On 5 March 2024, the SBV released a draft Circular regarding special lending.</p> <p>This draft Circular provides regulations for special loans from the SBV or other credit institutions to credit institutions. The draft Circular governs the conditions for loans and mortgages, the repayment period for debts, the procedures for reviewing and making decisions on loans from the SBV to different types of credit institutions. It also covers valid loan purposes and other regulations pertaining to loan amounts, loan periods, interest rates, and collateral. The draft Circular outlines the responsibilities of parties involved in special loans and addresses the enforcement of such loans.</p> <p>Draft Circular Prescribing Grant of Special Loans State Bank of Vietnam</p>	-
8	SBV	SBV issues Draft Circular Prescribing Supervision of Payment Systems and Provision of Payment Intermediary Service	<p>On 14 March 2024, the SBV published a draft Circular to seek opinions of organisations and individuals on supervision of payment systems and provision of intermediary payment services.</p> <p>This draft Circular regulates the supervision of important payment systems and the provision of payment intermediary services by organisations licensed by the SBV. It outlines the definition and procedures for monitoring, inspecting, and evaluating important payment services, along with the corresponding recommendations. Additionally, it covers the definition and procedures for monitoring, inspecting, and evaluating activities related to the provision of payment intermediary services, as well as the associated recommendations. The draft Circular also specifies the responsibilities of relevant parties in reporting and providing information regarding payment intermediary services, as well as the responsibilities of supervisory parties in overseeing payment intermediary activities.</p> <p>Draft Circular Prescribing Supervision of Payment Systems and Provision of Payment Intermediary Service State Bank of Vietnam</p>	-
9	SBV	SBV issues Draft Circular on Development and Implementation of Compliance Roadmap for Regulations on Capital Contribution and Share Purchase Limits of Credit Institutions and Subsidiaries of Credit Institutions	<p>On 14 March 2024, the SBV published a draft Circular to seek opinions of organisations and individuals regarding limits on capital contribution and share purchase by credit institutions, subsidiaries of credit institutions.</p> <p>This draft Circular offers guidelines for credit institutions to develop and implement a roadmap that ensures compliance with the provisions stated in Clause 5, Article 137 of the <i>Law on Credit Institutions</i>. The Circular outlines the regulations, processes, and responsibilities involved in constructing a roadmap for capital contribution and share purchase limits for credit institutions, subsidiaries of credit institutions, enterprises with capital contributions or share purchases, and major shareholders' related contributions.</p> <p>Draft Circular on Development and Implementation of Compliance Roadmap for Regulations on Capital Contribution and Share Purchase Limits of Credit Institutions and Subsidiaries of Credit Institutions State Bank of Vietnam</p>	-

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