



# QUARTERLY UPDATES OF REGULATORY SCENARIO

---

HONG KONG - SINGAPORE - INDIA

SEPTEMBER - DECEMBER 2020



---

# HONG KONG

## REGULATORY UPDATES

---

The SFC released consultation conclusions on proposed customer due diligence requirements for open-ended fund companies. The SFC will implement the proposal to require OFCs to appoint a reasonable person to carry out anti-money laundering and counter financing of terrorism (AML/CFT) functions, in line with the Financial Action Task Force's principles and requirements as well as to better align the AML/CFT requirements for different investment vehicles. For more information, please click [here](#).

---

The SFC launched a three-month consultation on proposed amendments to the Code on Pooled Retirement Funds (PRF Code). The proposals would enhance the SFC's requirements for the operation of these funds and clarify the obligations of key operators including product providers, trustees, management companies and insurance companies. For more details, please click [here](#).

---

The Green and Sustainable Cross-Agency Steering Group (Steering Group) announced that its green and sustainable finance strategy for Hong Kong and five key action points. These points include; strengthening climate-related financial risk management; promoting the flow of climate-related information at all levels to facilitate risk management; capital allocation and investor protection; enhancing capacity building for the financial services industry and raising public awareness; encouraging innovation and exploring initiatives to facilitate capital flows towards green and sustainable causes; capitalising on Mainland opportunities to develop Hong Kong into a green finance centre in the Guangdong - Hong Kong - Macao Greater Bay Area; and strengthening regional and international collaboration. For more details, please click [here](#).

---

The SFC announces that it has granted the first license to a virtual asset trading platform in Hong Kong. The platform will only serve professional investors under the close supervision of the SFC and will be made subject to tailor-made requirements similar to those which apply to securities brokers and automated trading ventures. For more details, please [click here](#).

---

23 DECEMBER 2020

---

18 DECEMBER 2020

---

17 DECEMBER 2020

---

16 DECEMBER 2020

---

# HONG KONG

## REGULATORY UPDATES

---

The SFC launched a consultation on proposals to update its entry requirements for licence applicants as well as its ongoing competency standards for individual practitioners. The minimum academic qualification requirements would be raised and a broader range of qualifications would be recognised. Applications would also have more flexibility for meeting the industry qualification and regulatory examination requirements. For more details, please click [here](#).

---

**11 DECEMBER 2020**

---

The SFC released additional guidance to market participants on external electronic data storage in response to questions from licensed corporations and other stakeholders. For more details, please click [here](#).

---

**10 DECEMBER 2020**

---

The SFC published its Quarterly Report summarising key developments from July to September 2020. The report includes release of consultation conclusions on proposals to enhance the open-ended fund companies' regimes and provide more flexibility for Hong Kong real estate investment trusts, consultation on proposals to amend the anti-money laundering and counter-financing of terrorism guidelines to align with international standards and a new campaign to caution investors against online investment scams. For more details, please click [here](#).

---

**7 DECEMBER 2020**

---

The SFC launched a consultation on proposals to introduce investor identification for the securities market in Hong Kong. Under this regime, licensed corporations and registered individuals would submit clients' names and identity document information to a data repository. This will allow the SFC to identify investors who place securities orders. For more details, please click [here](#).

---

**4 DECEMBER 2020**

---

The SFC announced that the code on Real Estate Investment Trust (REITs) take effect for connected party transactions which were entered into before 4 December 2020. A transitional period of six month will be allowed for REITs to comply with the revised requirements. For more details, please click [here](#).

---

**4 DECEMBER 2020**

---

The SFC reconfigured its staffing arrangements in response to COVID-19 developments. Although the majority of SFC staff will be working from home, they will continue to provide all of its public services as usual. For more details, please click [here](#).

---

**1 DECEMBER 2020**



# HONG KONG

## REGULATORY UPDATES

---

The SFC released consultation conclusions on proposals to provide Hong Kong Real Estate Investment Trusts (REITs) with more flexibility in making investments. The proposals, which received broad support, will be implemented with some modifications to clarify specific requirements such as those which apply to minority-owned properties. Please click [here](#) for a copy of the consultation conclusions.

---

27 NOVEMBER 2020

---

The SFC entered into a cooperation agreement with the Israel Securities Authority (ISA) to establish a framework for cooperation on financial technology (Fintech). Going forward, the agreement enhances cooperation on information sharing, potential joint innovation projects and referrals of innovative firms seeking to enter one another's markets between the two regulators. For more details, please click [here](#).

---

17 NOVEMBER 2020

---

The SFC and Insurance Authority (IA) announced that they have entered a new Memorandum of Understanding (MoU). The joint effort and sharing of information will greatly improve the effectiveness for both organisations in discharging their regulatory responsibilities as well as facilitating the oversight of entities or financial institutions of regulatory interest to both SFC and IA. For more details, please click [here](#).

---

28 SEPTEMBER 2020

---

The SFC had introduced a new Facebook page with a campaign to warn public on the increasing investment scams on social media. It further educates the public via the latest Enforcement Reporter explaining how the scam operates and tips to avoid them. SFC highly urged investors to be wary of any potential "inside information" or tips online, especially when strangers on social media are promoting small cap or less liquid stocks. For more details, please click [here](#).

---

24 SEPTEMBER 2020

---

SFC has launched a three-month consultation on proposals to amend its anti-money laundering and counter-financing of terrorism (AML/CFT) guidelines. The proposed amendments include facilitating the adoption of risk-based approach of AML/CFT measures carried out by securities' industry and mitigating risk associated with cross-border correspondent relationships. This assist to address the issues being raised out in the latest Mutual Evaluation Report of Hong Kong. For more details, please click [here](#).

---

18 SEPTEMBER 2020

---

# HONG KONG

## REGULATORY UPDATES

---

The SFC had commenced disciplinary proceedings against Ms Ngai Lai Ha (Ngai), the chairperson of International Housewares Retail Company Limited (the Company) over a breach of the Code on Takeovers and Mergers. It was reported that over the period from March to May 2019, Ngai had triggered an obligation to make a mandatory general offer on 13 separate instances and Ngai had not made such offer and has breached the code in doing so. For more details, please click [here](#).

---

**16 SEPTEMBER 2020**

---

SFC has responded to the numerous enquiries it has received in relation to suspected conspiracy to defraud, money laundering and potential false trading of Next Digital shares. Due to the nature of the activity involved, SFC considers that it is best for the public interest to clarify its position and stated that both the SFC and the police have fully dedicated to work and cooperate to perform their regulatory and enforcement functions effectively in relation to crimes or illicit activities relation to the industry. For more details, please click [here](#).

---

**11 SEPTEMBER 2020**

---

SFC has released the circular that the amendments to the Code on Open-ended Fund companies (OFC Code) is effective today. This includes the updated information checklists, template of instrument of incorporation for umbrella private OFC and an updated Frequently Asked Questions relating to Open-ended Fund Companies. For more details, please click [here](#).

---

**11 SEPTEMBER 2020**

---

SFC has released the consultation conclusions on enhancements to the open-ended fund companies (OFC) regime. This includes the removal of all investment restrictions for and the expansion of the custodian eligibility requirements for private OFCs. SFC introduces re-domiciliation of overseas corporate funds to Hong Kong where upon re-domiciliation, an OFC may enjoy profits tax exemption subjected to meeting certain requirements. The changes will take place with immediate effect upon the publication of the revised Code on Open-ended Fund Companies (OFC Code). There will also be a six-month transition period for existing private OFC custodians to adapt and meet the new requirements. At the same time, SFC is further consulting on the customer due diligence requirements for OFCs to better align them with the practices adopted by different investment vehicles for funds in Hong Kong. For more details, please click [here](#).

---

**2 SEPTEMBER 2020**

# SINGAPORE

## REGULATORY UPDATES

The MAS announced a further extension of the US\$60 billion swap arrangement with the US Federal Reserve (Federal Reserve) until 30 September 2021. The MAS USD Facility will also be extended to 30 September 2021, offering up to US\$60 billion of funding to banks, to facilitate USD lending to businesses during the COVID-19 pandemic. For more details, please [click here](#).

17 DECEMBER 2020

The MAS announced that in line with the interest rate benchmark transition from SIBOR to SORA, it intended to expand the mandate of the Steering Committee for SOR Transition to SORA (Committee) to give it oversight of the new mechanism. A joint industry report announced the discontinuation of the remaining SIBOR tenors in phases over the next four years. The Committee will be renamed as the Steering Committee for SOR & SIBOR Transition to SORA (SC-STS). The industry published a response to the feedback received, noting strong support from bank and non-bank respondents, and setting out the key timelines for SIBOR discontinuation by end-2024. For more details, please click [here](#).

11 DECEMBER 2020

The MAS released Guidelines on Environmental Risk Management (“the Guidelines”) for asset managers. The Guidelines address the asset management sector’s resilience to, and management of, environmental risk. The MAS believes that FMCs should protect investors’ assets against the impact of environmental risk but that they are also stakeholders in the transition to an environmentally sustainable economy via green investment and working with regulators and other governmental and academic institutions. For more details, please click [here](#).

8 DECEMBER 2020

The Monetary Authority of Singapore (“MAS”) announced that it had awarded 4 digital bank licenses, with two to operate as Digital Full Banks and two to operate as Digital Wholesale Banks. The recipients are a consortium comprising Grab Holding Inc. and Singapore Telecommunications Ltd; an entity wholly-owned by Sea Ltd; and an entity wholly owned by Ant Group Co. Ltd. The former two were awarded Full Bank status and the latter two were designated as Wholesale Banks. For more details, please click [here](#).

4 DECEMBER 2020

The MAS and the Institute of Banking and Finance announced additional measures to support and strengthen the development of workers in the financial sector by enhancing the job readiness and job retention within the industry. As part of the measures, the MAS will be launching a “Work-Study Support Programme” to develop job-ready graduates and extend the “Training Allowance Grant” for company-sponsored trainees by 6 months from 31 December 2020 to 30 June 2021. For more details, please click [here](#).

26 NOVEMBER 2020

---

# SINGAPORE

## REGULATORY UPDATES

---

The MAS announced the release of RMB 25 billion funding to banks to increase the liquidity of the currency in the marketplace and to allow banks to facilitate the growing business needs for the currency. Subsequently, the MAS announced that it would discontinue the RMB 5 billion MAS Overnight RMB Liquidity Facility from 23 November 2020. For more details, please click [here](#).

---

**23 NOVEMBER 2020**

---

The MAS issued a consultation paper relating to the strengthening of financial institutions' identity verification processes. The proposed, heightened requirements relate to types of information required for non-face-to-face verification of an individual's identity. The proposed notice would require financial institutions to use at least one of the following methods for non-face-to-face verification prior to undertaking transactions/requests from an individual: 1) information that only the individual knows (i.e. password/PIN); 2) information that only the individual has (i.e. one time password generated by a token); 3) information that uniquely identifies the individual (i.e. biometrics); or 4) information known only between the financial institution and individual (i.e. account transaction information). For more details, please click [here](#).

---

**10 NOVEMBER 2020**

---

The MAS reiterated a stance taken by the Cyber Security Advisory Panel in relation to the need for financial institutions to review their security controls given the heightened technological risks arising from remote working and safe management measures due to the Covid-19 pandemic. Key recommendations include: 1) the review of risk profiles and adequacy of risk mitigating measures; 2) maintaining oversight of third-party vendors and their controls; and 3) strengthening governance over the use of open-source software. For more details, please click [here](#).

---

**10 NOVEMBER 2020**

---

The MAS announced the launch of a S\$35 million "Productivity Solutions Grant" to help smaller financial institutions to adopt digital solutions for more streamlined data reporting to the regulator. The grant is applicable to banks and will subsequently be expanded to include insurers and capital market intermediaries. It is intended that the grant would provide for the adoption of technology to facilitate efficient processes for the preparation and submission of data, in line with regulatory requirements. For more details, please click [here](#).

---

**9 NOVEMBER 2020**

---

The MAS published its Enforcement Report covering the period January 2019 to June 2020 of which the regulator detailed various enforcement actions taken for breaches of MAS regulations, in particular against financial institutions and individuals for market abuse, financial misconduct and control breaches related to money laundering. The MAS noted that it plans to continue to step up its focus on early detection of market misconduct by working closely with various stakeholders, including the Accounting and Corporate Regulatory Authority and the Singapore Exchange. For more details, please click [here](#).

---

**4 NOVEMBER 2020**

---

# SINGAPORE

## REGULATORY UPDATES

---

The MAS issued a Notice of Intention to direct DBS Trustee Limited, being the Trustee of Eagle Hospitality Real Estate Investment Trust, to remove the Manager of Eagle Hospitality REIT (the “Manager”) and appoint a new manager. The Notice of Intention is a result of the regulator’s views that there have been numerous breaches of the Securities and Futures Act committed by the Manager and subsequent concerns over the Manager’s ability to comply with rules and regulations. Primarily, among other breaches, the MAS had found the Manager to have breached the minimum base capital and financial resources requirements, of which on one occasion the Manager had reported such breaches four months after said breach. Further, there have been subsequent breaches of the base capital requirement for a second and third time on 31 August 2020 and 30 September 2020. For more information please click [here](#).

---

**26 OCTOBER 2020**

---

The MAS announced that the regulator would offer a six-month extension of its MAS SGD Facility for ESG Loans to support lending by banks and finance companies to SMEs from 1 April 2021 to 30 September 2021. According to Ms. Jacqueline Loh, the MAS’ Deputy Managing Director (Markets and Development), the extended facility will provide banks with greater certainty of access to central banking liquidity and support banks and finance companies in providing credit to individuals and business in SG and the region. For more information click [here](#).

---

**12 OCTOBER 2020**

---

The MAS announced that it had instructed Wirecard entities based in the jurisdiction to cease their payment services and return all customer funds by 14 October 2020. The MAS’ directive is a result of Wirecard AG’s insolvency and the regulator continues to monitor Wirecard SG’s ability to continue providing payment services in Singapore. The MAS has further warned that the cessation of Wirecard SG’s payment services may have an adverse effect on credit card payments at merchants using Wirecard’s services. For more information click [here](#).

---

**30 SEPTEMBER 2020**

---

The MAS, Securities Industry Council and the Singapore Exchange Regulation announced that electronic dissemination of rights issue and take-over documents would continue to be an option for listed issuers and involved parties for another 9 months, until 30 June 2021. The Offer Documents are able to be electronically disseminated via publication on SGXNET and the respective company’s corporate websites. For more information click [here](#).

---

**29 SEPTEMBER 2020**



---

# SINGAPORE

## REGULATORY UPDATES

---

The MAS issued the “Guidelines on Individual Accountability and Conduct” to strengthen the culture of responsibility and ethical behavior in the financial industry. The Guideline sets out high level desired outcomes for financial institutions which include clearly identifying senior managers responsible for core functions, ensuring senior managers are fit and proper for their roles and ensuring a clear governance framework with transparent management structure and reporting relationships, among others. For more information click [here](#).

---

**10 SEPTEMBER 2020**

---

The MAS announced measures to enhance the banking system’s access to liquidity facilities for the Singapore dollar and US dollar funding in an effort to strengthen the banking sector’s resilience. A new MAS SGD Term Facility will be introduced to provide banks and other finance companies with an additional avenue to borrow SGD funds at longer tenors and with additional forms of collateral. The new Facility will offer SGD funds in 1-month and 3-month tenors and will be launched in the week of 28 September 2020. For more information click [here](#).

---

**3 SEPTEMBER 2020**

---

# INDIA

## REGULATORY UPDATES

---

The Securities and Exchange Board of India (SEBI) issued a press release after United Nations' Security Council Resolution updated its list of sanctioned individuals and entities, as per Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under. SEBI imposed sanctions, including asset/accounts freezing, denial of financial services etc., on 1 Singaporean entity. For further details, please click [here](#).

---

24 DECEMBER 2020

---

The RBI cautioned public unauthorized digital lending platforms/Mobile Apps to which certain individuals and small business have fallen prey to. The RBI reiterated that legitimate public lending activities are undertaken by Banks, Non-Banking Financial Companies (NBFCs) which are registered with RBI and other entities who are regulated by the State Governments under statutory provisions, such as the money lending acts of the concerned states. For further details, please click [here](#).

---

23 DECEMBER 2020

---

The RBI published a notification where amendment was made to Master Direction on centralized KYC registry rolling out of Legal Entity (LE) template & other changes. According to which regulated entities shall upload the KYC data pertaining to accounts of LEs opened on or after April 1, 2021, on to CKYCR in terms of Rule 9 (1A) of the PML Rules. For further details, please click [here](#).

---

18 DECEMBER 2020

---

The Governor of Reserve Bank of India (RBI) issued a press statement during Monetary Policy Committee (MPC) meeting. The Governor mentioned about the impact of COVID-19 on industry, financial market outlook in the second half of 2020-21 and assessment of inflation and growth in 2020. For further details, please click [here](#).

---

4 DECEMBER 2020

---

The Securities and Exchange Board of India (SEBI) issued a press release under which SEBI chairman launched Securities Market Trainers (SMARTs) Program for enhancing Investor Education activities. The First batch of SMARTs includes 40 individuals across 16 States and Union Territories covering 31 Districts on a Pan-India basis, who have also undergone four days training in National Institute of Securities Market (NISM). The SMARTs will conduct investor education programmes in their respective geographical areas. For further details, please click [here](#).

---

25 NOVEMBER 2020

# INDIA

## REGULATORY UPDATES

---

The RBI issued a press release under which the Government of India sanctioned the amalgamation of the Lakshmi Vilas Bank Ltd. with DBS Bank India Ltd. The amalgamation came into force on the Appointed date i.e. November 27, 2020. By its press release on 17 November, the RBI had placed the Lakshmi Vilas Bank Ltd. under moratorium as the bank was facing continuous losses over the last three years, eroding its net-worth. For further details, please click [here](#).

---

25 NOVEMBER 2020

---

The Reserve Bank of India (RBI) issued a public release after the Financial Action Task Force (FATF) by a public document 'High-Risk Jurisdictions subject to a Call for Action' dated October 23, 2020, called on its members and other jurisdictions to the statement adopted in February 2020. FATF further identified jurisdictions as having strategic deficiencies which have developed an action plan with the FATF to deal with them. For further details, please click [here](#).

---

6 NOVEMBER 2020

---

The SEBI issued a circular on processing of applications for registrations of Alternative Investment Funds (AIFs) and launch of schemes stating that the SEBI (Alternative Investment Funds) Regulations, 2012 have been amended to provide that the Manager may constitute Investment Committee (by whatever name it may be called) to approve investment decisions of the AIF, subject to certain conditions. For further details, please click [here](#)

---

22 OCTOBER 2020

---

The Reserve Bank of India (RBI) released the results of Survey of Foreign Liabilities and Assets of the Mutual Fund (MF) Companies for 2019-2020. The survey covered 44 Indian MF companies and their Asset Management Companies (AMCs). In MF companies, foreign liabilities declined by 15.7%, the UAE, the UK and the USA accounted for 38 % of the total MF units held by non-residents and overseas equity investments of MF companies were largely concentrated in the Luxembourg and the USA. In AMCs, foreign liabilities stood at US \$ 4.4 billion as compared to their foreign assets of US \$ 0.1 billion, non-residents in the UK and Japan held nearly 89% FDI and relatively small overseas direct investment were held in Guernsey, Singapore and Mauritius. For further details, please click [here](#)

---

20 OCTOBER 2020

---

# INDIA

## REGULATORY UPDATES

---

The Securities and Exchange Board of India (SEBI) issued a press release after United Nations' Security Council Resolution updated its list of sanctioned individuals and entities, as per Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under. SEBI imposed sanctions, including asset/accounts freezing, denial of financial services etc., on 1 individual for suspected links to terror organizations, ISIL (Da'esh) and/or Al-Qaida. For further details, please click [here](#)

---

**9 OCTOBER 2020**

---

SEBI published a circular providing guidelines to Investment Advisors (IA) for ensuring compliance with Client Level Segregation of Advisory and Distribution Activities, Agreement between IA and the client, Fees, Qualification and certification requirement, Registration as Non Individual Investment Advisor, Maintenance of record, Audit, Risk profiling and suitability for non-individual clients & Display of details on website and in other communication channels. For further details, please click [here](#)

---

**23 SEPTEMBER 2020**

---

RBI released performance data of the private corporate section covering 2019-2020. Some of the highlights include decline of sales of manufacturing companies by 7.4 per cent from 14.8 per cent in the previous year and increase of sales growth in information technology (IT) and non-IT sectors to 8.4 per cent and 6.9 per cent, respectively in 2019-2020. For further details, please click [here](#)

---

**21 SEPTEMBER 2020**

---

SEBI issued a press release after United Nations' Security Council Resolution updated its list of sanctioned individuals and entities, as per Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under. SEBI imposed sanctions, including asset/accounts freezing, denial of financial services etc., on 10 individuals and 1 entity for suspected links to terror organizations, ISIL (Da'esh) and/or Al-Qaida. For further details, please click [here](#)

---

**21 SEPTEMBER 2020**

---

# INDIA

## REGULATORY UPDATES

---

Securities and Exchange Board of India (SEBI) invited applications from eligible candidates to be enrolled as Securities Market Trainer (SMARTs) for enhancing education activities of SEBI. The program is expected to cover topics related to basics of securities markets, rights and responsibilities of investors, understanding the risks and rewards involved while investing in the market, grievance redressal mechanism, etc. For further details, please click [here](#)

---

**18 SEPTEMBER 2020**

---

The Reserve Bank of India (RBI) provided updates on the recommendations put forward by the Expert Committee on Resolution Framework for Covid-19 related Stress. For further details, please click [here](#)

---

**7 SEPTEMBER 2020**

**-END-**



The information in this publication is of general nature only. It is not offered as advice on any individual matter and should not be taken as such no client or other reader should act or refrain from acting on the basis of any information included in it as a substitute for professional advice. The publishers and authors are not liable for the consequences of any actions which are initiated by relying on the information which is contained in the publication, nor for any error or omission here.

## KEY CONTACT

### SURENDRA SINGH CHANDRAWAT



GET IN CONTACT WITH SURENDRA THROUGH:

LinkedIn



WhatsApp



WeChat



### MANAGING PARTNER

✉ surendra@chandrawatpartners.com

☎ (+852) 9042 0000

---

### Hong Kong Office

815, 8/F., China Insurance Group Building,  
141 Des Voeux Road, Central,  
Hong Kong

Telephone: (+852) 3703 5155

Email: enquiries@chandrawatpartners.com



LinkedIn



Twitter



Facebook



Instagram