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Managing Upstream Risk

Regulatory Reform Review: An Asian perspective

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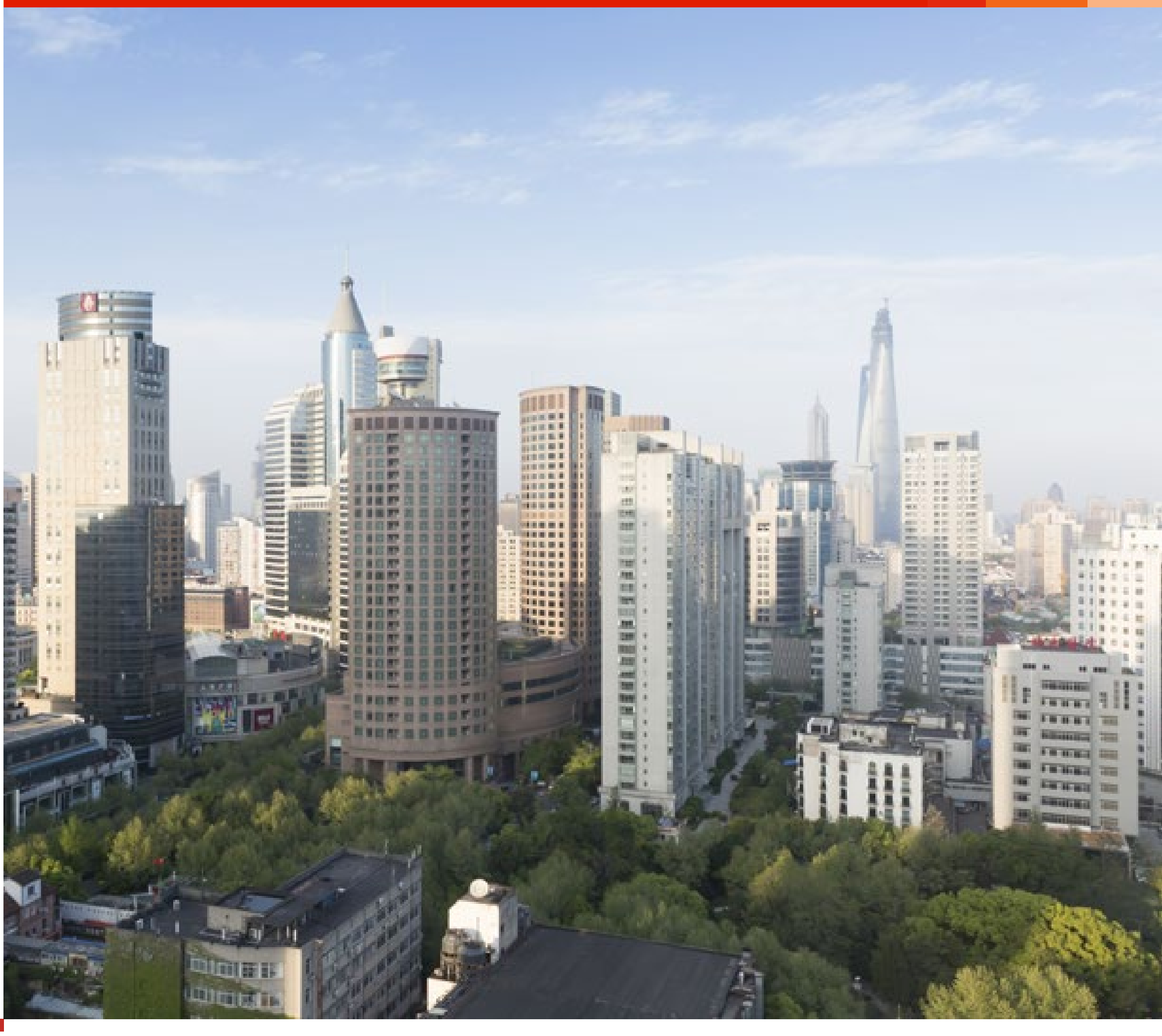

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1. Editorial

This edition of Managing Upstream Risk provides updates on the key regulatory developments from May to August 2017. In this quarter, the Monetary Authority of Singapore ("MAS") has published several important consultations to amend disclosure and capital requirements for MAS Notice 637 Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore, as part of further efforts to implement consistent Basel III standards with those released by the Basel Committee for Banking Supervision ("BCBS").

Also of particular note in this edition is the stream of changes in the payments space. MAS is taking a more proactive stand towards establishing an e-payments society in Singapore. To do so, MAS has established a Payments Council, comprising of industry leaders elected for 2 year terms, and it is also looking to relax regulatory requirements for banks seeking to take on non-financial businesses that are related or complementary to banks' core businesses.

This is a recognition of how technological advancements have disrupted the traditional banking model, creating opportunities for banks to provide customers with integrated financial and related non-financial services through digital platforms. The changes to be proposed will give banks more flexibility to serve customers, while keeping them focused on their core financial businesses.

Finally, MAS is also proposing to enhance the Deposit Insurance ("DI") scheme, which insures Singapore dollar deposits held at a full bank or finance company in Singapore. It seeks to increase DI coverage from $50,000 currently, to $75,000 per depositor, as the growth of the deposit base has resulted in the percentage of fully-covered insured depositors falling below the international norm of 90%.

Regulatory Updates

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2. Banking

2.1 AML/CFT

MAS issues financial penalties on Credit Suisse and UOB for 1-MDB related transactions[1]

Singapore, 30 May 2017

MAS' series of inspections into 1MDB-related fund flows on Credit Suisse and UOB revealed several breaches of anti-money laundering ("AML") requirements and control lapses. These included weaknesses in conducting due diligence on customers and inadequate scrutiny of customers' transactions and activities. MAS did not however detect pervasive control weaknesses within these banks. MAS has imposed on Credit Suisse and UOB financial penalties amounting to S$0.7 million and S$0.9 million respectively for these breaches and also directed the banks to appoint independent parties to assess and confirm to MAS that rectification measures have been effectively implemented. The banks are currently taking measures to address the weaknesses identified and strengthen their AML controls

BCBS finalises its revisions to the Annex on Correspondent Banking[2]

Global, 07 June 2017

The Basel Committee on Banking Supervision ("BCBS") has finalised its revisions to the "Annex on correspondent banking". These revisions are included in a new release of the guidelines on the "Sound management of risks related to money laundering and financing of terrorism", which was first published in January 2014, with a first revised version issued in February 2016.

The revisions are consistent with the Financial Action Task Force (FATF) guidance on "Correspondent banking services" issued in October 2016 and serve the same objective of clarifying rules applicable to banks conducting correspondent banking activities. They form part of a broader initiative of the international community to assess and address the decline in correspondent banking coordinated by the Financial Stability Board.

1 MAS, "Financial penalties imposed on Credit Suisse and UOB for 1MDB related transactions", 30 May 2017
2 BCBS, "Sound management of risks related to money laundering and financing of terrorism", 07 June 2017

Hong Kong proposes amendments to AML/CFT regulations[3]

Hong Kong, 23 June 2017

The Hong Kong government has introduced the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017 ("the Bill") into the Legislative Council on 28 June 2017, with the proposed amendments to be implemented on 1 March 2018.

The primary objectives of the Bill are to (1) apply statutory customer due diligence ("CDD") and record-keeping requirements to solicitors, accountants, real estate agents, and trust or company service providers ("TCSPs") when these professionals engage in specified transactions; and (2) introduce a licensing regime for TCSPs to require them to apply for a licence from the Registrar of Companies and satisfy a "fit-and-proper" test before they can provide trust or company services as a business in Hong Kong.

The Government has also proposed certain improvements to the Anti-Money Laundering and Counter Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) to ensure that it is in line with the latest Financial Action Task Force ("FATF") requirements and to facilitate compliance.

The enhancements include – (a) relaxing the threshold of defining beneficial ownership from the current "not less than 10%" to "more than 25%", (b) introducing flexibility to measures permitted to be taken for verifying a customer's identity, in the light of technological development in the methods used by financial institutions for obtaining information relating to customers; (c) requiring the recording of basic information about a recipient and, where applicable, an intermediary institution involved in a transaction for wire transfers; and (d) removing a sunset clause in the AMLO so that financial institutions will have the flexibility to rely on solicitors, accountants, TCSP licensees as well as other financial institutions (including a foreign financial institution in the same parent group) as intermediaries to carry out CDD measures.

3 HKMA, "Circular on Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017", 23 June 2017

2.2 Capital and liquidity requirements/Basel III

BCBS publishes report to update on implementation of Basel III regulatory reforms[4]

Global, 04 July 2017

The BCBS has published an update on the implementation of Basel III regulatory reforms since the Committee's last progress report to G20 Leaders in August 2016. The report highlights how further progress has been made in implementing Basel III standards from BCBS member jurisdictions, with the implementation of capital and liquidity standards generally timely and consistent, and banks continue to build higher and better capital and liquidity buffers.

On other Basel III standards, there are good progress in some areas, such as margin requirements for non-centrally cleared derivatives and the Net Stable Funding Ratio ("NSFR"). However, there are challenges in other areas, such as the standardised approach for measuring counterparty credit risk and capital requirements for exposures to central counterparties ("CCPs").

FSB publishes Guiding Principles on the internal Total Loss-Absorbing Capacity of G-SIBs [6]

Global, 06 July 2017

The Financial Stability Board ("FSB") has revised its internal Total Loss-Absorbing Capacity ("TLAC") guiding principles, in view of the comments received after it issued the principles for public consultation in December 2016. The standard was first released in November 2015, and it defines a minimum requirement for the instruments and liabilities that should be held by G-SIBs and be readily available for bail-in within resolution. It also requires a certain amount of those loss-absorbing resources to be committed to subsidiaries or sub-groups that are located in host jurisdictions and deemed material for the resolution of the G-SIB as a whole.

The guiding principles support the implementation of the internal TLAC requirement and provide guidance on the size and composition of the internal TLAC requirement, cooperation and coordination between home and host authorities and the trigger mechanism for internal TLAC.

4 BCBS, "Basel III implementation: Basel Committee reports to G20 Leaders", 04 July 2017
5 FSB, "Guiding Principles on the Internal Total Loss-Absorbing Capacity of G-SIBs ('Internal TLAC')", 06 July 2017

MAS proposes amendments to disclosure requirements under MAS Notices 637, 651 and 653[6]

Singapore, 10 July 2017

MAS has proposed amendments to MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore to implement requirements for Singapore-incorporated banks that are consistent with the revised standards issued by the BCBS. The proposed amendments to Part XI of the Notice will enhance market discipline by improving the consistency and comparability of disclosure across Singapore-incorporated banks.

In addition, proposed amendments to the disclosure frequencies under MAS Notice 651 on Liquidity Coverage Ratio ("LCR") Disclosures and MAS Notice 653 on Net Stable Funding Ratio ("NSFR") Disclosures have been included in accordance with BCBS' revised standards.

The proposed amendments to MAS Notices 637 and 651 are intended to take effect from 31 December 2017 unless otherwise stated, while the proposed amendments to MAS Notice 653 will take effect from 1 January 2018. Consultation closed 7 August 2017.

MAS proposes amendments to capital requirements for Singapore-incorporated banks in MAS Notice 637[7]

Singapore, 25 July 2017

MAS has proposed amendments to MAS Notice 637 to introduce a minimum leverage ratio requirement of 3%. Technical enhancements are also proposed on the capital treatment of equity investments and the definition of default under the Internal Ratings Based Approach for credit risk. Consistent with the Basel standard, MAS proposes to implement a minimum leverage ratio requirement of 3% for Singapore-incorporated banks, to be met with Tier 1 Capital. This would take effect from 1 January 2018 and apply at both bank-group and bank-solo levels.

MAS also proposes amendments to the Notice to enhance clarity on the treatment of equity investments in funds held in the banking book, and make technical adjustments to the capital requirements for private equity and venture capital investments and investments in unconsolidated major stake companies that are not financial institutions. Amendments are also proposed to refine the definition of default under the Internal Ratings Based Approach for credit risk. These amendments are proposed to take effect from 1 January 2018. Consultation closes 25 August 2017.

6 MAS, "Consultation Paper on proposed amendments to disclosure requirements under MAS Notices 637, 651 and 653", 10 July 2017
7 MAS, "MAS proposes amendments to capital requirements for Singapore-incorporated banks in MAS Notice 637", 10 July 2017

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2.3 Recovery and Resolution Plans

FSB releases guidance on central counterparty resolution and resolution planning[8]

Global, 05 July 2017

The FSB has released a report setting out guidance for resolution and resolution planning of central counterparties ("CCPs"). The guidance complements the FSB "Key Attributes of Effective Resolution Regimes" by providing guidance on implementing the Key Attributes in resolution arrangements for CCPs. The guidance sets out powers for resolution authorities to maintain the continuity of critical CCP functions; discusses the use of loss allocation tools; and describes steps authorities should take to establish crisis management groups for relevant CCPs and develop resolution plans.

HKMA commences resolution regime for financial institutions[9]

Hong Kong, 07 July 2017

The resolution regime for Hong Kong's financial institutions established under the Financial Institutions (Resolution) Ordinance (Cap. 628) (the Ordinance) has commenced operations. Under the Ordinance, the Hong Kong Monetary Authority ("HKMA"), the Hong Kong Insurance Authority ("HKIA") and the Hong Kong Securities and Futures Commission ("HK SFC") will be the resolution authorities.

The resolution authorities are vested with a range of necessary powers to effect orderly resolution of non-viable systemically important financial institutions in Hong Kong, to minimize risks to public funds. This will mitigate risks posed by the non-viability to the stability and effectiveness of Hong Kong financial system, including the disruption to the continuity of critical financial services, while losses are imposed on the institution's shareholders and creditors.

8 FSB, "Guidance on Central Counterparty Resolution and Resolution Planning", 05 July 2017
9 HKMA, "Resolution regime for financial institutions commences operation", 07 July 2017

2.4 FinTech

MAS consults on the provision of digital advisory services[10]

Singapore, 07 June 2017

MAS released a consultation the provision of digital advisory services, otherwise known as robo-advisory services in Singapore. MAS intends to refine the licensing and business conduct requirements, allowing digital advisers operating as fund managers under the SFA to offer their services to retail investors even if they do not meet the track record requirements, subject to safeguards, like offering diversified portfolios of non-complex assets. Such digital advisers will also be allowed to assist clients in executing investment transactions and rebalancing portfolios in collective investment schemes without the need for an additional license under the Securities and Futures Act. The consultation closed on 7 July 2017.

FSB publishes report on financial stability implications from Fintech[11]

Singapore, 27 June 2017

With the rapid growth of FinTech, the FSB has been analysing the potential financial stability implications from FinTech with a view toward identifying supervisory and regulatory issues that merit authorities' attention.

This report identifies 10 areas that merit authorities' attention, of which three are seen as priorities for international collaboration, namely managing operational risk from third-party service providers, mitigating cyber risks; and monitoring macrofinancial risks that could emerge as FinTech activities increase. Addressing these priority areas is seen as essential to supporting authorities' efforts to safeguard financial stability while fostering more inclusive and sustainable finance.

The report notes that understanding the materiality of these issues is challenged by the lack of information on official and privately disclosed data and highlights the need for financial authorities to understand how businesses and market structure are changing. It also underscores the need for international bodies and national authorities to take FinTech into account in their risk assessments and regulatory frameworks.

10 MAS, "MAS consults on the provision of digital advisory services," 07 June 2017
11 FSB, "Financial Stability Implications from Fintech", 27 June 2017

2.5 Payments

Streamlined regulations for banks seeking to conduct permissible non-financial businesses[12]

Singapore, 27 June 2017

MAS has announced that it will streamline the regulatory requirements for banks seeking to conduct or invest in permissible non-financial businesses that are related or complementary to banks' core financial businesses.

Technological advancements have created opportunities for banks to provide customers with integrated financial and related non-financial services through digital platforms, and the new regulations will give banks more flexibility to serve the needs of their customers while ensuring they remain focused on their core financial businesses.

Banks will no longer need prior regulatory approval before conducting or acquiring major equity stakes in permissible non-financial businesses, only needing to notify MAS prior to doing so. Also, MAS will allow banks to engage in the operation of digital platforms that match buyers and sellers of consumer goods or services as well as the online sale of such goods or services, if such activities are related or complementary to their core financial businesses.

MAS establishes payments council[13]

Singapore, 02 August 2017

MAS has established a payments council, comprising 20 leaders from banks, payment service providers, businesses, and trade associations, with members appointed for two-year terms. This forms part of the initiatives MAS is taking towards creating an e-payments society in Singapore. The Payments Council will bring together both providers and users of payments systems, encouraging collaboration within the industry and promoting interoperability between e-payments solutions.

12 MAS, "MAS streamlines framework for banks carrying on permissible non-financial businesses", 27 June 2017
13 MAS, "MAS establishes payments council", 02 August 2017

MAS proposes amendments to the Payment and Settlement Systems (Finality and Netting) Act[14]

Singapore, 03 August 2017

MAS has proposed to amend the FNA to incorporate global best practice developments from leading jurisdictions such as the United Kingdom, European Union, Canada and Australia, having considered industry feedback from both local and global participants of payment and settlement systems and developments in Singapore's payment and settlement landscape.

The proposed amendments cover three main policies, firstly improving protection by extending insolvency protection to transfer orders, netting and settlement in a designated system ("DS"), providing immunity to officers and employees of an operator, settlement institution ("SI"), or collateral holder of a DS, extending insolvency protection to collateral security, and inserting/clarifying key legal terms to allow for more comprehensive insolvency protection and payment finality. Secondly, they set out clear designation criteria for payment and settlement systems. Lastly, they strengthen the administrative powers of MAS. The consultation will close on 31 August 2017.

14 MAS, "Consultation Paper on Proposed Amendments to the Payment and Settlement Systems (Finality and Netting) Act, 03 August 2017

15 HKMA, "Designation of retail payment systems", 04 August 2017

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HKMA designates retail payment systems[15]

Hong Kong, 04 August 2017

The HKMA has announced that they have designated retail payment systems operated by Visa, Mastercard, UnionPay International and American Express for the processing of payment transactions under the Payment Systems and Stored Value Facilities Ordinance (the Ordinance).

Upon designation, the HKMA will, in collaboration with the relevant operators, ensure safe and efficient operation of the designated systems. The designated systems are required to comply with the obligations imposed under the Ordinance and are subject to the oversight of the HKMA.

2.6 Other updates

MAS clarifies regulatory position on the offer of digital tokens in Singapore[16]

Singapore, 01 August 2017

In the wake of a recent increase in the number of initial coin (or token) offerings ("ICOs") in Singapore as a means of raising funds, MAS has clarified that the offer or issue of digital tokens in Singapore will be regulated by MAS if these tokens constitute products regulated under the Securities and Futures Act. This move has come as MAS has observed that the function of digital tokens has evolved beyond just being a virtual currency. For example, digital tokens may represent ownership or a security interest over an issuer's assets or property. Such tokens may therefore be considered an offer of shares or units in a collective investment scheme under the SFA. Digital tokens may also represent a debt owed by an issuer and be considered a debenture under the SFA.

16 MAS, "MAS clarifies regulatory position on the offer of digital tokens in Singapore", 01 August 2017

3. Financial Markets

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3.1 OTC Derivatives

Hong Kong regulators release conclusions on the OTC derivatives regulatory regime[17]

Hong Kong, 27 June 2017

The HKMA and HKSFC have published conclusions on a joint consultation paper which proposed adjusting the scope of "OTC derivative product" under the over-the-counter ("OTC") derivatives regulatory regime.

The proposed adjustments were to prescribe certain additional markets and clearing houses so that products traded and cleared through them will not be regarded as "OTC derivative products"; and exclude Delta One Warrants from the definition of "OTC derivative product".

After taking market feedback into account, the HKMA and HKSFC have concluded that the proposed adjustments should be implemented. The conclusions paper also provides further clarification as to how Delta One Warrants will be defined. The HKMA and HKSFC will work with the Department of Justice on drafting the necessary legislative amendments to implement these changes.

HK SFC further consults on changes to financial resources rules[18]

Hong Kong, 24 July 2017

The HK SFC has published consultation conclusions on the proposed regulatory capital regime for licensed corporations engaged in over-the-counter ("OTC") derivatives activities and other proposed changes to the Securities and Futures (Financial Resources) Rules ("FRR").

After carefully considering the comments received, the HK SFC will proceed to implement the proposed regime subject to certain modifications, which include reducing the minimum capital requirements for fund managers' central dealing desks which meet certain conditions and extending the transitional period for full compliance with the new FRR requirements from six months to one year. The HK SFC will also introduce into the FRR an internal models approach benchmarking to the latest standards set by the Basel Committee on Banking Supervision.

17 HKMA, "Regulators release conclusions on the OTC derivatives regulatory regime", 27 June 2017
18 HK SFC, "SFC concludes consultation and further consults on changes to financial resources rules", 24 July 2017

To reflect recent market developments, the HK SFC seeks to further consult on a number of modified and additional FRR proposals, such as adding four Mainland commodity exchanges to the list of specified exchanges under the FRR to facilitate licensed corporations' participation in those markets and recognising credit ratings issued by Fitch Ratings. In addition, this consultation covers a set of draft FRR amendments for implementing those proposals which are not specific to OTC derivatives activities. The consultation closes on 23 August 2017.

3.2 Other updates

HK SFC consults on new guidelines for online distribution and advisory platforms[19]

Hong Kong, 05 May 2017

The HK SFC launched a three-month consultation on their proposed Guidelines on Online Distribution and Advisory Platforms. The proposed guidelines aim to provide tailored guidance to the industry on the design and operation of online platforms, as well as clarify how the suitability requirement would operate in the online environment.

The proposed guidelines clarify that the posting of factual, fair and balanced materials on online platforms should not in itself trigger the suitability requirement. The suitability requirement will apply where investors can be subject to greater influence and need more protection, such as where robo-advice is provided.

19 HK SFC, "SFC consults on new guidelines on online distribution and advisory platforms", 05 May 2017

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In the proposed guidelines, the suitability requirement will be extended to the sale of complex products on online platforms because retail investors may have difficulty in fully understanding the nature and risks associated with a complex product based only on the information posted on an online platform. The proposed guidelines also contain specific guidance on the provision of automated or robo-advice on an online platform. The consultation closed on 04 August 2017.

BOK, HKMA, MAS, RBA and RBI welcome the publication of the FX Global Code[20]

Singapore, 25 May 2017

The Bank of Korea ("BOK"), the Hong Kong Monetary Authority ("HKMA"), MAS, the Reserve Bank of Australia ("RBA") and the Reserve Bank of India ("RBI") have welcomed the publication of the FX Global Code (the Code), a single global code of conduct for the wholesale foreign exchange ("FX") market. They have committed to engaging local market participants to promote adherence to the Code.

The Code is developed through a collaborative process between the Bank for International Settlements' ("BIS") Foreign Exchange Working Group and private sector market participants. The Code sets out principles that promote a robust, fair, liquid, open and appropriately transparent market, underpinned by high ethical standards. The Code is voluntary and applies to wholesale FX market participants.

MAS proposes second consultation on the draft regulations pursuant to the Securities and Futures Act[21]

Singapore, 26 May 2017

The Securities and Futures (Amendment) Act 2017 ("SF(A) Act") was passed in Parliament on 9 January 2017 which gave effect to policy proposals aimed at ensuring that the capital markets regulatory framework in Singapore keeps pace with market developments and is aligned to international standards and best practices.

Given the wide-ranging amendments to the Securities and Futures Act ("SFA"), the Monetary Authority of Singapore ("MAS") is consulting on draft Regulations to support the implementation of the legislative amendments in two phases. The first consultation paper was published on 28 April 2017.

20 MAS, "BOK, HKMA, MAS, RBA and RBI welcome the publication of the FX Global Code", 25 May 2017
21 MAS, "Consultation Paper II on Draft regulations pursuant to the Securities and Futures Act", 26 May 2017

MAS is also consulting on draft regulations to implement enhancements to the regulatory requirements on protection of customers' moneys and assets, and certain other proposals relating to remote clearing members and the base capital requirement for certain capital markets services ("CMS") licensees. The consultation closed on 23 June 2017.

HK SFC clarifies competence requirements for asset management business licensees[22]

Hong Kong, 23 June 2017

The Hong Kong Securities and Futures Commission ("HK SFC") has issued a circular to clarify certain competence requirements for existing licensed persons seeking to be licensed for asset management activities, and to provide further guidance on how the SFC assesses the competence of a corporation or a responsible officer to carry on asset management activities.

The circular highlights the eligibility criteria of, and restrictions on permitted activities for, licensed persons seeking conditional exemptions from passing the required examination papers in order to meet the SFC's requirements.

The circular was issued in response to enquiries from existing licensed persons who intend to broaden their business scope to include asset management. Interested firms are encouraged to approach the SFC to discuss their proposed business plans or to seek further clarification of the licensing requirements.

HK SFC consults on new OFC Rules and OFC Code[23]

Hong Kong, 28 June 2017

The HK SFC has launched a two-month consultation on the detailed legal and regulatory requirements applicable to the new open-ended fund company ("OFC") structure. The OFC structure will enable investment funds to be established in corporate form in Hong Kong, in addition to the current unit trust form.

The consultation sets out the proposed Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules") and Code on Open-ended Fund Companies ("OFC Code"), which include requirements relating to the OFC's formation, its key operators, ongoing maintenance, termination and winding-up, and will be applicable to all OFCs The consultation will close on 28 August 2017.

CPMI releases implementation monitoring of PFMI: Level 2 assessment report for Singapore[24]

Singapore, 18 July 2017

The Committee on Payments and Market Infrastructures ("CPMI") and the International Organization of Securities Commissions ("IOSCO") continue to closely monitor the implementation of the "Principles for financial market infrastructures" ("PFMI"). This report presents the conclusions drawn by the CPMI and IOSCO from a Level 2 assessment of whether, and to what degree, the legal, regulatory and oversight frameworks, including rules and regulations, any relevant policy statements, or other forms of implementation applied to systemically important payment systems ("PS"), central securities depositories ("CSD"), securities settlement systems ("SSS"), CCPs, and trade repositories ("TR") (collectively Financial Market Infrastructures ("FMI")) in Singapore, are complete and consistent with the Principles.

The assessment found that Singapore has consistently adopted all but one of the Principles across financial market infrastructure types. For PSs, CSDs/SSSs and CCPs, all the Principles have been implemented in a complete and consistent manner. For TRs, all the Principles, except for Principle 24 (disclosure of market data by trade repositories), have been implemented in a complete and consistent manner. Some gaps were observed between the regulatory framework in Singapore and Principle 24. It is acknowledged that MAS is actively considering appropriate requirements for TRs to publish the data in a manner that will help to achieve the objectives of the public disclosure.

FSB publishes guidance on continuity of access to FMIs for a firm in resolution[25]

Global, 06 July 2017

FSB has set out guidance on how firms that have entered resolution should continue to have access to FMIs. The guidance sets out arrangements and safeguards to facilitate continuity of access to FMIs for a firm in resolution that apply at the level of the providers of FMI services, at the level of FMI participants and at the level of the relevant resolution and FMI authorities.

22 HK SFC, "SFC clarifies competence requirements for licensees seeking to enter asset management business", 23 June 2017
23 HK SFC, "SFC consults on new OFC Rules and OFC Code", 28 June 2017
24 CPMI, "Implementation monitoring of PFMI: Level 2 assessment report for Singapore", 18 July 2017
25 FSB, "Guidance on Continuity of Access to Financial Market Infrastructures (FMIs) for a Firm in Resolution", 06 July 2017

04

4. Insurance

MAS proposes increasing Deposit Insurance Coverage to S$75,000[26]

Singapore, 04 August 2017

MAS has released a consultation to enhance the Deposit Insurance ("DI") scheme, which insures Singapore dollar deposits held at a full bank or finance company in Singapore. It seeks to increase DI coverage from $50,000 currently, to $75,000 per depositor, as the growth of the deposit base has resulted in the percentage of fully-covered insured depositors falling below the international norm of 90%. The consultation will close on 4 September 2017.

26 MAS, "MAS proposes increasing Deposit Insurance Coverage to S$75,000", 04 August 2017

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6. Glossary

ABS	Association of Banks in Singapore
ACGA	Asian Corporate Governance Association
ACGS	ASEAN Corporate Governance Scorecard
ADI	Authorised deposit-taking Institutions
AEOI	Automatic Exchange of Information
AI	Authorised Institutions
AIFMD	Alternative Investment Fund Manager's Directive
AML	Anti-Money Laundering
AML/CTF	Anti-Money Laundering/Counter-Terrorism Financing
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
ATS	Alternative Trading Systems
BCBS	Basel Committee on Banking Supervision
BIR	Bureau of Internal Revenue
BIS	Bank for International Settlements
BNM	Bank Negara Malaysia
BSP	Bangko Sentral ng Pilipinas
CCP	Central Clearing Party
CDD	Customer Due Diligence
CET 1	Common Equity Tier 1
CIS	Collective Investment Schemes
CMDTF	Capital Markets Development Taskforce
CPSS	Committee on Payment and Settlement Systems
CRDIV	Capital Requirements Directive IV
CROs	Chief Risk Officers
CVA	Credit Valuation Adjustment
DDP	Designated Depository Participants
DIM	Dim Sum Bonds
DNC	Do Not Call
EBA	European Banking Authority
EC	European Commission
EDP	Excessive Deficit Procedure
EIBOR	Emirates Interbank Offered Rate
EMC	Emerging Markets Committee
EMIR	European Market Infrastructure Regulation
EOI	Exchange of Tax Information
ESMA	European Securities and Markets Authority
EU	European Union
FA	Financial Advisor
FAIR	Financial Advisory Industry Review
FATCA	Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
FBOs	Foreign Banking Organizations
FCA	Financial Conduct Authority
FDI	Foreign Direct Investment
FDIC	Federal Deposit Insurance Corporation
FII	Foreign Institutional Investor
FinCen	Financial Crimes Enforcement Network
FINRA	Financial Industry Regulatory Authority
FIs	Financial Institutions
FMA	Financial Markets Authority
FMCB	Financial Markets Conduct Bill
FMIs	Financial Market Infrastructures
FPC	Financial Policy Committee
FPI	Foreign Portfolio Investor
FSA	Financial Services Authority
FSB	Financial Stability Board

FSTB	Financial Services and Treasury Bureau
FTT	Foreign Transaction Tax
GSEs	Government-Sponsored Enterprise
HFT	High Frequency Trades
HMRC	HM Revenue & Customs
HQA	High Quality Assests
ICBC	Industrial and Commercial Bank of China
ICD	Institute of Corporate Directors
IIF	Institute of International Finance
IDB	Inter-Dealer Broker
IFSB	Islamic Financial Services Board
IGA	Inter-Governmental Agreements
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IRS	Internal Revenue Service
IRDA	Insurance Regulatory and Development Authority
ISDA	International Swaps and Derivatives Association
ITS	Implementing Technical Standards
JFSA	Japan Financial Services Authority
KRX	Korea Exchange
KYC	Know Your Customer
LCR	Liquidity Coverage Ratio
LDP	Low-Default Portfolios
LFTR	Licensed Foreign Trade Repository
LIBOR	London Interbank Offered Rate
LTR	Licensed Trade Repository
MAS	Monetary Authority of Singapore
MiFID II/ MiFIR	Markets in Financial Instrument Directive
MMF	Money Market Funds
MOU	Memorandum of Understanding
NAV	Net Asset Value
NFC	Non-Financial Company
NFFE	National Federation of Federal Employees
NFSP	Non-Financial specified person
NOFHC	Non-Operative Financial Holding Company
OECD	Organisation for Economic Co-operation and Development
OFT	Office of Fair Trading
OTC	Over-the-Counter
OTF	Organised Trading Facility
PBC	People's Bank of China
PDPA	Personal Data Protection Act
PDPC	Personal Data Protection Commission
PEPs	Politically Exposed Persons
PLC	Public Listed Company
POS	Point of Sale
PRA	Prudential Regulatory Authority
QFI	Qualified Foreign Investor
RBI	Reserve Bank of India
RFMC	Regime for Fund Management Companies
RMB	Renminbi
RWAs	Risk Weighted Assets
SEBI	Securities and Exchange Board of India
SEC	Securities and Exchange Commission
SEHK	Hong Kong Exchanges and Clearing Limited
SFC	Securities & Futures Commission of Hong Kong
SFTs	Securities Financing Transactions
SGX	Singapore Stock Exchange
SIDD	Separately Identifiable Department or Division
TRC	Tax Residency Certificate
TRM	Technology Risk Management
UK	United Kingdom
UN	United Nations
US	United States
WFE	World Federation Exchange
WMS	Wealth Management Services

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