

Regulatory Update

APAC, February 2025

Issued 7th March 2025



SINGAPORE

24 January 2025 – Financial Institutions (Miscellaneous Amendments) Act 2024

The Monetary Authority of Singapore (“MAS”) issued a consultation in July 2021 on key amendments in the Financial Institutions (Miscellaneous Amendments) Act 2024 (“FIMA Bill”). These amendments were aimed at enhancing the MAS’s investigative, reprimand, supervisory and inspection powers across various Acts under MAS’ purview which includes the following:

- Financial Advisers Act 2001 (“FAA”)
- Financial Services and Markets Act 2022 (“FSMA”)
- Insurance Act 1966 (“IA”)
- Payment Services Act 2019 (“PSA”)
- Securities and Futures Act 2001 (“SFA”)
- Trust Companies Act 2005 (“TCA”).

By 24 January 2025, all amendments to the various above-mentioned Acts under the FIMA have taken effect.

Below are the key amendments in the FIMA Bill:

1. Enhance MAS’s investigative powers

- (a) The existing powers under the SFA and FAA to compel individuals to attend interviews and record written statements have been extended to the other Acts.
- (b) The existing power to enter premises without a warrant under the SFA and FAA have been enhanced to allow MAS to do so without giving prior notice, where there are reasonable grounds to do so. This power will also be extended to the other Acts.
- (c) The power to obtain a Court warrant to enter premises and seize evidence when a person has failed to comply with an order to produce information, will be extended to the IA, PSA and FSMA.
- (d) The current provisions in the SFA and FAA that enable evidence to be transferred between MAS and the Commercial Affairs Department or the Attorney-General’s Chambers have been expanded and extended to the other Acts.

2. Clarify applicability of MAS’ reprimand powers

- (a) The FIMA Bill allows MAS to reprimand a person who was a “relevant person” at the time of the misconduct, even if the person has ceased to be a “relevant person” since the misconduct, i.e. the person is no longer regulated by MAS or has left the employ of a regulated financial institution.

3. Expand MAS’ powers to issue directions to capital markets services licence holders (“CMSL holders”) that conduct unregulated business

- (a) CMSL holders may conduct unregulated businesses such as offering products that are not regulated by MAS (e.g. bitcoin futures and other payment token derivatives traded on overseas exchanges). While MAS has issued guidance to CMSL holders to adopt risk-mitigating measures if they conduct unregulated business with retail investors, the FIMA Bill will now allow MAS to issue

written directions on the minimum standards and safeguards that should be in place when CMSL holders and their representatives conduct unregulated business.

4. Enhance supervisory and inspection powers

MAS has enhanced its supervisory and inspection powers under the SFA, FAA and TCA, to ensure that it has consistent powers across these Acts and to align with the Banking Act 1970. The following are the key changes.

(a) **Appointment and removal of key persons:**

The SFA will have approval requirements for the appointment of chief executive officers and directors of Singapore-incorporated recognised market operators (“RMOs”), Singapore-incorporated recognised clearing houses (“RCHs”) and approved trustees (“ATs”).

The provisions in the FAA and TCA on the removal of key persons (e.g. chief executive officers, resident managers or directors) of licensed financial advisers (“LFAs”) and licensed trust companies will also be amended to align with provisions in the SFA, where grounds for removal of key persons in these Acts will be aligned to a single fit and proper test.

(b) **Obtaining effective control:** Existing approval requirements in the SFA and FAA for controllers of CMSL holders and LFAs have been refined so that MAS’ approval is only required prior to obtaining effective control. Approval requirements will be extended to controllers of RMOs, RCHs and ATs.

(c) **Appointment of agents by foreign regulators:** MAS’ powers have been expanded to enable MAS to approve the appointment of agents by foreign regulators to conduct inspection of specified financial institutions under the SFA.

(d) **Appointment of external auditors:** There are new requirements and powers in the SFA pertaining to the appointment of external auditors of approved exchanges, approved clearing houses, licensed trade repositories, and approved holding companies.

(e) **Failure to exercise reasonable care in submission of information:** It is an offence in the SFA, FAA and TCA if a person, other than an individual, fails to exercise reasonable care in ensuring the accuracy of information submitted to MAS, even if the information is not false or misleading in any material particular.

HONG KONG

20 February 2025 – Asset and Wealth Management Activities Survey 2024

On 20 February 2025, The Securities and Futures Commission (“SFC”) issued the Asset and Wealth Management Activities Survey 2024 (“survey”).

The survey is an annual exercise to collect information about asset and wealth management activities in Hong Kong for regulatory and market facilitation purposes and to better understand the state of the asset and wealth management industry in Hong Kong.

The survey should be completed via the online submission system by **22 April 2025**.

To view the circular, please click [here](#).

19 February 2025 – A.S.P.I.R.E Road Map for Virtual Assets

On 19 February 2025, The Securities and Futures Commission issued a regulatory roadmap which sets out 12 major initiatives to enhance the security, innovation, and growth of Hong Kong's virtual asset ("VA") market. The roadmap is titled "A-S-P-I-Re" representing its 5 pillars – Access, Safeguards, Products, Infrastructure and Relationships.

The growth of the global virtual asset market has significantly influenced global financial markets in the areas of innovation and cross border connectivity. However, this has also created complexities in the form of fragmented regulatory approaches, uneven liquidity distribution, and risks stemming from concentrated holdings and speculation.

This ever-evolving landscape underscores the need for balanced regulation that supports growth and also mitigates systemic vulnerabilities in VA.

New priorities continue to emerge, such as managing liquidity fragmentation, addressing regulatory arbitrage, and ensuring investor protection across decentralised and centralised platforms. The roadmap represents the SFC's efforts to solidify Hong Kong's role as a trusted nexus for VA activities.

To view the Roadmap, please click [here](#).

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This Regulatory Update provides information about the consultative documents and publications issued by various regulators which are still current, proposed changes to the Rules and Guidance set out in Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to regulated firms. This Regulatory Update is intended to provide general summarised guidance only, and no action should be taken in reliance on it without specific reference to the regulators' document referred to therein.