

Regulatory Update

APAC, January 2026

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Regulatory Updates January 2026 – APAC Region

Singapore Updates

17 December 2025 – Consultation Paper on Updates to the Guidelines on Liquidity Risk Management Practices (Fund Management Companies)

In December 2025, the Monetary Authority of Singapore (MAS) issued a consultation paper to seek feedback on proposed updates to the Guidelines on Liquidity Risk Management Practices for Fund Management Companies (LRM Guidelines), as well as targeted amendments to the Code on Collective Investment Schemes (CIS Code). The proposals are intended to strengthen liquidity risk management practices for collective investment schemes (CIS), taking into account recent market stress events and international regulatory developments.

The proposed updates align with the latest guidance issued by IOSCO and the Financial Stability Board and clarify MAS' supervisory expectations on the alignment between portfolio liquidity, redemption terms and the use of liquidity management tools. MAS is inviting industry feedback, with a view to finalising and implementing the revised guidelines after the consultation period.

This article summarises the key themes of the consultation and highlights areas that Fund Management Companies (FMCs) should focus on as they prepare for implementation:

- **Scope clarification:** Exchange-traded funds (ETFs) will be removed from the scope of the LRM Guidelines, in recognition of their distinct structural and liquidity characteristics.
- **Alignment of liquidity and redemption terms:** FMCs managing open-ended CIS are expected to ensure redemption frequency, notice and settlement periods are consistent with the liquidity profile of underlying assets, both at product design and on an ongoing basis.
- **Mandatory use of anti-dilution tools (ADTs):** FMCs managing open-ended CIS, particularly those investing mainly in less liquid assets, must implement at least one ADT to mitigate investor dilution.
- **Imposition of liquidity costs on transacting investors:** Explicit and implicit liquidity costs, including market impact, should be borne by subscribing or redeeming investors, especially during periods of market stress.
- **Enhanced governance and disclosures:** FMCs should clearly define governance arrangements for liquidity management tools and provide meaningful, consistent disclosures to investors on liquidity risks and the circumstances under which such tools may be activated.
- **Holistic assessment of liquidity risks:** FMCs are expected to consider liquidity demands beyond investor redemptions, including margin and collateral calls arising from leverage or derivatives usage.

For further information, please refer to the [consultation paper](#).

January 2026 – Enforcement Actions

In January 2026, the Monetary Authority of Singapore (MAS) took a series of enforcement actions against several individuals and a licensed firm.

Prohibition orders and reprimand was issued to individuals found to be not fit and proper, as well as financial penalties and supervisory actions against a CMS license holder and its former senior management. The actions arose from criminal misconduct, serious conflicts of interest, and failures in risk management and internal controls.

The following are key highlights from enforcement actions in January:

1. Eurofin Investments Pte Ltd (EIPL) – 5 January 2026

The MAS issued a composition fine of S\$70,000 against EIPL for breaches of the Securities and Futures Act (SFA) and the Securities and Futures (Licensing and Conduct of Business) Regulations which included:

- Inadequate risk management frameworks — EIPL failed to put in place systems to properly identify, address and monitor risks associated with the assets it managed
- Conflicts of interest failures — EIPL did not adequately mitigate or disclose material conflicts of interest in relation to three of its managed funds to investors
- Unlicensed conduct by representatives — Several individuals conducted regulated activities without being properly appointed as MAS-recognised representatives.

In addition:

- MAS issued a 1-year prohibition order against Mr Francois Pierre Michel Dotta, the former Chief Executive Officer of EIPL
- MAS issued a reprimand against the former Chief Operating Officer and Chief Risk Officer (Mr Clement Georges Schappler) for supervisory and control failures related to risk management and regulatory compliance.

2. MAS Prohibition Order Against Mr Sun Weiyeh - 14 Jan 2026

MAS issued a 7-year Prohibition Order against Mr Sun Weiyeh, a former fund manager and director of One Asia Investment Partners (OAIP), under the Financial Services and Markets Act 2022. Under the prohibition order, Mr Sun is prohibited for seven years from carrying on or providing any MAS-regulated activity or business.

He is also barred from participating directly or indirectly in the management of any financial institution, and from holding roles such as director, partner, or manager in any licensable financial services firm. Mr Sun was found to have:

- **Intentionally executed conflicted related-party trades**, selling two over-the-counter bonds at prices below prevailing market quotes from a fund managed by OAIP (where external investors were majority holders) into a different OAIP-managed fund in which he was the majority shareholder.
- He knew that higher prices were available in the market and yet used the lower prices for the transaction, resulting in a **loss of approximately US\$342,500 to investors** in the affected fund. The two bonds were subsequently sold to the market at a profit.

To view the [enforcement actions](#) in full, please refer to MAS' Enforcement Actions page on its website.

Hong Kong Updates

26 January 2026 – Circular on AML/CFT and STR Platform Transition for Licensed Corporations and VASPs

On 26 January 2026, the Securities and Futures Commission (**SFC**) issued a circular to licensed corporations, SFC-licensed virtual asset service providers (VASPs), and associated entities on Anti-Money Laundering / Counter-Financing of Terrorism (**AML/CFT**), informing about logistical arrangements for transitioning to the Joint Financial Intelligence Unit's (**JFIU**) new Suspicious Transaction Report and Management System 2 (STREAMS 2) platform¹ by 2 February 2026. (**circular**)

The SFC circular details the replacement of the current STREAMS platform with STREAMS 2 to enhance automation and analytical capabilities for suspicious transaction reports (STRs) including:

- Requiring STR submissions via STREAMS 2 from 2 February 2026 using XML format, PDF upload, or web-based form
- Mandating user account registration via the JFIU website form
- Outlining transitional arrangements including a blackout period from 12:00am on 28 January 2026 to 9:00am on 2 February 2026 (with urgent STRs via email, phone, or fax),
- Discontinuation of old STREAMS with record migration, and technical testing for XML submissions.

This ensures efficient STR reporting and compliance with AML/CFT obligations.

For assistance or if you have any enquiries about this circular, please contact Waystone.

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

29 January 2026 – Circular to Licensed Corporations Reminder of Section 180 SFO Obligations During SFC Inspections

On 29 January 2026, the Securities and Futures Commission (**SFC**) issued a circular to licensed corporations reminding them of statutory obligations during SFC inspections under section 180 of the Securities and Futures Ordinance (**SFO**), with immediate effect. (**circular**)

The SFC observed the following unsatisfactory practices during recent inspections:

- Refusal or significant delay in providing requested records/documents
- Providing incomplete, redacted or heavily edited documents without justification
- Failure to retrieve or locate records promptly (e.g. claiming documents lost, deleted or offsite with long delays)
- Repeated unavailability of responsible officers during fieldwork
- Evasive or uncooperative responses to questions (e.g. frequent “I don’t recall” or instructing staff not to answer)
- Allowing external representatives to obstruct or delay the process (e.g. excessive intervention in interviews)

¹ To access STREAMS 2 platform, please refer to <https://www.jfiu.gov.hk/en/sbsal.html>

- Attempting to negotiate or condition the production of information
- Failing to ensure senior management (including MICs) actively facilitates cooperation.

Licensed corporations must:

- Provide immediate access to records/documents and answer questions
- Maintain proper records and retrieve them without undue delay
- Ensure responsible officers are available
- Remain fit and proper and fully cooperative
- Be accountable for the conduct of external representatives.

Non-compliance may result in supervisory interventions (e.g. licence conditions, business restrictions, referrals to other regulators) or enforcement actions (e.g. criminal proceedings, licence suspension/revocation, pecuniary penalties, reprimands).

For assistance or if you have any enquiries about this circular, please contact Waystone.

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

30 January 2026 – Circular to Licensed Corporations Carrying Out Sponsor Work

On 30 January 2026, the Securities and Futures Commission (**SFC**) and The Stock Exchange of Hong Kong Limited (**SEHK**) issued a circular to licensed corporations carrying out sponsor work, addressing declining quality of draft listing documents and substandard sponsor conduct amid 2025 listing surge, with immediate effect. (**circular**)

Findings from SFC with key concerns observed below:

- Serious deficiencies in listing documents, regulatory responses, and offer-stage procedures
- Over-reliance on experts/third parties without proper competency checks
- Insufficient Principal capacity to supervise Transaction Teams and engage in listings
- Attempts to appoint unqualified Principals
- Inadequate staff knowledge, skills and experience
- Process-driven approach instead of substantive due diligence and advisory focus.

For the reporting timeline to the SFC, all Sponsors must submit to their case officer:

- Within 2 weeks: Names, number of Principals, and number of active listing engagements per Principal
- Within 1 week: List of individuals engaged in IPO sponsor work who have not passed HKSI LE Paper 16 within the required timeframe

For the internal review timeline:

- Concerned Sponsors: Retrospective review of cited cases, internal controls and oversight within 3 months

- Sponsors with Strained Principals: Comprehensive resource review and submission of rectification/resource plan within 3 months which reviews must be signed off by Managers-In-Charge of Overall Management Oversight.

For the action points for Sponsors:

- Critically assess applicant readiness and own resources before accepting mandates
- Ensure sufficient Principal/Transaction Team capacity and expertise
- Avoid over-reliance on third parties without verification
- Maintain records showing resource allocation and due diligence basis
- Comply with HKSI LE Papers 1 & 16 requirement for all IPO sponsor staff
- Prepare for upcoming thematic inspections
- Note potential consequences: vetting suspension, document page limits, stricter Principal/license assessments, license conditions, and disciplinary/enforcement actions.

For assistance or if you have any enquiries about this circular, please contact Waystone.

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

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About Waystone

Waystone is a leading global provider of institutional governance, administration, risk, and compliance services to the asset management and financial services industry. Our global Compliance Solutions team helps clients navigate the regulatory landscape with confidence, aligning investment strategies and operational processes with compliance requirements. With over 100 compliance specialists based across Asia, the Middle East, Europe, and North America, we offer a comprehensive range of solutions, from company registration and licensing to compliance programmes and ongoing support.

In Singapore and Hong Kong, Waystone brings over 20 years of experience, working with clients regulated by the Monetary Authority of Singapore and the Securities and Futures Commission. Our team is well-equipped to provide bespoke, risk-focused, and cost-effective solutions. With extensive experience, we deliver the expertise you need while adding value to your corporate governance standards.

If you would like to discuss the themes raised in this guide with one of our [APAC Compliance Solutions](#) team members and learn how we can assist you, please contact us using the details below.

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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.