

Regulatory Update

APAC, September 2026

Issued 5 October 2026



Regulatory Updates – September 2026

Hong Kong Regulatory Updates – September 2026

SFC Circular on SFC-Authorised Funds with Exposure to Private Market Assets (03 September 2026)

On 03 September 2026, the SFC issued a circular providing guidance on SFC-authorized funds with direct or indirect exposure to private market assets, such as private credit and private equity. Funds can gain private market exposure directly (loans or equity in unlisted companies) or indirectly (via business development companies, collateralised loan obligations, or derivatives). These funds face stricter disclosures and possible complex-product classification by the SFC. The highlights are:

1. Enhanced Disclosure:

Where a fund may invest in private market assets, its offering documents and Product KFS should clearly disclose:

- The extent of the exposure and how it is obtained, including the expected percentage of NAV invested through each structure.
- The nature and characteristics of the underlying assets, including relevant credit ratings, structures or reference assets.
- The specific risks and their potential impact on the fund and its investors, such as limited liquidity, valuation uncertainty, lack of transparency, credit risk and default risk.

2. Complex Product Designation:

- A fund will be designated as a complex product where its total direct and indirect exposure to private market assets reaches 50% or more of NAV.
- The SFC may also designate a fund with lower exposure as complex taking into account its investment strategy, portfolio composition, liquidity and risk profile, the nature of its underlying assets, and any overseas distribution restrictions.
- In deciding whether a complex product designation is warranted, the SFC will take a holistic approach, considering the specific circumstances of each case.
- Funds classified as complex products are subject to the prevailing complex-product distribution requirements, including suitability obligations regardless of whether solicitation or recommendation is involved.

3. Target Market Identification and Distributor Selection:

- Fund managers should identify an appropriate target market and appoint distributors with sufficient product knowledge to understand the fund, assess its complexity and assign an appropriate risk rating.
- Marketing materials must present a fair and balanced description of the fund with adequate risk disclosures.

4. Applicability for New and Existing Funds:

- New fund applications with direct or indirect exposure to private market assets may face closer SFC scrutiny and may not qualify for processing under the FASTrack.
- Managers of existing SFC-authorised funds should review their portfolios for direct or indirect private market exposure, update fund documentation and disclosures as needed, and communicate any designation changes to distributors.

If you have any questions regarding this circular or require assistance, please contact Waystone.

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

HKEX Compliance Bulletin: (1) Standard Penalties under HKEX Rules; (2) Participants' Obligation to Make Timely Submissions to HKEX; (3) Client Protection Measures; and (4) Updated Guidelines on Client Margin Requirements (28 September 2026)

On 28 Sep 2026, HKEX issued the compliance bulletin to remind Exchange Participants (EPs) and Clearing Participants (CPs) of four key compliance areas:

1. Standard Penalties under HKEX Rules

HKEX may impose standard fines for certain "Summary Fine Offences", including breaches of investor eligibility requirements, HKIDR submission obligations, settlement obligations to clearing houses, and capital-based position limits (CBPL). Penalties escalate from a warning letter (1st offence) to fines of HK\$25,000–HK\$50,000, with repeat offences referred to the Disciplinary Committee.

2. Timely Submissions to HKEX

Participants must complete and return the Annual Self-attestation of Compliance Questionnaire by the prescribed deadline. Late, incomplete or inaccurate submissions may trigger disciplinary action.

3. Client Protection Measures

EPs must maintain controls to prevent unauthorised trading and error trades. They are reminded that only the EP (not the client) can submit trade cancellation/amendment requests (cash market) or error trade claims (derivatives market), and these must be within prescribed time limits and, for cash market, agreed by both buying and selling parties.

4. Updated Client Margin Guidelines (HKFE Rule 617)

The updated Guidelines (issued 21 Sept 2026) supersede the October 2024 version. HKFE Participants should review their margin arrangements to ensure ongoing compliance.

Applicability:

This circular applies directly to HKEX Participants only. For licensed corporations that route orders through an execution broker, the circular applies indirectly. Accordingly, no direct action is required. However, it remains good practice to ensure that their executing / clearing brokers are compliant, as any failures on the brokers' part may indirectly affect the firm and its clients. For example, matters such as HKIDR data submission and error trade handling may impact the firm's operational arrangements and client onboarding data flows.

If you have any questions regarding this circular or require assistance, please contact Waystone.

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

Hong Kong Enforcement News – September 2026

District Court sets trial date for securities fraud involving illegal short selling (04 Sep 2026)

Enforcement Snapshot

Case: Mr Chan Hoi Shing & Mr Li Po Ching – Alleged Illegal Short Selling (Securities Fraud)

Breach: Alleged securities fraud involving illegal short selling

Fine: None (trial pending; both defendants pleaded not guilty)

Suspension: None at this stage

Regulator: SFC (first District Court case under s.300 SFO)

Summary of Facts

The District Court has fixed the trial date for the alleged securities fraud involving illegal short selling for 23 Aug 2027. The allegation is that, between 27 May and 29 December 2020, Mr Chan Hoi Shing and Mr Li Po Ching conducted illegal short selling by falsely claiming that Mr Chan held sufficient shares in 28 Hong Kong-listed companies to support sell orders placed through his account at Black Marble Securities Limited. The alleged scheme reportedly generated approximately HK\$11 million in profits. Both defendants have pleaded not guilty and been granted bail, with conditions including surrendering travel documents, regular police reporting, and cash bail of HK\$200,000 and \$84,000 respectively.

Key Takeaways

- First of its kind: This is the first criminal prosecution for securities fraud involving illegal short selling under section 300 of the SFO to be heard in the District Court.
- Higher sentencing powers: Unlike previous illegal short selling cases usually heard in the Magistrates' Courts, the District Court has broader sentencing powers.
- Potential benchmark case: The case reflects the SFC's tougher enforcement approach and may set an important reference point for future prosecution and sentencing of similar illegal short selling cases.

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

SFC bans Mok Cheuk Ling for 42 months (11 Sep 2026)

Enforcement Snapshot

Case: Ms Mok Cheuk Ling - 42-month ban

Breach:	Unauthorised discretionary trading in client accounts and dishonest dealings with clients, including false/misleading account information and fabricated account statements
----------------	---

Fine:	None
--------------	------

Suspension:	42-month ban from re-entering the industry
--------------------	--

Regulator:	SFC
-------------------	-----

Summary of Facts

The SFC has banned Ms Mok Cheuk Ling, a former licensed representative of Sun Hung Kai Investment Services Limited and Sun Hung Kai Commodities Limited, from re-entering the industry for 42 months. Between 2009 and 2021, Mok conducted discretionary trading in seven clients' accounts without their written authorisation, causing aggregate losses of close to HK\$3 million. She also provided false or misleading account information to two clients between 2015 and 2020, and issued fabricated account statements to three clients in 2021, misrepresenting account balances and trading activity by amounts ranging from tens of thousands to over HK\$2 million.

Key Takeaways

- Unauthorised discretionary trading: Mok traded in seven clients' accounts using their login credentials without written authorisation, bypassing her employer's internal controls.
- Dishonest conduct: She provided inflated balances, fabricated trades, and false account statements, concealing the true state of clients' accounts.
- Code of Conduct breaches: Her actions breached General Principles 1 and 2 and paragraphs 2.1 and 7.1(a) of the Code of Conduct, making her not fit and proper to be licensed.
- Mitigating factor: Mok repaid over HK\$1.2 million to affected clients from her own funds.

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

Pre-trial review set for criminal prosecution for noncompliance with SFC notices in market manipulation investigations (17 Sep 2026)

Enforcement Snapshot

Case: Mr Oliver Chow Pak Wah – Criminal Prosecution for Non-Compliance with SFC Statutory Notices

Breach:	Non-compliance with s.183 SFO notices (3 charges) in two market-manipulation probes.
----------------	--

Fine:	None (pleaded not guilty; pre-trial review fixed for 12 November 2026)
--------------	--

Suspension:	None at this stage – remains on bail
--------------------	--------------------------------------

Regulator:	SFC
-------------------	-----

Summary of Facts

The Eastern Magistrates' Court has fixed 12 November 2026 for a pre-trial review in the SFC's criminal prosecution against Oliver Chow Pak Wah. He pleaded not guilty to three charges of allegedly failing, without reasonable excuse, to produce records and documents or attend interviews required under section 183 of the SFO in connection with two market-manipulation investigations. He remains on bail subject to travel restrictions, surrender of travel documents and regular reporting to the Police.

The case highlights the SFC's readiness to pursue criminal sanctions against individuals who obstruct its investigations by failing to comply with statutory notices.

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

SFC reprimands and fines Zheng Da International Financial Holding Limited \$7 million and suspends its responsible officer for regulatory breaches (29 Sep 2026)

Enforcement Snapshot

Case: Zheng Da International Financial Holding Limited & Mr Zhong Hao

Breach: Inadequate systems & controls – CSS due diligence failures, weak AML enquiries on inconsistent client deposits, and missed suspicious trading patterns (possible wash trading).

Fine: HK\$7 million on Zheng Da International Financial Holding Limited

Suspension: 7-month licence suspension of Mr Zhong Hao

Regulator: SFC

Summary of Facts

The SFC has reprimanded and fined Zheng Da International Financial Holding Limited HK\$7 million and suspended the licence of its responsible officer and manager-in-charge, Mr Zhong Hao, for seven months (from 28 September 2026 to 27 April 2027). Between 1 December 2021 and 30 September 2023, Zheng Da allowed 160 clients to place over 10.4 million futures trades through customer supplied systems (CSSs) without conducting proper due diligence on those systems. It also failed to make proper enquiries into client deposits that were inconsistent with their declared financial profiles, including one client who deposited around HK\$28 million over six months despite declaring an annual income above HK\$1 million, and another who deposited HK\$37.5 million over ten months despite declaring an annual income below HK\$200,000. Zheng Da further failed to detect 176 same-second buy/sell orders in client accounts, showing that its monitoring systems for suspicious trading were inadequate. The SFC found that these failures were attributable to Zhong's failure to discharge his duties as a responsible officer and senior manager.

Key Takeaways

- Firms should have clear procedures for conducting due diligence and testing on client-supplied systems before allowing clients to use them and should keep proper records of the review.
- Firms should make proper enquiries and obtain supporting documents where client deposits are inconsistent with the client's declared income, assets or financial profile.
- Firms should have effective systems to detect and review suspicious trading patterns, such as same-second buy / sell orders or other signs of possible wash trading or market misconduct.
- ROs and MICs should actively supervise the business, ensure proper procedures are followed, and manage the firm's regulatory risks.

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

Singapore Regulatory Updates – September 2026

Updated Information Paper: MAS' Approach to Resolution of Financial Institutions in Singapore (11 September 2026)

The Monetary Authority of Singapore ("MAS") has published an updated information paper outlining its approach to the resolution of financial institutions ("FIs") in Singapore. The update provides greater clarity on how MAS would manage the distress or failure of FIs while safeguarding financial stability, protecting customers, and ensuring the continuity of critical financial services. This reflects Singapore's continued commitment to maintaining a resilient financial system and aligns with international standards established by the Financial Stability Board ("FSB") for effective resolution regimes.

Objectives of Resolution

While the failure of systemically important FIs may destabilise the broader financial system and have adverse spillover effects on the economy, MAS does not seek to prevent all FI failures. Doing so could create moral hazard by encouraging investors and market participants to assume that FIs will always be rescued and therefore insulated from failure.

Recovery and Resolution Planning

FIs are expected to maintain recovery plans that identify credible actions to restore financial viability during periods of stress. These plans typically include governance arrangements, escalation procedures, recovery options, and communication strategies.

In parallel, MAS develops resolution plans for systemically important FIs and conducts resolvability assessments to identify and address barriers that could impede an orderly resolution.

The emphasis on advance planning enables both regulators and institutions to respond more effectively to severe stress events and potential crises.

Resolution Toolkit

The Financial Services and Markets Act 2022 ("FSM Act") provides MAS with a broad range of resolution powers that can be deployed depending on the circumstances of a failing institution.

These powers include:

- Transfer of shares or business to a private sector acquirer;
- Establishment of a bridge institution to maintain critical operations;
- Transfer of impaired assets to an asset management vehicle;
- Bail-in of eligible unsecured liabilities through write-down or conversion into equity;
- Run-off arrangements for insurance businesses; and
- Court-supervised liquidation where alternative resolution options are not viable.

The availability of multiple resolution tools enhances MAS' flexibility to tailor resolution strategies to the nature, size, and systemic importance of the affected institution.

Key Takeaways for Financial Institutions

FIs operating in Singapore should:

- Review and maintain robust recovery plans and crisis management arrangements;
- Ensure governance frameworks support timely escalation and decision-making during periods of stress;
- Assess operational readiness for resolution planning requirements;
- Identify and address potential barriers to resolvability; and
- Maintain engagement with MAS on recovery and resolution preparedness expectations.

Conclusion

The updated MAS resolution framework underscores Singapore's proactive approach to managing financial sector crises. By strengthening recovery and resolution planning, enhancing resolution powers, protecting stakeholders, and promoting cross-border cooperation, MAS aims to ensure that the failure of a FI can be managed in an orderly manner without compromising financial stability.

For FIs, the update serves as a timely reminder that resolution preparedness is an increasingly important component of risk management, resilience, and regulatory compliance in Singapore's evolving financial sector landscape.

To view the information paper, please click [here](#)

Singapore Enforcement News – September 2026

Prohibition Order Against Ms Goh Hui Bin (Goh) (25 September 2026)

Enforcement Snapshot

Case: Ms Goh Hui Bin – Former Business Branch Manager, DBS Bank Ltd

Breach:	Forgery under the Penal Code – fraudulently altered bank statements submitted as supporting documents for insurance policy applications of 21 customers to meet team sales targets
----------------	--

Fine:	None
--------------	------

Suspension:	5-year prohibition order
--------------------	--------------------------

Regulator:	MAS
-------------------	-----

Summary of Facts:

MAS issued a five-year Prohibition Order against Ms Goh Hui Bin, a former representative of DBS Bank Ltd (DBS), who was convicted of forgery offences. Goh, a Business Branch Manager, supervised a team of sales representatives who were tasked to sell financial and insurance products to customers. Between September 2019 to January 2021, Goh fraudulently altered bank statements and submitted them as supporting documents for the insurance policy applications of 21 customers. These customers would otherwise have been unable to meet the product eligibility requirements for the policy. Goh did this to meet her team's monthly sales targets. On 17 June 2025, Goh was convicted of one count of forgery under the Penal Code (PC). Another two counts of forgery under the PC were taken into consideration for the purpose of the sentencing. Goh was sentenced to 7 weeks' imprisonment.

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

Prohibition Order Against Vijendren S/O Tanapal (Vijendren) (25 September 2026)

Enforcement Snapshot

Case: Mr Vijendren S/O Tanapal – Former Representative, DBS Bank Ltd

Breach:	Forgery under the Penal Code – fraudulently altered 6 bank statements submitted to insurer for client insurance policy applications; also misrepresented the insurer's minimum residency requirement to induce customers to apply – all to meet sales targets
----------------	---

Fine:	None
--------------	------

Suspension:	4-year prohibition order
--------------------	--------------------------

Regulator:	MAS
-------------------	-----

Summary of Facts:

MAS issued a four-year Prohibition Order against Mr Vijendren S/O Tanapal, a former representative of DBS Bank Ltd (DBS), who was convicted of forgery offences. Between May and October 2017, Vijendren tasked to sell insurance policies, fraudulently altered six bank statements before submitting them to the insurer as supporting documents for insurance policy applications of his customers. These customers would otherwise have been unable to meet the product eligibility requirements for the policy. Additionally, Vijendren also misrepresented the insurer's minimum residency requirement to his customers, to induce them to apply for the insurance policies. Vijendren did this to meet his sales targets. On 9 April 2026, Vijendren was convicted of two counts of forgery under the PC. Another four charges were taken into consideration for the purpose of the sentencing. Vijendren was sentenced to 7 weeks' imprisonment.

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

Stay informed with our Regulatory Update

Navigate the ever-evolving regulatory landscape with our Regulatory Update. Our team of compliance experts provide a monthly review of a wide range of global regulatory compliance matters, including news, guidelines and significant regional updates. To sign-up to receive these updates, please follow the link below.

[Find out more →](#)

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.

[Contact us →](#)

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.