

APAC Monthly Update

November 2015

APAC Monthly Update summarizes important regulatory developments, meetings, committee activities and conferences in the region.

Regulatory Activities

Hong Kong:

On November 11 and 12, ISDA participated in an HKMA GARP Global Risk Forum.

On November 13, ISDA co-hosted with ASIFMA and FIA an industry meeting with European Commissioner Lord Hill.

Korea:

On November 3, ISDA held a member call to discuss latest reporting system issues on Korean Reporting Regime.

On November 5, ISDA had a meeting with the Consul for Finance & Economy of the Consulate General of Korea in Hong Kong to profile ISDA and to discuss global regulatory issues with respect to the Korean derivatives market.

On November 6, ISDA had a meeting with the Financial Services Commission to discuss global regulatory issues and Korean economy.

On November 16, ISDA participated in a KRX information session on its risk management improvement plan.

On November 19, ISDA held a member call to discuss latest legal issues on Korean Reporting Regime.

Philippines:

On November 16, ISDA made a presentation on OTC derivatives, netting, collateral and WGMR regulation to Philippine regulators and market participants. Asian Development Bank, Asia Pacific Financial Forum and the US Treasury hosted the seminar.

Singapore:

On November 6, ISDA gave a presentation on trade reporting challenges to the Operations Sub committee of the Singapore Foreign Exchange Market Committee.

On November 9, ISDA met with the MAS to discuss reporting and other reform related issues.

Committee/Working Group Activities

North Asia L&R:

On November 3, ISDA held its Asia-Pacific Legal & Regulatory Committee Meeting (North Asia) in Hong Kong.

ISDA provided an update on the China CSRC's consultation on administrative measures for programme trading on securities and futures markets.

For Hong Kong, ISDA provided an update on the 2015 ISDA annual Asia-Pacific conference in Hong Kong including the keynote address of CFTC Commissioner Giancarlo, the gazetting of revised capital rules, the SFC circular on implementation of OTC derivative regulatory regime, ISDA's response to the SFC consultation on Securities and Futures (Financial Resources) Rules, the Hong Kong Government and financial regulators consultation response to the second consultation on cross-border resolution regime for financial institutions, an update on the industry meeting with the HKMA/HKTR on reporting regime, the SFC & HKMA joint consultation on introducing mandatory clearing and expanding mandatory reporting and HKMA's guidance on countercyclical capital buffer.

For Korea, ISDA briefed members on its recent Seoul trip, the TR Task Force meeting, the CFTC's issue of Order of Exemption from registration as a DCO to Korea Exchange, Inc. and the FSC's announcement of measures to boost competitiveness of financial investment business.

ISDA also provided an update on the following developments in Australia, ISDA: ISDA 2015 annual Australia conference, including the speech by Assistant Governor of RBA (Malcolm Edey), ASIC's results of new reviews of HFT and dark liquidity, the CFR's consultation on evolution of methodology for BBSW, RBA's annual report, the Australian Government's response to the Financial System Inquiry, ASIC's extension of Phase 3B reporting commencement date and APRA's report on the Committed Liquidity Facility.

ISDA also provided an update on developments in South Asia. For India, ISDA discussed the SEBI circular to regional commodity derivative exchanges on risk management, RBI's liberalization of booking of FX contracts, SEBI's increase of limit of FPI investment in government securities and SEBI's regulation of the commodity derivatives market. The following developments in the Philippines were discussed: the SEC's implementation of rules and regulations of the Securities Regulation Code and SEC's correction to the SRC Rules. The following Singapore updates were discussed: the MAS masking relief, Singapore and China's agreement on new initiatives to boost the RMB business and MAS' consultations on LCR disclosure requirements, revisions to Notice 637 to implement revisions to Basel III, and margin requirements for non centrally-cleared derivatives. In relation to Thailand, ISDA provided an update on developments in reporting and the SEC proposed revision to crowdfunding rules.

ISDA also provided updates on certain ISDA efforts, including the ISDA 2015 Section 871(m) Protocol relating to withholding tax on dividend payments under an equity swap, the ISDA Client Clearing Opinions and an update on the Hague Choice of Court Convention. ISDA also highlighted certain key global developments including the US FDIC approval of final rules on margin and capital requirements for covered swap entities.

On November 24, ISDA held its Asia-Pacific Legal & Regulatory Committee Meeting (North Asia) in Hong Kong. The meeting started with a discussion on 2 members' topics. Linklaters gave an update on the Hong Kong Companies (Winding Up and Miscellaneous Provisions) (Amendment) Bill 2015. The meeting also discussed the recent UK Supreme Court decisions on doctrine of penalties and their implications on the ISDA Master Agreement.

ISDA provided an update on North Asia developments. For China, ISDA briefed members on the operating guidelines for foreign exchange administration on cross-border offering and distribution of Mainland and Hong Kong securities investment funds issued by the PBOC and SAFE, and PBOC's FAQs on foreign central banks' entry into China's interbank FX market. For Hong Kong, the following topics were discussed: the introduction of the Financial Institutions (Resolution) Bill, the gazetting of the Securities and Futures (Amendment) Ordinance 2015, ISDA/FIA/ASIFMA joint response to HKMA-SFC consultation on mandatory clearing and mandatory reporting (including data fields), an update on industry discussions with HKMA/HKTR on reporting regime, SFC's circular on training and simulation tests relating to mandatory reporting of OTC derivatives.

For South Korea, ISDA provided the following updates: CFR's fourth report on Australian OTC derivatives market, ASIC's market integrity rules for Chi-X warrant and ETF, ASIC 2014-5 annual report, RBA's conclusions on repo clearing, EC's "equivalence" decision for regulatory regimes for CCPs in South Korea.

ISDA also updated the members on developments in South Asia. For Philippines, ISDA briefed the members on BSP's amendments to Manual of Regulations for Banks and Non-Bank Financial Institutions. For Singapore, ISDA briefed the members on MAS initiatives to strengthen RMB flows and capital market connectivity, ISDA/ASIFMA joint response to MAS consultation on margining requirements for non-centrally cleared derivatives, MAS' new relief on trade reporting. For Thailand, ISDA gave an update on Thai reporting proposals, SEC's consultations on net liquid capital rules and mutual fund investment rules, and BOT new regulations concerning OTC non-credit derivatives for commercial banks.

ISDA updated members on the following latest ISDA initiatives: ISDA client clearing opinions, Australian single-sided reporting multiple representations letter, ISDA Universal Resolution Stay Protocol. ISDA also highlighted the following global regulatory developments: EU Securities Financing Transactions Regulation, UK PRA's policy and supervisory statements relating to contractual stays in financial contracts governed by third-country law, US prudential regulators' final rules on margin and capital requirements for covered swap entities, BIS' consultation on haircut floors for non-centrally cleared securities financing transactions and FSB's Principles for Cross-border Effectiveness of Resolution Actions.

South Asia L&R:

On November 26, ISDA held its Asia –Pacific Legal & Regulatory Committee meeting (South Asia) in Singapore. The meeting began with a discussion on documentation and regulatory developments in Indonesia and translations of ISDA documentation. ISDA updated the meeting on the following Australia developments: Council of Financial Regulators' response to Consultation - FMI Resolution and Licensing Regimes, the CFR's 4th Report on the Australian OTC Derivatives Market, ASIC's amended market integrity rules for Chi-X warrant and ETF, ASIC's 2014-15 annual report and RBA's conclusions on repo clearing.

The meeting also considered the following developments in India: RBI guidelines to Risk Management & Inter-Bank Dealings: Relaxation of facilities for residents for hedging of foreign currency borrowings and RBI's paper on Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalising Distressed Assets in the Economy - Review of the Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP). Also discussed were: the BSP in the Philippines approving amendments to Manual of Regulations for Banks and Non-Bank Financial Institutions and the following developments in Thailand: an update on Thailand reporting proposals, SEC's consultation on revision to net liquid capital rules, SEC's consultation on revision to mutual fund investment rules and BOT's new regulations concerning OTC non-credit derivatives for commercial banks.

ISDA updated the meeting on the following Singapore developments: ISDA/ASIFMA joint response to MAS consultation on margining requirements for non-centrally cleared derivatives and MAS new trade reporting relief. Among developments in North Asia which were discussed include: in China, PBOC and SAFE operating guidelines for foreign exchange administration on cross-border offering and distribution of Mainland and Hong Kong securities investment funds and PBOC FAQs on foreign central banks' entry into China's inter-bank FX market and in Hong Kong, the introduction of Financial Institutions (Resolution) Bill, the gazetting of Securities and Futures (Amendment) Ordinance 2015 gazetted, ISDA/FIA/ASIFMA joint response to HKMA-SFC joint consultation on Phase 1 clearing and Phase 2 reporting for OTC derivatives transactions and updates on ISDA response to HKMA/SFC on Phase 2 reporting data fields and industry discussions with HKMA/HKTR on reporting regime.

ISDA also updated the meeting on certain ISDA initiatives including the launch of the ISDA Universal Resolution Stay Protocol as well as global developments including the adoption of the EU SFTR, EC "equivalence" decisions for regulatory regimes for CCPs in Canada, Mexico, South Africa, Switzerland and Republic of Korea and US prudential regulators issuing final rules on margin and capital requirements for covered swap entities.

Other Working Groups:

AEJ Data and Reporting Compliance WG:

The WG met on 25 November. Discussions centred around approaching Australian, Singaporean and HK regulators about an extension to the 1 February 2016 UTI g-live date, a guiding principles document for identifying nexus trades, strategic issues around preparations for the commencement of reporting in Hong Kong in January 2016 (including a senior-level meeting with the HKMA), the ISDA response to the HKMA/SFC consultation paper on Phase 2 data fields, the 7 September HKMA letter on unmatched trades, the continuation of masking relief under the Singaporean reporting regime, the extension of the commencement date for Phase 3B reporting in Australia and the related ISDA Australian Single-Sided Reporting Representation Letters, issues around the reporting of forward-starting swaps in Australia, developments in the Korean reporting taskforces, expected development of a reporting regime in Thailand, recent LEI ROC and CPMI-IOSCO consultations around LEI and other data elements, and an update to the ISDA Asia-Pacific Consolidated UTI Go-Lives Spreadsheet to add in an indication of whether members intend to follow ISDA UTI generation logic. Members were also supportive of creating a contact list for resolving HK unlinked and unmatched trade reports.

Asia Identifiers and Delegated Reporting Sub-WG:

The Sub-WG had a call on 27 November. Discussions centred around approaching Australian, Singaporean and HK regulators about an extension to the 1 February 2016 UTI g-live date, the recent consultations by CPMI-IOSCO on UTI and other data elements (other than UTI/UPI) and ISDA's responses, consultations from the LEI ROC around LEI, potential industry and third-party initiatives around historical UTI pairing and sharing, UTI linking of structured trades, the HKMA/SFC consultation paper on Phase 2 data fields, an update to the ISDA Asia-Pacific Consolidated UTI Go-Lives Spreadsheet to add in an indication of whether members intend to follow ISDA UTI generation logic, updating contact lists for sharing and pairing EMIR UTIs for backloading, UTI usage from certain FX platforms and transmission of UTIs through certain SWIFT tags, ISDA's new initiatives on product symbology, recent masking relief from ASIC and the MAS and the recent finalisation of the ASIC Phase 3B single-sided reporting regime and related implementation arrangements.

Members' and Other Activities:

On November 3, ISDA and ASIFMA held its monthly Asian Public Policy Committee meeting with member firms.

On November 16, ISDA had a lunch meeting with Korean members to discuss the latest TR issues.

Regulatory Developments

Australia:

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ASIC amends MIRs for Chi-X warrant, ETF trading

On October 30, the Australian Securities and Investments Commission (ASIC) published amendments to ASIC market integrity rules to ensure warrants and exchange-traded funds (ETFs) admitted to quotation on Chi-X Australia Pty Ltd (Chi-X)'s new investment products market are subject to an appropriate regulatory regime. This follows the recent changes to Chi-X's Australian market licence and amendments to Chi-X's operating rules.

Chi-X is aiming to launch its investment products market in late-2015, commencing with the quotation and trading of warrants, followed by the launch of ETFs in 2016. In February 2015, Chi-X released a consultation paper outlining its proposals. ASIC then consulted with the industry on changes to the regulatory framework. Feedback from this consultation is set out in Report 453 Response to submissions on CP 235 Proposed amendments to ASIC market integrity rules for the Chi-X investment product market (REP 453). ASIC has also made minor amendments to the ASIC Market Integrity Rules (ASX Market) 2010 to incorporate recent changes to the definitions of 'ETF' and 'managed fund' in the ASX Operating Rules. These changes were also addressed during the consultation.

ASIC tables annual report

On October 30, ASIC tabled its annual report for the 2014–15 financial year in the Australian Parliament. The report includes the chairman's report and analysis of ASIC's regulated markets and key responsibilities, as well as outcomes on its key priorities, including fair, orderly, transparent and efficient markets.

CFR releases fourth market assessment report

On November 4, the Australian Council of Financial Regulators (CFR) released its fourth report on the Australian over-the-counter (OTC) derivatives market.

Having assessed current activity and practices in Australia's OTC derivatives market, along with overseas developments, the CFR says it does not currently see a case for extending the product scope of Australia's central clearing mandate. The CFR says it sees in-principle benefits from increased use of trading platforms and will continue to consider the case for promoting their use, including through the introduction of trading mandates. While the CFR does not set out specific recommendations, the report outlines the details of how the CFR will assess the case for introducing trading mandates in the future.

The report also notes that Australia intends to implement internationally agreed margin requirements and other risk mitigation requirements for non-centrally cleared derivatives. In the first instance, this will be through prudential standards from the Australian Prudential Regulation Authority (APRA), given the prominent role of APRA-regulated institutions in the Australian OTC derivatives market. The CFR will consider its approach for non-APRA regulated institutions in 2016.

RBA releases conclusions on repo clearing

On October 28, the Reserve Bank of Australia (RBA) released its conclusions paper on potentially requiring the central clearing of repos in Australia, following an industry consultation. A number of themes emerged from the consultation, including:

- The commercial viability of a repo CCP, given the small size of the Australian repo market;
- Currently well-managed credit risk within the repo market, given the directional nature of participants that may limit netting benefits;
- Potential operational benefits of a repo CCP, particularly through straight-through processing, although it was acknowledged this could also be achieved through increased use of centralised collateral management services;
- The significant effort undertaken by participants to ensure settlement fails are relatively rare; and
- The need for any repo CCP to have access to a large reserve of securities and liquidity to ensure smooth default management.

In light of the significant share of repo market transactions that involves the RBA as counterparty, and the relatively small interdealer market, the RBA noted that the financial stability case for central clearing of repos in Australia is not likely to be as strong as in some other jurisdictions. While repo clearing could be a catalyst for other beneficial changes in market infrastructure, some of these benefits could potentially be pursued by enhancing the existing market infrastructure, even without CCP clearing. However, should the industry proceed with a proposal for the introduction of such a CCP, the RBA would stand ready to engage in the debate and consider participation, subject to pre-conditions around continuity, location and design and terms of access.

APRA proposes revisions to prudential framework for securitization

On November 26, the Australian Prudential Regulation Authority (APRA) published a discussion paper on its proposals to revise the prudential framework for securitisation for authorised deposit-taking institutions (ADIs). APRA is also releasing a draft Prudential Standard APS 120 Securitisation (APS 120).

APRA's objective in revising the prudential requirements for securitisation is to establish a simplified framework, taking into account global reform initiatives and the lessons learned from the global financial crisis. One of these lessons was that securitisation structures had become excessively complex and opaque and that prudential regulation of securitisation had become similarly complex. APRA first consulted on initiatives to simplify its prudential framework for securitisation in April 2014. APRA's amended proposals include:

- dispensing with a credit risk retention or 'skin-in-the-game' requirement;
- allowing for more flexibility in funding-only securitisation; and
- removing explicit references to warehouse arrangements in the prudential framework.

These amended proposals are expected to assist ADIs in further strengthening their funding profile and provide clarity to ADIs that undertake securitisation for capital benefits. The proposals incorporate the new Basel III securitisation framework, with appropriate adjustments to reflect the Australian context and APRA's objectives, and will be applicable equally to all ADIs. The discussion paper and draft prudential standard are subject to consultation. APRA proposes to implement these changes inline with the Basel Committee's effective date of January 1, 2018. Deadline for submissions is March 1, 2016.

In addition, APRA intends to release a draft prudential practice guide (PPG), reporting standards and reporting forms for consultation in the first half of 2016. APRA expects that these final documents will be released in the second half of 2016.

CFR issues response to consultation on resolution regime for FMI

On November 23, the Australian Council of Financial Regulators (CFR) issued a response to the consultation paper on the establishment of a special resolution regime for clearing and settlement (CS) facilities and trade repositories (TR), which was released in February 2015.

In the response, the CFR sets out its views on how key feedback from stakeholders should be addressed. The views cover additional loss absorbency, business transfer powers, stay on early termination, powers over overseas CS facility licensees, application of the regime to market operators and TRs, threshold for domestic incorporation of CS facility licensees and other matters such as statutory management.

Stakeholders will be given the opportunity to comment on the draft legislation in due course.

Hong Kong:

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Financial Institutions (Resolution) Bill gazetted

On November 20, the Financial Institutions (Resolution) Bill was gazetted following two stages of public consultations (in January 2014 and January 2015), and the release of the consultation response in October 2015. The bill seeks to establish a cross-sector resolution regime for financial institutions in Hong Kong, in order to be in line with the key attributes published by the Financial Stability Board.

The resolution regime covers a wide range of regulated financial institutions. Existing regulators will act as the relevant resolution authorities for their respective sectors. Five resolution options have been included: transfer to a purchaser; transfer to a bridge institution; transfer to an asset management vehicle; bail-in; and transfer to a company wholly owned by the government. The bill also provides further rules and guidance on the bail-in mechanism and safeguards given to certain protected arrangements (such as netting or title transfer arrangements). Two tribunals will be established to review decisions of the resolution authority on resolvability and compensation.

The bill has a statutory recognition framework for recognising foreign resolution actions, to the extent that such actions would not have an adverse effect on financial stability in Hong Kong. The bill also provides for a resolution authority to make rules to require the contractual recognition of bail-in actions and the imposition of temporary stays on early termination rights.

The bill will be introduced to the Legislative Council for a first reading on December 2.

SFC proposes amendments to the guidelines for the regulation of automated trading services

On November 20, the Hong Kong Securities and Futures Commission (SFC) issued a consultation paper on proposed amendments to the Guidelines for the Regulation of Automated Trading Services (ATS).

The proposals reflect recent regulatory developments relating to derivatives in Hong Kong. The implementation of mandatory clearing (currently targeted for mid-2016) means market participants that currently provide ATS for clearing derivatives transactions, and overseas central counterparties (CCPs) that wish to provide services as a designated CCP for the purposes of mandatory clearing obligations, will need to become ATS providers. Accordingly, the SFC has proposed amendments to the ATS Guidelines to provide more specific guidance on the application requirements and procedures applicable to CCPs offering clearing services for derivatives transactions, and to align the requirements with international standards and practices.

The deadline for comments is December 31.

SFC, ESMA sign MoU

On November 26, the Securities and Futures Commission (SFC) of Hong Kong announced that it has signed a Memorandum of Understanding (MoU) that will allow the exchange of information on derivative contracts held in trade repositories. The MoU, which became effective on November 19, allows ESMA and the SFC to have indirect access to trade repositories established in the European Union and Hong Kong respectively.

ESMA has already signed MoUs with the Australian Securities & Investments Commission (ASIC) and the Reserve Bank of Australia (RBA) providing for a direct access to TR data. However, the ESMA-SFC MoU is the first cooperation arrangement among authorities to establish an indirect access to TRs through the exchange of information. This follows the recommendation of the Financial Stability Board (FSB) to enter into this type of agreement to overcome legal barriers to accessing data on derivatives trades, for example when direct access by foreign authorities to TR data is not possible.

Philippines: BSP approves amendments to regulations manual

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On November 2, the Monetary Board of the central bank of the Philippines, Bangko Sentral ng Pilipinas, published Circular No.890 approving amendments to the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MoRNBFI). Key elements include:

Section 10 Circular No. 827 deleted Section X116, Subsections X116.1 to X116.7, and Appendix 63a of the MORB. The following subsections/appendices of the MORB contain references pertaining to the deleted section/subsections/appendix. References to the deleted section/subsections/appendix are changed to "under applicable and existing capital adequacy framework". With respect to derivatives:

- App.46b: Instructions for Accomplishing the Report on Computation of the Adjusted Risk-Based Capital Adequacy Ratio Covering Combined Credit Risk and Market Risk (For Universal Banks and Commercial Banks With Expanded Derivatives Authority);
- App.46c: Instructions for Accomplishing the Report on Computation of the Adjusted Risk-Based Capital Adequacy Ratio Covering Combined Credit Risk and Market Risk (For Universal Banks and Commercial Banks with Expanded Derivatives Authority but Without Options Transactions);
- App.46d: Instructions for Accomplishing the Report on Computation of the Adjusted Risk-Based Capital Adequacy Ratio Covering Combined Credit Risk and Market Risk (For Universal Banks and Commercial Banks Without Expanded Derivatives Authority).

Singapore:

MAS amends trade reporting regulations

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On October 30, the Monetary Authority of Singapore (MAS) released the Securities and Futures (Reporting of Derivatives Contracts) (Amendment) Regulations 2015, which amend the following reporting components of the Singaporean regime:

- The scope for determining whether an entity is a significant derivatives holder. In particular, for the purpose of calculating whether an entity breaches the gross notional threshold (SGD 8 billion)

and therefore becomes a significant derivatives holder, the new amendment serves to remove from the calculation: i) FX derivatives contracts traded in or booked in Singapore, where the last day of the quarter in question is on or after August 1, 2015, but before November 1, 2015; and ii) interest-rate- and credit-nexus derivatives contracts, and FX derivatives contracts traded in or booked in Singapore, in any other case.

- Reporting of derivatives contracts traded in Singapore for specified persons in paragraphs (b) and (d) to (g) under section 124 of the Securities and Futures Act, as well as significant derivatives holders (essentially all non-banks); and
- Extending the ability to mask counterparty information from November 1, 2015 to July 1, 2017. The time period in which to unmask historical transactions after expiry of the relief has also been extended, from a two-month window (November 1, 2015 – December 31, 2015) to a six-month window (July 1, 2017 – January 1, 2018).

MAS announces strengthened RMB flows and capital market connectivity

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On November 9, the Monetary Authority of Singapore (MAS) announced that initiatives to strengthen cross-border renminbi (RMB) flows and a commitment to collaborate on capital market connectivity between China and Singapore were key financial co-operation outcomes arising from a recent state visit to Singapore by the president of the People's Republic of China.

Three key initiatives further expand channels for cross-border RMB flows and help support greater use of the RMB outside China. First, China and Singapore agreed to extend the same cross-border RMB initiatives that currently exist with respect to Suzhou and Tianjin to Chongqing municipality. The enhanced cross-border channels will boost RMB activities in Singapore. They will also provide a larger variety of financing solutions for Chinese corporates and help strengthen financial connectivity between Singapore and China's western region. Second, Singapore's quota under the RMB qualified foreign institutional investor scheme will be doubled from RMB 50 billion to RMB 100 billion. Third, the MAS and the People's Bank of China agreed to renew and enhance the bilateral currency swap arrangement established between the two central banks.

The financial co-operation agenda between Singapore and China now includes an agreement to enhance capital market co-operation through two initiatives. This includes an agreement to institute a regular high-level dialogue between the MAS and the China Securities Regulatory Commission (CSRC). In addition, the MAS and CSRC agreed to explore product collaboration to broaden capital market offerings.

Thailand:

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SEC proposes revision to mutual fund investment rules

On November 5, Thailand's Securities and Exchange Commission (SEC) announced it is seeking public comment on a proposed relaxation of rules governing the investment policy of mutual funds offered for sale to accredited investors (institutional and high-net-worth investors), to enhance the competitiveness of asset management companies and diversify choices for investors with higher risk tolerances.

The draft revision will allow asset management companies to offer more diversified, complex types of mutual funds, similar to those sold in foreign markets, and introduce investors to more investment opportunities through various types of complex products. The relaxation would allow mutual funds offered to accredited investors to invest in any types of financial instruments without company limit ratio, which has already been the case with hedge funds. Meanwhile, the investor qualifications would also be

revised to ensure that only accredited investors with matching risk profiles would be eligible to invest in higher-risk mutual funds. The public hearing ends on 16 November.

SEC consults on net liquid capital

On November 12, the Securities and Exchange Commission of Thailand (SEC) announced it is seeking public comment on a draft amendment to the rules on calculation and reporting of net liquid capital to better reflect asset values and the changing market environment. The proposed key changes include:

- Adjustment of the position risk calculation;
- Inclusion of diverse financial instruments, such as equity, debt, investment units and trusts in the risk calculation; and
- Updating the net liquid capital calculation methods to be more flexible and suitable to current market trends.

The latest draft amendment includes feedback and recommendations from stakeholders who participated in the hearing in August 2015. The public hearing ends on December 7, 2015.

Submission/Comment Letters:

Nov 18: ISDA Australian Single-Sided Reporting Multiple Representation Letter

Nov 18: ISDA submission to The National Assembly of the Republic of Korea with regards to the Proposed Bill of the Corporate Restructuring Promotion Act as a Permanent Statute

Committee and working group meetings/conferences

Meetings:

Asian Public Policy Meeting	Dec 1
North Asia L&R Meeting	Dec 1
Members' meeting – Mumbai	Dec 14
Regulatory Meeting – Mumbai	Dec 14
AEJ Data and Reporting Compliance Working Group Call	Dec 16
Asia Identifiers and Delegated Reporting Sub-Working Group Call	Dec 18

Conference:

Update on Key Global Regulatory Initiatives and Cross-Border Considerations – Mumbai	Dec 15
Understanding the ISDA Master Agreements and Credit Support Documents – Mumbai	Dec 16

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Please direct comments and questions about APAC Monthly Update to Donna Chan, dchan@isda.org

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