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ASIF Newsletter

Quarterly Issue, December 2008

The Newsletter of the Asian Securities and Investments Federation

Secretariat News

New Name of the Federation Asian Securities and Investments Federation (ASIF)



At the Annual General Meeting held on Saturday 25 October in Bangkok, Thailand, amendments to the Constitution and change of name from Asian Securities Analysts Federation (ASAF) to Asian Securities and Investments Federation (ASIF) were unanimously approved so that the Federation can broaden its activities and membership base in Asia and Oceania. The new name and amended Constitution were lodged with the Commissioner of Fair Trading of the State of New South Wales, Australia. The new name was approved on 27 November and subsequently the new Constitution was approved on 22 December 2008.

The amended Constitution allows the Federation to have more than one full member society from a country/region, and we thus hope to welcome full members from the broader financial community in Asia and Oceania. There is also a new clause enabling the appointment of advisors from among regulators, self-regulatory organizations, and exchanges in the region.

Expulsion of the Indonesian Society

At the same AGM, expulsion of the Indonesian Association of Investment Managers (IAIM) was unanimously approved due to their non-payment of annual membership fees for the past four years. As a result, the Federation now has 11 full members and two associate members.

The Interim Executive Committee Meeting to be held in Hong Kong

The next ASIF Executive Committee Meeting will be held on Friday 17 April at the meeting room of the Hong Kong Securities Institute (HKSI) hosted by them. It is expected to have an extensive discussion on the future course of action for the newly started ASIF.

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We expect to have a good discussion with the Securities and Futures Commission (SFC), the regulator in Hong Kong and their possibility to become the advisor to ASIF.

ACIIA® News

ACIIA® Council Meeting: 13 November 2008, Buenos Aires, Argentina

ACIIA Council Meeting was held on 13th November 2008 in Buenos Aires, Argentina.

In the meetings, all delegates had a fruitful discussion on several topics, especially in order to improve the level of service provided to CIIA holders. The ACIIA has not only launched the CIIA forum (Chat room) onto the ACIIA website in September, 2008, but also decided to provide CIIA holders throughout the world with CIIA Seminars (including lunch) without any charge. Such seminars will be offered in English by each ACIIA member societies. Their schedules and topics will be announced on the ACIIA website from time to time. Please visit www.aciia.org



Taking this opportunity, the host society, Instituto Argentino de Ejecutivos de Finanzas (IAEF) organized a seminar inviting prominent speakers from Argentina, Asia, and Europe.



The seminar was well received by over 300 participants. From Asia, SAAJ sent a speaker, Prof. Toshio Idesawa, Professor of Tohoku University Graduate School.



The next ACIIA Council Meeting and Annual General Meeting will be held in Vilnius, Lithuania on 24-25 June, 2009.

Calendar 2009

17 April 2009

ASIF Interim Ex. Comm. Meeting
Hong Kong

24 June 2009

ACIIA® Council Meeting

25 June 2009

ACIIA® Annual General Meeting
Vilnius, Lithuania

Member's Regional News

Australia — Finsia

Finsia's campaign priorities in 2009 are as follows:

Navigating reform: the financial services crisis and Australasia's response

Finsia is currently consulting with a number of economic and public policy consultancies regarding a research initiative, which will examine the relative strengths (and weaknesses) of the long-run structural developments in Australasia's financial services industry. This study is intended to provide the first systematic review of the competitive landscape – including the role of technology and growth in financial intermediaries – since the Wallis review was conducted in 1997.

Against the background of substantial international debate regarding financial services regulation, Finsia believes that any proposed changes to Australia's approach should be backed by rigorous analysis and debate.

Australia as a regional financial services hub: the talent dimension

In partnership with Roy Morgan, Finsia conducted a member poll on the impact of the current crisis on employment. In the poll survey, Finsia members indicated that Australia's talent shortage has not disappeared, and when the markets recover from the current crisis, the shortage will be greater than before.

Australia's financial services industry remains well regarded internationally, and in the context of the current crisis, our ambition of becoming a regional financial services hub requires us to take the long view.

In the first stage of this policy initiative, research conducted by Roy Morgan Research provided preliminary insight into the key issues facing the financial services industry in attracting skilled employees. The research examined the patterns of the Australian workforce over a 10 year period between 1997 and 2007 (and the significant trends influencing this period).

The research and findings within the report *Closing the talent gap: Building a global financial centre* identified an alarming disparity regarding the participation rates of men and women in the finance sector as compared to the rest of the workforce, with female participation in the industry dropping off particularly in the older age groups, while being maintained at higher levels in the overall economy.

In the second stage of this policy initiative, Finsia has engaged in qualitative research to deliver further insights to our members. Roy Morgan Research steered and informed discussion at Finsia's senior industry roundtable on 21 August 2008. The roundtable brought together senior HR executives, industry experts, key government contacts and senior Finsia Fellows to further examine the key policy challenges and opportunities facing the industry. Elizabeth Broderick, Australia's Sex Discrimination Commissioner, addressed delegates on the Commission's recent 'Listening Tour' and 'Plan of Action Towards Gender Equality'.

Reconciling wealth with leverage: new challenges in consumer finance

The inaugural Finsia – Melbourne Centre for Financial Studies Consumer Finance – Investment and Regulatory Issues symposium was held on 19 August 2008 in the State Library of Victoria. Senator the Hon. Nick Sherry, Minister for Superannuation and Corporate Law, provided the keynote address. The symposium was followed by a half day workshop, which involved presentations of selected academic, regulatory and policy centre working papers as well as panel sessions. Finsia commissioned Roy Morgan Research to undertake a longitudinal study of the attitude of the Australian public to household debt, insights from which were used at the symposium to frame and explore relevant issues. The research and findings *reconciling wealth with leverage: New challenges in consumer finance*, provide preliminary insight into the key issues which have influenced the spiraling levels of household debt in Australia.

With the guidance of the Consumer Finance Advisory Group, Finsia will broaden the consumer research into household debt launched in 2008. On the regulatory front, there

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are a number of gaps, especially those relating to property-related investments, which have exacerbated the losses of self-funded retirees. More broadly, the recent downturn has been the first significant challenge to the reputation and standing of Australia’s superannuation system.

In partnership with the Australian Securities and Investments Commission (ASIC), Finsia intends to deepen its commitment to supporting financial literacy initiatives, especially with respect to retirees and aged-care finance.

Sustainability post-Kyoto protocol ratification: opportunities for the Australian finance industry

In the **first stage** of Finsia’s research for this policy initiative, a study of senior finance industry representatives engaged in Environmental, Social and Governance (ESG) activities was conducted in 2008 by Finsia in association with Griffith University’s Sustainable Business Research Initiative.

The preliminary findings were released on 19 May 2008, including the report *Is the financial services industry ready for climate change?*. This report was used to inform Finsia’s workshop at the National Business Leaders Forum on Sustainable Development at Parliament House in Canberra.

The study raised serious concerns that if Australia’s pace of engagement with the ESG agenda fails to accelerate, opportunities in capital attraction, skills development and retention, and thought leadership will be lost to foreign markets.

The results suggested that a broad-based response across the financial services industry, academic institutions, industry bodies and government is needed to take advantage of the opportunities that climate change initiatives present and to determine and mitigate risks.

In the **second stage** of this policy initiative, 10 focus groups were held based on the five industry sub sectors: (1) Financial Planners; (2) Brokers & Sell-Side Analysts; (3) Fund Managers, Buy-Side Analysts & Asset Owners; (4) Investment Bankers & Venture Capitalists; and (5) Bankers & Lenders. The findings of

these focus groups formed the basis of a report, *The financial services industry beyond Kyoto: Capacity building for climate change*.

This report informed the joint Finsia-Institute of Actuaries of Australia *Low carbon economy: risks and opportunities for the financial services industry* event, which was held 9 October 2008. In commenting on this report, Finsia’s Chief Executive Officer, Dr Martin Fahy F Fin, noted that, despite the education and training efforts of climate change professionals, considerable confusions continues to surround the terms of the debate and the significant role the financial services industry can play in transferring to a low carbon economy.

In 2009 Finsia will release the **final research report** and industry tool-kit, *Capacity building beyond Kyoto: opportunities for the financial services sector*. In addition to the research report, this publication will include contributions from industry experts organized according to the various sub-sectors of industry – for example, financial planners, asset managers, financial analysts and investment bankers. These contributions will outline and explain the Government’s policy with respect to the carbon pollution reduction scheme and the implementation schedule and will also offer some practical advice on communicating the relevance of long-term financial risks, such as those posted by climate change, to clients.

All reports referred to above are to be found on the Finsia website at www.finsia.com under Policy and Advocacy.

China — SAAC



1. On October 17, Advanced Sino-French Financial Forum was jointly hosted by China Securities Regulatory Commission CSRC and (AMF), co-organized by The Securities Association of China (SAC) and Paris Europlace. The theme of this Forum was “Financial Market and Globalization: Opportunities and Challenges for the Securities Industry of China and France”. Mr. Shang Fulin, Chairman of CSRC, Mr. Huang Xiangping, Chairman of SAC and Mr. Michel Prada, Chairman of AMF attended the conference and made speeches respectively.

2. Entrusted by China Securities Regulatory Commission, Securities Association of China held examination on securities brokers on December 6 and December 7 in 42 cities all over the country, the first such kind of examination on employees engaged in securities brokerage business in China. The total units registered in the exam amounted to 116,000. The examination was conducted through computers by candidates.

3. A Delegation from the training program on the development of emerging market organized by The Ministry of Commerce visited SAC on October 22. The delegates included government officials from more than 20 developing countries including Vietnam, Indonesia, the United Republic of Tanzania, etc. Mr. Chen Ziqiang, vice chairman and Secretary General of SAC made a welcome speech to the delegation. Mr. Jia Zhonglei, commissioner of OTC working committee of SAC made a lecture on Chinese capital market at the meeting.



4. Korea Securities Dealers Association held seminar on capital market of South Korea together with SAC on October 22 in Beijing.

The theme of the seminar was to introduce the capital market of South Korea, its rules and regulations, key industries as well as mutual communication between the securities industry of the two countries. A total of 150 professionals from the securities industry of China and SAC delegates participated in the conference.



IRAN— IIIA

Global Financial Crisis and Islamic Capital Markets



The recent Tsunami in global financial markets, despite others, was not unpredictable. We can do believe that it is not really financial, however it is a credit crisis which is practiced by Wall Street bankers, leading now in a cascading global economic crisis, we are all facing around the world. We may consider it from capital market aspect, as a derivatives Tsunami somehow, because it hit us as the result of years of unregulated ballooning of subprime mortgages, its resultant low rated credits and derivatives which were not backed by valuable assets.

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In Islamic Economic Rules – which is called *Shari'a*, you can issue only one security for each identifiable asset. In other words, only Asset Back Securities are acceptable in Islamic Markets. For example, an instrument like *Sukuk* which is playing a powerful role in markets nowadays, essentially relied on particular physical assets and is not exactly like regular bonds; in fact it is a *Shari'a* compliant bond. A bond is a contractual debt obligation whereby the issuer is contractually obliged to pay to bondholders, on certain specified dates, interest and principal, whereas, the *Sukuk* holders claims an undivided beneficial ownership in the underlying assets. Consequently, *Sukuk* holders are entitled to share in the revenues generated by the *Sukuk* assets as well as being entitled to share in the proceeds of the realization of the *Sukuk* assets. In addition, a distinguishing feature of a *Sukuk* is that no derivative can be issued or traded on it.

If we go just a few months back, the starting points of current crisis were derivative issuers, who had issued several certificates for only one asset. In fact, one morning, some of certificate holders suddenly found out that they have only a piece of paper in hands without any value, backer assets or collateral probably in absence or silence of SEC, Federal Reserve or Treasury. The critical point in that - say black morning, was absence of backer physical asset. Therefore, inability to refund the invested amounts by issuers was one of the major drivers of Tsunami which would be more controllable and so reducible if they could present enough real assets. In designing financial instruments and products, *Shari'a* mainly focuses on recognizing a direct relationship between those instruments

and related real assets to ensure the applicants by reporting the origin of the benefits and identity of transaction, clearly. In lack of the above mentioned relation, the transaction is not allowed, because it may be unfair or ambiguous and therefore it can damage one or both parties' benefits and rights. Review of Islamic countries losses from recent disaster shows that the sources of loss are not due to their *Shari'a* compliant transactions. It seems that we now seriously need to certain transparency in financial transaction, then all derivatives shall restructure and redesign in accordance with the characteristic of Islamic ones which is a vital step these days.



On the other hand, one of main aims of capital markets is creating value. On the contrary, a market without value added has done nothing and so, doesn't make sense. When value creating transactions are replaced by speculation in a capital market and major players in market – even institutional investors, abandon long term benefits and approach to play like a daily speculator, obviously market and its players will lose their wealth. Nowadays we need to return from Profit and Loss Account to Value Added Statement, which shows the role of enterprise in wealth generation, and professional analysts have to focus on information of this statement technically and should not serve only speculation. This is other necessity of Islamic Corporate Reporting Theory, too.

The final point is the unreality of Alan Greenspan's dream, who was thinking that the market has enough ability to regulate and manage itself, and nobody should interfere. Now, in real world, everybody and of course he, can see that all chairmen, CEOs, bankers and even economists are clapping for governments

interference to rescue the economy and serve the disable market, and their expectations are much more than what governments do. What we can expect currently, is not injection of money to market, which will work just for a few days like Aspirin, the real and essential need and treatment is renovation of regulatory bodies and empowering them like *Shari'a Committees* in Islamic capital markets who have strong roles in regulation and supervision on market activities specially designing financial products and of course their regulation process and result cannot scratch the basic rules of Shari'a. While these basic rules restrict some applications, it plays as a motivation and driver of designing appropriate instruments. Do all markets have such a strong and constant basis?

Japan — SAAJ

SAAJ on the Credit Crisis

The Securities Analysts Association of Japan (SAAJ) has conducted an opinion poll of its members on the current credit crisis and accounting standards. The survey was made in late November in preparation for a public round-table meeting hosted by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) of US. A representative of SAAJ attended the round-table held in Tokyo on the 3rd December and made comments based on the survey findings. The survey results can be obtained from the following.

<http://www.saa.or.jp/english/resarch/SAAJNEWSRELEASE081202.pdf>

On a related issue, the SAAJ sent a comment letter on 28 November to the Accounting Standards Board of Japan on the exposure draft of reclassification of holding purposes of bonds.

<http://www.saa.or.jp/research/SAAJComment28November.pdf>

Further, the SAAJ presented its comment on 24 December to the International Organization of Securities Commissions (IOSCO) in regard to proposed restrictions on short selling of stocks.

<http://www.saa.or.jp/research/iken.pdf>

“The 2nd Private Banking Seminar” in Tokyo – Again a Great Success

4-5 December:



“The 2nd Private Banking Seminar” held in Tokyo inviting prominent practitioners/professionals as speakers, was a great success, the one-day case study being particularly well received.

“The 2nd Private Banking Seminar – Theory and Practice for Private Bankers” was held by SAAJ (in the SAAJ Conference Room) on 4-5 December 2008 with more than 50 participants from various industries such as banks, securities firms, wealth management companies, CPA firms, etc. Bearing in mind the candid comments of the participants in the “1st Private Banking Seminar” held in December 2007, we changed the time allocation between lectures and the case-study from 60:40 to 50:50.

1st day: Main lecture topics

- (1) Characteristics of Japanese clients targeted for private banking
- (2) What kind of advice and services do older people really want?
- (3) Alternative investments
- (4) Tax relating to business succession, particularly for small and medium-sized privately-owned companies
- (5) Panel discussion – Japanese-style family office

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2nd day: Case study

“What is the best choice for business succession from the viewpoint of an owner, and what are the risks involved with respect to each possibility?”

(1) Advantages and disadvantages of “business succession within a family”

(i) common case

(ii) 80% extension of tax payment due if tax law is applicable

(2) Advantages and disadvantages of “MBO”

(3) Advantages and disadvantages of “Sellout to a Capital Partner”

(4) Advantages and disadvantages of “M & A”

(5) Proposal of investment policy to the owner.

In Japan, quite a few seminars have focused on private banking, but the SAAJ private banking seminar is quite unique since participants are from various industries and have the opportunity of exchanging opinions with other companies and/or industries. Thus, most participants highly evaluate the seminar and want to attend subsequent seminars.



PROGRAM:

Session 1

‘Characteristics of Japanese clients in Private Banking business

Takashi Yoneda

Representative Director and Chairman
LPL Japan Securities, K.K.

Session 2

‘Advisors and Services aspired by senior citizens’

Setsuko Sakakibara

President
Office Sakakibara

Session 3

‘Alternative Investment’

Motoyasu Yukawa

President
Pictet Financial Management Consultants Co.,
Ltd.

Session 4

‘How to Plan the Business Succession’

Masahiro Hige

President
Hige Accountant Office

Panel Discussion

‘Family Office in Japan’

Moderator: **Takashi Yoneda**

Case Study

‘Corporate Owner in his 60s at the crossroad point

- The future of Small and Medium sized company with major brand products’

Masaichi Kitayama, CMA

President and CEO
Capital Asset Planning, Inc.

Seminars for CIIA holders from abroad in 2009

The SAAJ will offer three CIIA seminars during 2009. There is no fee for CIIA holders from abroad and lunch is included. All speeches are in Japanese with simultaneous interpretation in English.

1. 23rd January: 15th SAAJ Seminar

“Ascertaining Attractive Features of Japanese Stocks” - From the viewpoint of global investors

2. July: SAAJ / CIIA Summer Seminar

The main topics of focus will be fixed income analysis, fixed income investment, and/or a few topics concerning finance/ the economy in which CIIA/CMA holders might be interested. Exact theme, date, etc. to be decided later.

3. September: SAAJ- Nippon Finance Association Joint Seminar

Since the seminar is jointly offered with the Nippon Finance Association, the topics will be more focused on investment analysis theory. Exact theme, date, etc. to be decided.

Ms. Naoko Mori of SAAJ elected member of GIPS Nominations Committee

At the recent election of the GIPS Council held on 30 November 2008, Ms. Naoko Mori, Vice President of SAAJ, was elected a member of the GIPS Nominations Committee from among four candidates put up by GIPS Country Sponsors. The Nominations Committee is mainly responsible for nominating individuals for GIPS membership who will provide broad representation of the investment industry to the GIPS Executive Committee. The committee comprises four members, namely the GIPS Council Chair, Executive Director of the GIPS Executive Committee, an appointee of the CFA Institute, and an elected member representing the interests of the 30 GIPS Council countries worldwide.

Recent Events

SAAJ held 13 seminars in Nov – Dec 2008.

Some topics were:

7 November

'Outlook of Chinese Economy Post Beijing Olympics'

Sho Bin Sho

Senior Economist
Daiwa Securities Co. Ltd.

19 November

'Current situation and Outlook of Indian Economy'

Arn Kumar Prumar

Advisor
Shinko Securities

19 December

Recent Vietnamese Economy and Stock market

Hisatsugu Furukawa

International Department
The Japan Economic Research Institute
Advisor of JICA

The following events and seminars are scheduled to be held during January-March 2009:

Upcoming Events/Seminars

15th SAAJ Seminar - 23 January

'Ascertaining Attractive Features of Japanese Stocks – from viewpoint of global investors'

Program:

Session 1 : *'Japanese Corporate Governance from a viewpoint of foreign investors'*

Naoki Kamiyama, CMA

Japanese Stock Strategist
Stock Research Department
Morgan Stanley

Session 2 : *'Evaluation of Japanese Stocks and Convergence of Accounting Standard'*

Kazuyuki Suda

Professor
Waseda University Graduate School of Finance

Session 3 : *'Valuation of Japanese Stocks from a point of view of foreign investor'*

Masatoshi Kikuchi, CMA

Chief strategist
Merrill Lynch

21st SAAJ-CFA Institute/CFAJ Joint Seminar 2nd – 3rd March, Tokyo

"Managing Investment Risk: Lessons of the Credit Crisis"(Temporary Theme)

The SAAJ/CFA Institute Joint Seminar has continued for over 20 years, but, at the request of the CFA Institute, will be terminated following the seminar to be held between 2-3 March 2009, entitled "Managing Investment Risk: Lessons of the Credit Crisis". Needless to say, SAAJ will independently continue offering similar seminars in a bilingual form (Japanese /English) inviting prominent domestic/foreign speakers. And, as usual, SAAJ will welcome participants from abroad.

ASIF members are most welcome to attend this seminar. More details will be available in early January 2009 on the SAAJ website.

<http://www.saa.or.jp/seminar/21jointseminar/english.html>

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Hong Kong — HKSI

Barbara Shiu elected as new HKSI Chairman

The 11th Annual General Meeting (AGM) of the Hong Kong Securities Institute has been held on 10 December 2008. During the meeting, 7 new board directors were appointed. Ms Barbara Shiu has been elected to be the new Chairman at the inaugural meeting of the Board held immediately after the AGM.



HKSI Chairman
Ms Barbara Shiu

Former SFC Chairman and CSRC Chief Advisor Anthony Neoh becomes the HKSI Honorary Fellow for 2008

Former Securities and Futures Commission (SFC) Chairman and China Securities Regulatory Commission (CSRC) Chief Advisor Mr Anthony Neoh, SC, JP was made an Honorary Fellow of the Hong Kong Securities Institute (HKSI) during the induction ceremony held at the HKSI's Autumn Dinner on 26 November. HKSI Honorary fellowships are awarded to individuals who have made distinguished contribution to the development of the Hong Kong securities and investment industry.



Mr Anthony Neoh (middle) inducted as the HKSI Honorary Fellow for 2008

In recognition of members' significant contribution to the development of the industry and Institute, seven HKSI ordinary members were also inducted as HKSI fellows during the same occasion. They are Mr Gerald Greiner; Mr Lee Kam Hung, Lawrence; Mr John Maguire; Mr Martin Rogers; Mr Colin Shaftesley; Ms Barbara Shiu and Mr John Williamson.

Mr Gary Cheung, HKSI Chief Executive, said, "Since its inception, the Institute has gained tremendous support from the industry and the members. We hope that the newly inducted Honorary Fellow and Fellows continue to support our work in leading the industry to new heights."

The HKSI is a premier membership organization in the region. To date, there are about 25,000 individual members with 33 Honorary Fellows/Fellows as the highest rank.

Global Alliance in Promoting IAQ in Hong Kong

The HKSI has established a partnership with UK's Securities & Investment Institute (SII) to promote the globally-recognized SII Investment Administration Qualification (IAQ) to those working within the global and Hong Kong's finance and investment industry.

"The move is in response to the manpower gap in operations identified in a HKSI research study published in June," says Mr Gary Cheung, Chief Executive, HKSI. "The gap is a structural issue that needs to be addressed."

"We are delighted to partner with HKSI on this project. HKSI and SII have a long history of collaboration and our IAQ complements the HKSI offerings to front office practitioners, enabling candidates to access a complete package of professional qualifications," says Mr Simon Culhane, Chief Executive, SII.

HKSI is the strategic partner of SII in promoting the latter's International IAQ within Hong Kong and China. The two organizations signed an agreement on 1 November 2008. HKSI is also accredited as an SII Accredited Training Provider to offer training in Hong Kong for the

International IAQ candidates who would like to attend face-to-face training programme.

Mr John Williamson, HKSI Business Support Committee Chairman says, "Business support qualifications, like the IAQ, help provide individuals with an overview of the financial services industry and its regulatory environment. The training modules within the programme cover a good range of highly relevant topics. This type of education is of enormous benefit to both new entrants to the industry and to existing participants who need to improve their understanding of the operational and administrative functions."



Mr John Williamson

The business support training initiative has received a tremendous response from the industry. The International IAQ and the HKSI Certificate in Business Support Management are now supported by the HKEx.

Young Talent Optimistic about Their Future Careers in the Financial Industry

On 31 October, approximately 200 students attended a career talk organized by the HKSI. During the presentation, senior industry practitioners Ms Chow Yuen-Yee, Executive Director, Morgan Stanley, and Mr Gerald Greiner, Chief Operating Officer, Hong Kong Exchanges and Clearing (HKEx), both of whom are HKSI members, gave an insider's view of the industry and shared their thoughts on career development.



Mr Gerald Greiner, Ms Chow Yuen-Yee, Mr Gary Cheung and the participating students

Ms Chow said that passion and intellectual curiosity are some of the many qualities Morgan Stanley is seeking in candidates for positions in the firm. Other attributes include commitment, entrepreneurship, integrity, teamwork, leadership qualities, and strong interpersonal skills. Mr Greiner emphasised the importance of communication skills saying that: "Client servicing skills are also important to back office staff, as they have many internal clients to work with."

The response from students attending the presentation was encouraging. "I'm not scared by the recent financial crisis. Life goes on and the market is still there, though the focus may be different," said Mr Stephen Tam, a third year student studying financial services at the Hong Kong Shue Yan University. Ms Miranda Cheng, a post-graduate student in financial engineering at the Chinese University of Hong Kong, decided to pursue a career in finance because she found the industry "fascinating".

All the students were invited to participate in a survey about their career aspirations. Mr Gary Cheung, Chief Executive, HKSI, was encouraged to discover that despite the recent credit crisis, two-thirds of respondents were still keen to pursue a career in the financial industry. Mr Cheung advised, "If you are pursuing a career in the financial industry, you may find it useful to mix with leading industry professionals. This can be an important aspect of your professional development."

Respondents indicated that "Networking Opportunities", "Integrity" and "Training and Education" were the top three elements crucial

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community. The primary purpose is to help students learn more about the financial industry and the many career paths they could follow.

“Degree holders are now eligible to apply for HKSI membership,” said Mr Cheung. He encouraged all students to consider joining the HKSI if they want to develop their career as it provides an ideal platform for exchange of ideas and professional development.

HKSI Roundtable Luncheons

Two HKSI Roundtable Luncheons were successfully held at Island Shangri-La Hotel, with Mr Martin Wheatley, Chief Executive Officer of Securities and Futures Commission (SFC) and Mr Paul Chow, Chief Executive of HKEx as the principal guest speakers on 2 September and 4 December respectively. Mr Wheatley’s speech “Crisis - What Crisis? Efficient Markets and Fat Tails” provided a timely discussion of current issues of the global financial markets, and Mr Chow shared with participants on “HKEx’s Initiatives for 2009 and Beyond”. Both events attracted over 130 senior market practitioners and around 25 of journalists from 15 media outlets to attend.



Mr Martin Wheatley at the Roundtable Luncheon



Mr Paul Chow at the Roundtable Luncheon

We have also organized a few Executive Roundtable Luncheons (ERLs) starting July this year. This exclusive programme for practitioners holding HKSI membership designations (HKSI Aff, MHKSI, FHKSI and FHKSI(Hon)) has become a popular event. For those who are not familiar with ERL, this is a high level luncheon event for HKSI members. The roundtable discussion will accommodate 10-12 members. For each event, the principal guest will speak for about 10-15 minutes on a topic pertinent to the industry, which is then followed by discussion among the participants.

The ERL with Mr Robert E. Plaze of the US Securities and Exchange Commission as the principal guest was fully booked and successfully held on 27 October at the American Club.



Mr Robert E. Plaze (middle) and HKSI members

Training Programme with the Shenzhen Securities Association

The Shenzhen Securities Association (SSA) and HKSI jointly organized a Human Resources Management Training Programme on 14 -15 August in Hong Kong for corporate members of SSA. Attendees included human resources general managers, human resources directors, compliance directors, training managers and recruitment managers from 28 securities brokerage firms and investment funds.



SSA Training Programme participants

The programme had a prime focus on two hot topics, namely, (1) Talent Development and Training Management, and (2) Talent Recruitment and Selection. A visit to Tai Fook Securities Group was also arranged to enhance the understanding of how human resources management is practiced in securities brokerage firms in Hong Kong.

This programme was the first training programme organized by HKSI for senior human resources executives in securities brokerage firms and investment funds in the Mainland. Exchanges between institutions in China and Hong Kong are thus no longer limited to the professional and technical levels. Focus has now turned to the techniques and implementation of human resources management.

Thailand — SAA

SAA Forum



In the 4th quarter, SAA provided an opportunity for analysts to get knowledge directly from expertise on “Investment Analysis on FIF” by Mr. Maitri Sotangkur, CFA, Vice President, Strategy and Marketing Department, Asia Plus Securities PCL. and Dr. Supakorn Soontornkit, Senior Executive Vice President, MFC Asset Management PCL; “Accounting for Derivatives” by Assoc. Prof. Vorasak Toommanon, Ph.D., Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University; “From Great Depression to 2008 Global Financial Crisis” by Assoc. Prof. Sompop Manarungsan, Ph.D., Faculty of Economics, Chulalongkorn University.

The last forum in 2008 was held in cooperation with Assoc. Prof. Vorasak Toommanon, Ph.D., Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University on the topic of “Update Accounting Standard”.

Discussion Panel

This is a new project to provide an opportunity for reporters and investors to get information directly from SAA directors, senior analysts or top executives of private enterprises. It is usually held two times every month.



The 4th quarter, SAA provided 4 discussion panel sessions on “**Thailand Outlook in Global Recession**”, “**Opportunity for braver...**”, “**Energy Stock: the hope of Thai Stock**”, “**How to invest on irresolute market**”.

Joint Seminar



SAA and the Stock Exchange of Thailand co-hosted the September 29th seminar, “**The impact of the global financial crisis on Thai economy and Thai capital market**”, at the

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HONG KONG

INDIA

IRAN

JAPAN

KOREA

MALAYSIA

NEW ZEALAND

PHILIPPINES

THAILAND

SET building. Key speakers at the event were Dr.Kongkiat Opaswongkarn, chief executive officer, Asia Plus Securities PCL and SAA Chairman; Mr.Bandid Nijathaworn, deputy governor, Bank of Thailand; Mr.Adisorn Sermchaiwong, executive vice president and head of the Saving and Investment Products Division, Siam Commercial Bank PCL; and Ms.Suvabha Charoenying, Managing Director, Thanachart Securities PCL. The panelists agreed that the current global financial crisis has caused liquidity problems in the global financial system and drawn foreign fund flows out of the Thai capital market. Moreover, its impact would continue to damage the investment climate despite Thailand’s strong economic fundamentals.

ASAF Seminar



ASAF held an Annual General Meeting in Bangkok on 25 October, meanwhile, took this opportunity to hold an “ASAF Seminar”, in co-operation with SAA and the Stock Exchange of Thailand which was supported by Federation of Thai Capital Market Organizations, Asia Plus Securities, TISCO Securities, Siam Commercial Bank, Bank of Ayudhya, Government Housing Bank and Thailand Securities Institute for members of SAA and interested public on 24 October at SET Building.

Key speakers at the event were Mr. Mike Willis, Member of Executive Committee of ASAF representing FINSIA, Australia and Chair of the ASAF Advocacy Committee on “Navigating the Turbulent International Markets-The Australian resources boom and its wider implications for the financial services industry in Australasia”; and Mr. Paiboon Nalinthrangkurn, SAA Deputy Chairman, on “*Thailand Economic and Stock Market Outlook 2009*”.

Dr. Kongkiat Opaswongkarn Chairman of SAA welcomed Dr. Bill Kwok, Chairman of Asian Securities Analysts Federation (ASAF) and delegates during lunch hosted by SAA.

Besides, SAA arranged appointments for ASAF directors to have courtesy call meetings to Securities and Exchange Commission and Stock Exchange of Thailand.



SAA Survey



From the latest poll survey of 18 brokers on 24 December, Sombat Narawutthichai, secretary-general told a press briefing that SET index was projected at 547 points in average, moving between a low of 364 in the first quarter and a high of 590. The surveyed analysts were concerned that the global economy would wobble more than expected and the new government would stand on shaky ground. Earnings next year for listed companies are projected to decline by 4.9% from this year, compared with an estimate of 2.3% growth in the Oct 17 survey.

Seminar for Reporters



On 22 December, the financial reporters learned from Ms. Porranee Tongyen, CISA, our Deputy Chairman, Domestic Affairs and Education and Executive Vice President, Asia Plus Securities PCL on “Financial Reporting that Reporter should know”.

Analysts Fair

Analysts Fair was co-hosted by SAA, The Stock Exchange of Thailand (SET) and Association of Securities Companies on 20 November from 15:00 to 19:30 hours at the Siam Paragon Shopping Complex, Bangkok in the SET’s fifth investment fair on “SET in the City 2008” that occurred during November 20-23, 2008.



Analysts Fair was the most popular activities on this investment fair as it was an invaluable opportunity for investors and the public to hear expert analysis on the economic situation and investment options under current circumstances. Admission was free. This year SAA provided multiple seminars on “The new global crisis: will the Thai economy and stock market survive?”, “Analysis on Big Cap. Stock (Energy, Petrochemical, Shipping)” and “Financial Institutions under global crisis”.



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