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ASIF

Newsletter

Quarterly Issue, July, 2011

The Newsletter of the Asian Securities and Investments Federation

Secretariat News



ASIF Meetings are set for 19-20 October

As it has been previously reported the ASIF Annual General Meeting and Executive Committee meeting and other committee meetings will be held on 19-20 October 2011 in Hong Kong kindly hosted by Hong Kong Securities Institute. It is planned that on Thursday 20 October, a luncheon speech will be also held which will be open to all of the delegates of the ASIF member societies attending the AGM. The venue of the meetings and luncheon events are the HKSI premises in Central, Hong Kong.

HKSI kindly arranged an attractive room rate at L'hotel Causeway Bay Harbour View in Hong Kong which is conveniently located for attending the meetings at HKSI office.

ASIF Chairman's visit to SAC, China

ASIF Chairman, Mr. Kiyoto Hagiwara,

made a courtesy call to SAC China and had a meeting with Dr. Lin Yixiang, ASIF Deputy Chairman in March 2011 in Beijing. They had a constructive discussion on the future course of the Federation and how its raison d'etre in Asia and Pacific region can be raised. They have agreed that it is essential to further strengthen the cooperation between SAAJ and SAC for the future development of ASIF.

They also agreed that establishing "ACIIA Asia Forum" among ASIF members would be very constructive for further promotion of the CIIA program in the Asian region, which is one of the most important objectives of the Federation. These were confirmed between Mr. Hagiwara and Mr. Huang Xiangping, Ex-Chairman of SAC during the ACIIA meetings held late June in Dubrovnik, Croatia.



From left to right: Mr. Kazumichi Karita (ASIF Manager), Mr. Toshihiko Ishida (SAAJ), Mr. Kiyoto Hagiwara (ASIF Chairman, SAAJ President & CEO), Dr. Lin Yixiang (ASIF Deputy Chairman, SAAC President), Mr. Zhou Weiping (SAC), Ms. Gu Yingying (SAC)

Calendar 2011

19-20 October 2011
 ASIF Annual General Meeting
 Hong Kong

8-9 November 2011
 ACIIA Seminar, Council Meeting
 Hanoi, Vietnam

Member's Regional News

HKSI–Hong Kong The HKSI Launches Private Wealth Management Initiative

The Hong Kong Securities Institute (HKSI) has launched a broad initiative that includes a “Competency Guidelines” programme and certification for market practitioners in order to address the increasing need for professionals in the Private Wealth Management (PWM) industry.

The HKSI recently established an Ad-hoc Committee for the Competency Guidelines for PWM Industry in Hong Kong (ACCGP) that includes senior representatives from almost all the major global, regional, and local PWM firms.

The committee’s main objective is to develop a set of competency guidelines for market practitioners who are engaged in the PWM industry.

The competency guidelines will be based on global best practices and local requirements that are relevant to the Greater China mar-

ket. The HKSI plans to launch the competency guidelines by the end of this year. A set of competency standards will then be developed to certify PWM professionals.

As part of the PWM initiatives, the HKSI last month signed an agreement with the Swiss-based Association of International Wealth Management (AIWM) that allows the HKSI to offer the Certified International Wealth Manager (CIWM[®]) Programme. Professionals of PWM and related fields have been enrolling with the CIWM programme in Switzerland and five other European countries, including the United Kingdom.

The HKSI will be the first organisation in Asia to offer the CIWM Final Examination and its preparatory courses for professionals who are working in or are interested in joining the PWM industry.

Professor K C Chan, Secretary for Financial Services and the Treasury, said, “The development of competency guidelines for PWM professionals will help strengthen Hong Kong’s position as a leading international financial centre. We are pleased to see the HKSI pressing ahead with the initiatives to meet market needs.”

Mr Anthony Muh, Chairman of HKSI, explained, “The HKSI is very excited about the PWM initiatives. They are an important part of our strategy to enhance the professionalism of market practitioners in the Greater China region and to maintain Hong Kong’s role as a world class financial hub. We are very confident these initiatives will serve industry professionals well.”

Dr Bill Kwok, Chairman of the ACCGP and a former Chairman of the HKSI, said, “We are very pleased and proud to work with PWM leaders and experts in the development of industry-wide qualifications and competency standards. From this point on, PWM firms can use these quality benchmarks in supporting and meeting the career development needs of

their staff. At the same time, individual participants will benefit from getting world-class recognition of their knowledge and experience in this well-regarded profession.”

Mr Chris Meares, CEO of Global Private Banking, HSBC, commented, “HSBC welcomes the Private Wealth Management initiatives undertaken by HKSI to expand the pool of skilled talent in the Greater China Region. We believe these steps are important in the continuing development of the private banking industry but most importantly in the full interests of customers.”

Mr Aamir Rahim, CEO, Citi Private Bank, Asia Pacific, said, “Today’s fast-developing PWM market requires trained professionals who, in addition to understanding global financial markets and the latest financial instruments, must understand the importance of clients’ portfolio management process and risk control and how to best serve their clients’ interest given the market volatilities.”

Mr James Hong, Managing Director, Head of Private Banking, Hong Kong Location, Credit Suisse AG Hong Kong Branch, added, “It is very timely for the HKSI to launch the PWM initiatives in light of the current needs of the industry. We believe that higher quality training provided to staff helps to ensure a better quality of services provided to clients, strengthening the trust and confidence clients place in the institution.”

HKSI Mission to Thailand

Thailand is one of the fast-growing markets in the Asian time-zone as evidenced by the steadily uprising SET index in the past few years. To better prepare HKSI members and market practitioners for the growth potential, Mr Anthony Muh, Chairman of the HKSI, led an 18-member delegation to visit Bangkok on 7-8 April.

During the 2-day programme, the delegation visited Securities & Exchange Commission,

Stock Exchange of Thailand and Thailand Securities Institute, Ministry of Finance, TISCO Securities Company Limited, and TISCO Asset Management Company Limited.

A dinner reception was held at the Four Seasons Bangkok with Mr Khun Pravej Ongartsittigul, Senior Assistant Secretary-General, Securities and Exchange Commission as the principal guest. Over 50 senior representatives from the regulator and major finance firms attended the dinner. Guests enjoyed the function and welcomed the networking opportunities provided.

Moreover, a special lunch talk was organised with Baker & McKenzie Thailand. Mr Thepachol Kosol, partner of Baker & McKenzie shared with the HKSI delegation his insights on “How to set up a finance business in Thailand – overview of the legal structure”.

The delegation received tremendous support from leaders and senior representatives of the Thailand government and market institutions. All participants agreed that professional networking activities between Hong Kong and Thailand are essential in laying the foundations for a higher level of cooperation.



The HKSI Chairman, Mr Anthony Muh (right), presented souvenir to Mr Khun Pravej Ongartsittigul, Senior Assistant Secretary-General, Securities and Exchange Commission (left)

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The HKSI delegates enjoyed good time in the special lunch talk organised with Baker & McKenzie Thailand

SAAJ –Japan

SAAJ Announces Private Banking Common Knowledge Base

SAAJ launched Private Banking Seminars in 2007 to enhance the professional knowledge of mainly CMA holders engaged in private banking/wealth management activities in Japan. In the meantime, SAAJ has also studied the feasibility of introducing a private banking educational program by establishing the Private Banking Education Working Group in May 2010.

Based on such continuing studies and discussions, in May 2011 SAAJ produced and announced its Private Banking Common Knowledge Base (PB CKB) after incorporating public comments received. The PB CKB aims at providing a comprehensive outline of knowledge required for private bankers in Japan to enable them to offer various high quality services to their clients. The PB CKB consists of seven sections: Relationship Management, Wealth Management, Real Estate, Tax, Other (Uses of Trusts, etc), Mass Affluent Customers, and, most importantly, Professional Ethics.

SAAJ will continue to review the PB CKB for further improvement reflecting best practices and make every effort to establish a professional education program by producing textbooks based on the PB CKB and also encourage participation from not only CMA holders but also others with a view to granting a qualification in the future.

For more details (only in Japanese): www.saa.or.jp/seminar/news/pdf/pb_comment_3.pdf

SAAJ Efforts after the Earthquake/Tsunami

Since the disastrous earthquake/tsunami that hit East Japan on 11 March 2011, SAAJ has taken various actions/measures.

Proposals for Post-Earthquake Recovery

A paper entitled “Proposals for Post-Earthquake Recovery: From the Standpoint of Financial Analysts” was published by SAAJ in mid-June 2011, consisting of contributions from five distinguished financial analysts:

Overview: Toward Recovery from the Earthquake

Yukio Suzuki, CMA, former Chairman of SAAJ

CEO Chief Analyst, Belle Investment Research of Japan Inc.

- **Macroeconomic Policy Management for Recovery and Future Direction of Energy Policy**

Masanobu Kaizu, CMA, Chief Research Officer, Financial and Economic Research Center of Nomura Securities Co., Ltd.

- **Post-Earthquake Recovery: Rethinking the Shape of Japan**

Daisuke Yamada, Executive Officer and General Manager, Industry Research Division, Mizuho Corporate Bank, Ltd

- Deflation due to Strong Yen, Financial Crisis, and Political Instability: Are These Three Common Phenomena in the Aftermath of the Previous Disastrous Earthquakes of 1923 and 1995 Avoidable?

Hajime Takata, CMA, Executive Officer, Chief Strategist, Global Research Division, Mizuho Securities Co., Ltd

- Establishing a Japanese Model through Recovery for the World

Ryoji Musha, CMA, President, Musha Research Co., Ltd.

Some 30,000 copies were printed and distributed to SAAJ individual and corporate members, committee members, and associate members as well as to other related organizations including the central and local government offices. An English version of the summary will be published shortly. The full text in Japanese is available at:

www.saa.or.jp/member/news/pdf/news_110617_shinsaiteigen.pdf

Presentations on the Impact of the Earthquake and Recovery

SAAJ's monthly journal and several presentations as well as seminars have covered various topics regarding the impact of the earthquake and recovery.

- Wednesday 11 May: **Great East Japan Earthquake and Financial Reconstruction**

Mitsuhiro Fukao, Professor, Graduate School of Business and Commerce, Keio University

- Monday 6 June: **Great East Japan Earthquake and Corporate Japan**

Eiji Hirano, Deputy President, Toyota Financial Services Corporation

- Thursday 23 June: **Life and Casualty Insurance Industry after the Earthquake**

Keiko Mizuguchi, Chief Analyst, Japan Credit Rating Agency, Ltd.

- Wednesday 29 June: **SAAJ Summer Seminar**

Impact of the Earthquake on Corporate Bond Investments



Front cover of the “Proposals for Post-Earthquake Recovery”

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Hidetoshi Ohashi, CMA, Managing Director, Morgan Stanley MUFG Securities Co., Ltd.

Fund Raising for Recovery

Ryutaro Kono, CMA, Chief Economist, BNP Paribas Securities

Global Economic Outlook and Fixed Income Investment Strategies after the Earthquake

Tadashi Kakuchi, Senior Vice President, PIMCO Japan Ltd.

- Friday 1 July: **Great Earthquake and Japanese Electronics Industry**

Masaya Yamazaki, CMA, Senior Research Officer, Financial and Economic Research Center, Nomura Securities

- Wednesday 20 July: **Outlook for Japanese Equity Market after the Earthquake**

Masatoshi Kikuchi, CMA, Chief Equity Strategist, Merrill Lynch Japan Securities

- Wednesday 27 July: **Outlook for Japanese Economy after the Earthquake**

Eiji Maeda, Director - General, Research and Statistics Department, Bank of Japan

Measures Taken for Affected SAAJ Members and Candidates

Various measures have been taken by SAAJ for affected members and candidates. For instance, textbooks have been offered free of charge to CIIA and CMA candidates who lost them. For CIIA candidates who were unable to sit for the March 2011 CIIA final exams due to the earthquake, enrollment fees have been refunded or applied to the September exams. For affected members, exemption from or postponement of membership fee payment has been offered.

Donations for the Victims of the Earthquake and Tsunami

SAAJ has invited donations from overseas and domestically for the victims of the 11 March 2011

East Japan Earthquake and Tsunami, and has received with sincere gratitude generous donations from overseas financial analyst associations as well as individuals including SAAJ members with CMA/CIIA designations. The total amount has reached almost 10 million yen and, together with the donation from SAAJ itself and its board members and staff, is over 22 million yen. These donations have been allocated to the local governments of the most seriously affected prefectures (Miyagi, Iwate, and Fukushima) and the Japanese Red Cross Society. SAAJ is still accepting donations and continuing support is greatly appreciated.

Donor list: www.saa.or.jp/english/news/donation_for_japan_earthquake.html



Hidetoshi Ohashi at the 11th SAAJ Summer Seminar

SAA-Thailand

Annual General Meeting

SAA held the 2011 Annual General Meeting on April 27, 2011. Mr. Paiboon Nalinthrangkurn, CFA was re-elected as Chairman and seven directors remained on the Board. The Board members elected among them Mrs. Porranee Thongyen as Deputy Chairman and Mr. Sombat Narawutthichai as Secretary-General.



SAA Forum

On 15 June 2011, SAA held a seminar on “How to read and analyze financial statements when start using IFRS: for accountants, auditors and users.

The 4 speakers are the specialists as follows:

1. Mr. Vorasak Toommanon, Ph.D. who is an Instructor from Department of Accountancy Faculty of Commerce and Accountancy, Chulalongkorn University and the Chairman of Accounting Standards Setting Committee, Federation of Accounting Professions under the royal patronage of His Majesty The King
2. Mrs. Prisana Praharnkhasuk, Executive Vice President, PTT Public Co., Ltd.
3. Ms. Nangnoi Charoenthaveesub, Certified Public Accountant (Thailand) No. 3044 of PricewaterhouseCoopers ABAS Co., Ltd

4. Mr. Visit Ongpipattanakul, Managing Director, Trinity Securities Co., Ltd.



Almost 350 attendances participated in the seminar on “The expected problems to be found in the financial statements when using IFRS” on 17 June 2011 by Mr. Vorasak Toommanon, Ph.D. and Mr. Thawatchai Kiatkwankul, Director-Accounting Supervision Dept., the Office of the Securities and Exchange Commission.



Co Seminar

On 17 June, SAA and the Stock Exchange of Thailand in cooperation with CFA Society of Thailand organized a seminar on “Best Practices for Equity Research Analysts” by Mr. James J. Valentine, CFA who is the author of Best Practices for Equity Research Analysts (published by McGraw-Hill). He educated audiences on the best practices, training and career advancement services for equity research analysts.

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FETCO Seminar

On 2 June, the Federation of Thai Capital Market Organizations (FeTCO) organized a seminar on “Perspectives on the capital markets and enhancement of the country’s competitiveness under the new government”.

The financial authorities and listed companies executives were invited speakers to exchange views on capital markets. In addition, economic teams of 5 leading political parties applying for general election also showed their view on how to strengthen and develop the capital market.

FeTCO is an organization related to the Thai capital market which consists of seven major organizations - Association of Securities Companies, Thai Listed Companies Association, Association of Investment Management companies, Thai Investors’ Association, Thai Bond Market Association, The Stock Exchange of Thailand and Securities Analysts Association (SAA).

SAA Chairman, Mr. Paiboon Nalinthrangkurn, CFA is FeTCO Chairman for two-year term (August 30, 2010 - August 29, 2012).



SAA Survey

On 13 July 2011, SAA had surveyed opinions of 20 brokerage houses on political confidence after the July 3 election.

Analysts raised the market forecasts only slightly after election. The consensus forecast

SET index to reach 1,197 points by year-end, after peaking at 1,221 in the second half, compared with the previous forecast of 1,181.

SAA secretary-general Mr. Sombat Narawutthichai said positive factors for the market included greater political stability, expectations of new stimulus measures from the new government and the prospects of rising consumption, investment and listed-company earnings. But risk factors include the European debt crisis, rising inflation, US economic weakness and rising interest rates.



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