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ASIF Newsletter

Quarterly Issue, June 2009

The Newsletter of the Asian Securities and Investments Federation

Secretariat News



The Securities Investment Development Corporation (SIDC) of Malaysia was admitted as a full member of ASIF at the recent Special General Meeting held on 12 June 2009.

SIDC was originally established as the Securities Investment Development Centre, part of the Securities Commission, the market regulator of Malaysia, in 1994 for the purpose of training and developing licensed intermediaries as well as for educating investors. In March 2007 it was incorporated as a company limited by guarantee and the name changed to Securities Industry Development Corporation (SIDC). ASIF has maintained contact with SIDC since May 2007 when the interim Executive Committee meeting was held in Kuala Lumpur.

SIDC is the second full member from Malaysia following the Research Institute of Investment Analysts Malaysia (RIIAM). This is the first such occasion that ASIF has two full members from one country or region as a result of the constitution being amended in October 2008. We would like to welcome SIDC and hope to be able to further enhance our activities.

SFC of Hong Kong becomes advisor to ASIF



At the recent Executive Committee meeting held on 17 April 2009, members approved appointing the Securities and Futures Commission of Hong Kong (SFC) as an advisor. Ms. Doris Pak, Director of Licensing of SFC, attended the ExComm meeting. This development was made possible due to the amendment of the constitution in October 2008. We sincerely look forward to receiving insightful advices from the new advisor.

ASIF AGM to be held October 2009 in Australia

Our Annual General Meeting will be held in mid-October 2009 in Australia in conjunction with the annual conference of the Financial Services Institute of Australasia. Details such as venue and programs will be announced as soon as decided. We look forward to welcoming as many members as possible.

ACIIA® News

Welcome to CIS Nigeria –the latest ACIIA member



The Chartered Institute of Stockbrokers (CIS) has recently become the newest member of ACIIA

The forerunner of CIS, the Nigerian Institute of Stockbrokers, was incorporated in 1990 as a private company limited by guarantee. The Institute was later granted a charter in 1992 by Act 105 of 1992. Under the enabling legislation, CIS is authorised to determine what standards of knowledge and skills are to be attained by persons seeking to become chartered members of the stockbroking profession, and raising those standards from time to time as circumstances may permit. CIS is the only professional body in Nigeria with the authority to conduct qualifying examinations for the stock broking profession, regulating the activities for the members of the profession while enforcing professional discipline. The main activities of CIS include:

- Promotion of global best practices and standards among members and enforcement of professional discipline.
- Conduct of professional examinations for the stockbroking profession.

- Organisation of annual conferences, seminars, workshops, etc.
- Organisation of Continued Professional Development programmes.
- Publication of magazines and journals.

As of April, 2009, there were 1363 members made up of 155 Fellows, 791 Associates and 417 Graduates. In addition, CIS have about 6000 active students.



CIS President Oladipo Olatunbosun Williams

CIS and ACIIA

CIS believe that ACIIA has the required platform for the exchange of ideas and information in the finance and investment field, which will open the international door for their members who desire to work in other jurisdictions without having to go through the whole academic and professional examinations. The increasing participation of foreign investors and institutions in the Nigerian capital market also requires that CIS members be globally competitive in terms of best practices and standards, in order to provide sound securities and investment services.

Growth in Nigeria

The de-regulation of the Nigerian economy contributed to the growth recorded in the stock market which led to an increase in

number of listed securities on the Nigerian Stock Exchange.

The Nigerian capital market witnessed an unprecedented growth from 2000 to 2007. This impressive growth was due to the improved macroeconomic environment, enhanced corporate performance, increased direct foreign investment and greater public awareness of opportunities inherent in the stock market.

Developments since 2000 have clearly demonstrated the strength of the market to mobilize domestic and foreign capital for economic growth and expansion. Despite the achievements recorded in the capital market, the market is still not deep enough. A comparative analysis of the equity market capitalization of the Nigerian market with major emerging markets of Asia, Europe and Latin America depicts the Nigerian market as relatively small. In other words, the market is not yet saturated. In fact, it holds the light to the future, as it can be used as a platform for providing the needed finance for both the private and public sectors.

The growth potential of the Nigerian financial market and in particular the capital market will offer more opportunities for CIS/CIIA members and at same time it equally requires that members' skills and knowledge be enhanced to cope with the international best practices and standards demanded by the international investors.



CIIA important for Nigerian investment professionals

Since the CIIA qualification is international and practical, it will enable Nigerian investment professionals to obtain recognition from the member societies of ACIIA and other countries. With the CIIA qualification, CIS members and graduates will become mobile professionals with qualifications that enable them to work in any international financial centre. The CIIA qualification will also assist in promoting global best practices and standards among our members, since all CIIA members must subscribe to ACIIA Principles of Ethical Conduct.

To be eligible for registration as a candidate of the CIIA Final Examination, applicants must meet the requirements of either the CIS Qualified Members Route (CIS Route) or the Experienced Qualified Candidate Route (EQC Route).

CIS will utilise the window of opportunities given to experienced qualified professionals in the securities and investment industry to allow them to write the CIIA Final level examination.

Practising senior capital market, finance and investment professionals who have not less than five years experience in the capital market, banking, insurance, finance and investment analysis and are not CIS members will be given the opportunity to participate in the CIIA examinations. Such candidates must be registered students of CIS who are in good standing.

Training

Like the CIS training, CIIA training will be organised through private education tutors who offer classroom lectures. CIS are at present discussing with some local universities with a view to organising specialist programmes for their courses. It is

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hoped that the first set of CIIA candidates will sit the March 2010 examinations.

Future of CIIA in Nigeria

The future of CIIA in Nigeria is very bright because the Nigerian capital market is still growing and the stock market is one of the emerging markets where returns are very high. The opportunities which the Nigerian market offers to foreign investors are so attractive, such that its full potentials are yet to be tapped. The envisaged expansion would require more qualified CIS/CIIA members to service the expected increase in the number of activities and clients. CIS estimate that in the next three to five years the number will not be less than 1000 candidates. As soon as they are able to create the necessary awareness, the number could grow to 2500 over time. The CIS Institute is still young by all standards in Nigeria and it is expected that the CIIA candidate base will improve as CIS population increases.

The increasing foreign interest in the Nigerian market means that knowledge and skills must be up-to-date in order to offer the best services to clients. The expectation is such that in time to come, the knowledge base of CIS members will be comparable to their counterparts in the developed international financial centres.

(this article first appeared in ACIIA Newsletter No.22)

ACIIA® Council Meeting and Annual General Meeting: June 2009, Vilnius, Lithuania

The ACIIA® Council Meeting was held on 24-25 June in Vilnius, Lithuania.

Over 30 delegates from around the world gathered in Vilnius, Lithuania and had fruitful meetings for further development of CIIA designation/ACIIA. The next Council Meeting and Annual General Meeting will be held in Beijing, China on November 2009.

Calendar 2009

25 June 2009

ACIIA® Council Meeting

26 June 2009

ACIIA® Annual General Meeting
Vilnius, Lithuania

14-16 October 2009

ASIF Education Committee Meeting
ASIF Advocacy Committee Meeting
ASIF Communications Committee Meeting
ASIF Executive Committee Meeting
ASIF Annual General Meeting
Australia

26 November 2009

ACIIA® Council Meeting
Beijing, China

Member's Regional News

Hong Kong-HKSI

HKSI appoints Mr SF Wong as Chief Executive



HKSI Chief Executive Mr SF Wong

The Hong Kong Securities Institute (HKSI) is pleased to announce the appointment of Mr SF Wong as its chief executive effective 6 April 2009.

Mr Wong is a veteran banker and has more than 30 years of experience in banking and finance

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in Hong Kong and Singapore. Prior to joining the HKSI, he served as a managing director at DBS Bank Ltd in Singapore for eight years, where his responsibilities included advisory sales, equity derivatives trading, investment products and private banking. Mr Wong also served as a member of the Boards of DBS Asset Management and DBS Vickers.

In 1998-2000, he was a Senior Executive Director of the Market Services Group of the Stock Exchange of Hong Kong, overseeing the Information Technology & Trading, The Stock Option Exchange, and Information Services. Before that, Mr Wong held various senior positions in Citibank, Credit Suisse, Toronto Dominion Bank and JP Morgan. He also taught undergraduate and MBA courses in Finance at the University of Hong Kong in mid eighties. Mr Wong holds a MBA Degree (Specialisation in Finance) from the University of Chicago.

Mr Wong will work alongside with the Board of the Institute to further develop the examination, training and membership arms of the Institute, and to raise the standard of professional competency in the local financial industry.

ASIF Executive Committee Meeting

The Asian Securities and Investments Federation (ASIF) Executive Committee Meeting 2009 was held on 17 April in the HKSI. We were glad to have representatives of member societies from China, Japan and Malaysia. The Federation provides the exchange platform for finance and investment professionals throughout Asia and Oceania.



HKSI Scholarship Award Ceremony 2009

The Institute is proud to present the HKSI Scholarship award to outstanding students at universities in Hong Kong to honour their academic excellence and broaden their horizons in the financial industry. The fifth HKSI Scholarship Award Ceremony was successfully held on 25 May at the HKSI Training Centre with over 100 guests including senior market practitioners, professors, the scholarship awardees and their parents attending the ceremony. This year, 63 top finance students from seven universities in Hong Kong received the award.



About 100 students and their parents attended the ceremony with university representatives



HKSI Board Members with Senior Awardees



HKSI Board Members with Junior Awardees

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The Sixth PRC Securities Regulations Examination was held in May 2009

With the implementation of the Closer Economic Partnership Arrangement (CEPA), Hong Kong professionals in the securities industry are offered a fast track to obtain the required industry qualification to practise in the Mainland financial markets.

In light of the above agreement, the Securities Association of China (SAC) has specially developed the PRC Securities Regulations

Examination (the examination) for Hong Kong professionals. Hong Kong professionals (defined as Hong Kong permanent residents holding or having held within the past three years a relevant licence issued by Hong Kong's Securities and Futures Commission) can now complete a specified examination on the laws and regulations of the Mainland, in order to be eligible to apply for the corresponding industry qualification from the SAC, subject to any other requirements of the Mainland. This group of professionals will be exempted from taking any technical examinations. Upon satisfying all other requirements of the Mainland, they will also be able to apply for the corresponding practising qualification in the Mainland.

The HKSI has been appointed by the SAC as the sole agent for handling the enrolment of Hong Kong professionals for the examination. The first examination was held in Shenzhen in 2004. With the favourable response from Hong Kong professionals, starting from 2005 onwards, the examination was held annually in Hong Kong to provide further flexibility for our professionals. In 2009, the sixth examination was held in Hong Kong on Saturday, 16 May 2009. There were a total of 69 enrolments, 61 attendees, representing an attendance rate of 88.4%. Its preparatory course was held from 1, 2 and 3 May 2009 in Hong Kong by experienced Mainland practitioners.

Japan-SAAJ

Educational activities

SAAJ has been conducting high-quality CMA educational program to raise securities analysts. The number of CMA enrolled candidates for

the June 2008 exam session (Level II) was 3,820 as of May 14, 2009 and CMA holders number 22,424 as of April 2009. Due to the introduction of new textbooks, the CMA Level II Exam was held twice during 2007 with a total of 8,000 candidates as the final chance for the previous based exams. In reaction, only 3,819 candidates sat for the June 2008 exam (return to an annual basis), and around 4,500 candidates are expected for the June 2009 exam.

In addition to the CMA educational program, as a member of ACIIA, SAAJ is encouraging CMA holders to challenge for the CIIA final exam to expand their stage worldwide. To this end, SAAJ offers an opportunity of schooling and provides CIIA candidates with the summaries of proceedings which are based on the lectures during the schoolings.

To deepen their understanding,

- (1) SAAJ has offered Japanese translation of the English manual on "Credit Derivatives" issued in Switzerland.
- (2) SAAJ has distributed the results of the questionnaires concerning the key points to pass CIIA exams to its CIIA candidates to enable them to know how to efficiently prepare for the CIIA exam.

The following materials are available for CIIA candidates in Japanese:

Updated materials

- (i) Study Guide (including syllabus, reference books, etc.),
- (ii) Summary of Main Points - Solution Methods,
- (iii) CMA textbooks especially useful: Financial Analysis, Corporate Finance, Credit Derivatives,
- (iv) Formulae Booklet,
- (v) Past Exam Questions and Suggested Solutions.

New materials:

- (i) Update Files (new syllabus-IAS/IFRS, credit derivatives, pension fund ALM),
- (ii) Lecture Note on derivatives based on transcripts from CIIA lectures.

Other activities

< To Individual investors >

SAAJ is also making efforts to promote the participation of individual investors in the capital market through such a manner of the CMA Basic Study Course, opening seminars and presentations to non-members, establishing an IR members club, awarding prizes to companies excelling in corporate disclosure to individual investors, and dispatching lecturers to universities, etc. In addition, SAAJ has continuously provided individual investors with the opportunity to attend presentations by listed companies; and these presentations will be held in July/September/ December 2009, and February/March 2010. Each presentation, in principle, lasts one week with four listed companies a day.

< IASB >

SAAJ continues to be very active in expressing opinions regarding revision of domestic and international accounting standards (e.g. the Accounting Standards Board of Japan; ASBJ and the International Accounting Standards Board; IASB). A SAAJ director was nominated as a member of Standards Advisory Council (SAC) of the International Accounting Standards Committee Foundation (IASCF) for a three-year term.

< GIPS >

SAAJ is also making effort to develop Global Investment Performance Standards (GIPS) by expressing strong opinions pertaining to not only the content, but also governance. SAAJ has developed expertise by providing persons to sit on the various GIPS committees.

< XBRL >

Since the launch of XBRL Japan in April 2001, the promotion and dissemination of the standards has progressed, and the Financial Services Agency (FSA) and Tokyo Stock Exchange (TSE) have endeavored to introduce practical adoption. The SAAJ participated in the FSA body (Council for Advancing EDINET <Electronic Disclosure for Investors' Network>) that studied adoption of XBRL and also attended practitioner working groups, and as such stated opinions from the standpoint of financial analysts. Additionally,

to stimulate SAAJ members' recognition and understanding of XBRL, several explanatory articles by experts were published in our SAAJ Journal last year and there have been several presentations hosted by SAAJ.

ACIIA Chairman, Mr. Fritz Rau's article released in SAAJ Journal.

Mr. Fritz Rau, ACIIA Chairman contributed his article, 'The Financial Crisis and the Role of Professional Organizations' for the June edition of the Securities Analysts Journal.

Please visit :

http://www.saa.or.jp/english/publications/pointofview_0906.pdf



Recent Events/Seminars

Various events and seminars were held successfully during April - June 2009:

6 April:

New Obama Administration and Prospect for the U.S. Economy and Finance

Toshiki Jinushi

Professor, Faculty of Economics
Graduate School of Economics
Kobe University

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11 May:

Euro and Global Financial and Economic Crisis

Sokou Tanaka, Professor
Faculty of Economics
Chuo University

PR CHINA

10 June:

Financial Crisis and Behavioral Economics

Yoshiro Tsutsui, Professor
Graduate School of Economics
Osaka City University

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26 June:

Issues and outlook of Chinese Economy – in regard to Japanese Economy

Kiyoyuki Seguchi, Research Director
The Canon Institute of Global Studies

HONG KONG

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Upcoming Events/Seminars

Below are some of events and seminars scheduled to be held during July-Sep 2009:

IRAN

10 July:

**9th SAAJ Summer Seminar
Financial Crisis and Fixed Income Portfolio Strategy**

JAPAN

22 July:

Current situation and outlook of Japanese Economy

KOREA

Kazuo Monma, Director General
Research and Statistics Department

MALAYSIA

31 July (Tokyo)

5 Aug (Nagoya)

6 Aug (Osaka)

Outlook of Stock Market (tentative)

NEW ZEALAND

Juichi Wakou, Senior Strategist
Nomura Securities

PHILIPPINES

4 Sept

10th SAAJ- Nippon Finance
Association Joint Seminar

THAILAND

Pension Portfolio strategy after the financial Crisis'

Session 1

Toshiki Honda, Associate Professor
Graduate School of International Corporate
Strategy (ICS), Hitotsubashi University

Session 2

Yasufumi Asaoka, Executive Advisor
Russell Investments

Thailand — SAA, Thailand

Discussion Panel



The 2nd quarter, SAA provided 4 discussion panel sessions on

- “Stock up over 500 points ... Is it real?”,
- “Workshop – Automatic wealth (Investment Management with Automatic Millionaire Program)”,
- “Check up stock health from cash flow”, and
- “Finding opportunities from the crisis and increase profits by using Derivatives”.

The discussion panel is aimed to give information to reporters and investors.

SAA Forum



On 29 May, SAA organized a seminar on “The impacts of IFRS on listed companies” by Associate Professor 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.

This session provided knowledge about International Financial Reporting Standards or IFRS such as differences between IFRS and Thai accounting standards, the key principles of IFRS, analysis and presentation methods as well as the impacts on listed companies. The actual financial statements of listed companies were raised as examples.



On 15 May, SAA conducted Forum on “In-depth Knowledge on Credit Rating.” for analysts, fund managers and executives of listed companies. The speakers were Prof. Dr. Warapatr Todhanakasem, President, TRIS Rating Co., Ltd., which is a reputable rating agency in Thailand, and his team. TRIS Rating provides credit rating services by assessing and analyzing the creditworthiness of companies and local-currency debt instruments.



On 3 April, SAA Forum was held on the topic of “Revealing the Secret of Creative Accounting and pitfalls on information distortion” by Angkarat Priebjrivat, Associate Professor from School

of Business Administration, National Institute of Development Administration (NIDA) and Advisor to Listing and Disclosure Department, The Stock Exchange of Thailand.

Annual General Meeting



On 27 April, SAA held Annual General Meeting for members. Mr. Paiboon Nalinthrangkurn (former SAA Deputy Chairman-International Affairs and Education) was elected Chairman. Mr. Paiboon declared that SAA would extend its role beyond equity analysts to include analysts in other fields such as economics, and financial advisers. Also, SAA would be more proactive in promoting good governance and ethics within the capital market to support long-term growth.

A special seminar was held on the same day on the topic of “Thai Economic strategy for fluctuating capital market” by Deputy Prime Minister, Mr. Kobsak Sabhavasuu.

SAA Survey



On 12 May, our secretary-general, Sombat Narawutthichai announced the survey done with analysts of 23 brokers. Half of the respondents expected the global economy would reach the

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lowest point within the first half of this year. The forecast of average year-end stock index was increased to 535 points. The GDP growth rate was lowered to minus 3.6%. Analysts had suggested the government to focus on major issues such as politics, unemployment problem, and investment projects.

3rd “Securities Analysts Awards” Ceremony, to recognize top analysts and research team.

The objectives of giving the awards were to encourage analysts to produce quality research, to recognize superior analyst performance, to create public awareness on the significance and contribution of securities analysts and research reports to the capital market, to promote accountability and ethics of analysts, etc.

We would like to thank our supporters on this event, namely, NIDA Business School, Kasikorn Bank, GLOW Energy, PTT, PTT Exploration and Production, Property Perfect, Major Cineplex and Advanced Info Services.

This year’s ceremony was called “The Securities Analysts Awards 2008” or “SAA 2008”, comprising of 2 categories: for Institutional Investor and for Retail Investor, with 7 prizes for each category. Winners are as follows:

Securities Analysts Awards 2008



8 April 2009 - Securities Analysts Association with Money & Wealth Magazine hosted the

Prizes

- Sukit Udomsirikul	Institutional investor		Retail investor	
	Winner	Runners-up	Winner	Runners-up
1. Overall: Best Research House	Phatra Securities Public Company Limited	- TISCO Securities Company Limited	Kim Eng Securities (Thailand) Public Company Limited	- Kasikorn Securities Public Company Limited
		- Thanachart Securities Public Company Limited		- Asia Plus Securities Public Company Limited

PRIZES	Winner - Institutional investor	Winner - Retail investor
2. Energy & Petrochemicals	Tanaporn Visaruthaphong	Kitichan Sirisukarcha
3. Banking	Therapong Vachirapong	Sirinattha Techasiriwan
4. Property & Construction Materials	Jiraporn Linmaneechote	Therdsak Thaveeteeratham
5. Telecommunications	Pisut Ngamvijitwong	Waraporn Wiboonkanarak
6. Medium & Small Capitalization	Ploenjai Jirajarus	No winners
7. Strategist	Ian Mark Gisbourne	- Kavee Chukitkasem - Sukit Udomsirikul



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