

## From the Desk of the Deputy Chairman:

### Facilitating Corporate Restructuring – A Malaysian Perspective

Following the financial crisis of 1997, various measures were implemented not only to facilitate recovery, but also to strengthen the economy and financial system against external shocks.

In the effort to restore the corporate sector, enhance investor confidence and revitalise the capital market, corporate restructuring becomes a key approach in managing the crisis.

To facilitate restructuring, **Danaharta** an asset management company; **Danamodal**, a special purpose vehicle for recapitalising banking institutions and the **Corporate Debt Restructuring Committee (CDRC)**, a mediator to facilitate voluntary corporate restructuring were established. The three institutions are overseen and co-ordinated by the central bank.

Focusing on CDRC, as a mediator, CDRC operates as an alternative avenue for resolving corporate crises, as compared to a formalised legal process which may have cost and time implications. CDRC offers a more speedy resolution in helping corporations return to viability quickly and with minimal disruption. Its approach goes beyond the narrow definition of corporate restructuring as operational reforms are also addressed to ensure the success of the restructuring scheme and the business.

Despite being voluntary in nature CDRC has persuasive tools available, through its link with Danaharta, to deal with parties who undermine the scheme. These include foreclosure and disposal of assets acquired by Danaharta, under its broad statutory powers. The debt-restructuring element of the CDRC's scheme uses practical solutions like capital and debt reduction, debt-equity swaps and rescheduling. The framework, where appropriate, was supplemented by capital market regulatory reform by the Securities Commission. Prescriptive rules that hindered genuine and beneficial restructuring solutions were amended in favour of enhanced disclosure and enforcement mechanisms for ensuring investor protection.

As at 31 December 2001, the CDRC had resolved RM34.5 billion of the RM56.7 billion in debt under its care.

*Azlan Hashim*  
*ASAF Deputy Chairman*

## Treasurer's Review: The Next Twenty Years for ASAF

I was a **Councillor of the Securities Institute of Australia** in 1979 when the **Asian Securities Analysts Council** was being formed. Its purpose was to be the Asian and Oceania regional body to facilitate discourse between security analyst organisations. Given the various stages of development of analyst societies in the region, we wondered what the activities of such a body would be. Nevertheless, we determined that we should belong to such an organisation as it might over time come to have a meaningful purpose.

In the early years, it could be said that **ASAC, now ASAF**, was an excuse for the representatives of the various members to get together periodically to determine whether there might be some issues of consequence to discuss. Conferences were conducted by the members in turn. These were usually magnificently organised as the host country would go to considerable lengths to ensure it would be a memorable success.

Between 1982 and 1984 I had the privilege to be the Chairman of ASAC, following in the footsteps of the very gentlemanly **Mr. Takahiro Yamauchi of Japan**. It was a great experience and gave me the opportunity to make a number of good friends in various countries. Ever then **Mr. Gentaro Yura** was a formidable contributor who for most of ASAF's existence has been the 'eminence gris' directing its progress.

# Treasurer's Review:

## The Next Twenty Years for ASAF (continued)

Of particular note was the internationalisation of ASAF as it joined together with similar bodies in what is now the International Council of Investment Associations. A particular purpose of this group was to participate in the International Accounting Standards Committee as representatives of users. The ever enthusiastic **David Damant** was instrumental in keeping the various associations committed to providing finance for **IASC**, and on occasions comment upon accounting issues.

More recently the initiative to support the **CIIA**<sup>®</sup> has been a most significant development for ASAF. Unfortunately, the process was time-consuming and in the end saw the withdrawal of firstly the **UK analysts** and then the **Australian SIA**. However, a successful establishment will place its supporters in a strong position when any eventual world rationalisation of qualifications occurs.

When looking to the next twenty years, the introduction of **China into ASAF** will be seen as a critical milestone. China's capital market has the potential to be one of the world's largest sometime this century and they will surely have their proportionate share of analysts!

The coming years will see the need for an ever more active ASAF, both within the region and in world forums. Those guiding ASAF have a big responsibility to ensure that ASAF delivers according to its members requirements.

*Leigh Hall*  
*ASAF Treasurer*

### Advocacy Committee News

AdComm Chair, **Mr Mike Willis of the SIA**, distributed a discussion paper to Committee members and members of the ExComm to collate views on a range of issues on the Committee's proposed agenda covering inter alia, Analysts Independence & Selective Briefing of Analysts; Corporate Accounting Standards & Others; Corporate Governance & Disclosure. These views will form the basis of discussions at the AdComm meeting of 23 March in Shanghai.

### Communications Committee News

2002 promises to be a busy year for the Committee, with the secretariat undertaking to improve the content and presentation of the website, newsletters and Yearbook and the Co-Chairs looking at further improving the quality of the E-journal and possibly, increasing its frequency-all within a tightly set budget and business plan. On agenda are also various issues to consider:

- publishing of minutes on website;
- promotion of the CIIA<sup>®</sup> program;
- Website info-sharing through links and mutual membership access;
- Standardising members' website promotion of and links to ASAF web.

### Education Committee News

ACIIA<sup>®</sup> and student membership continue to make good progress. Current updates:

**ACIIA<sup>®</sup> members:**

**Federation Members:** ABAMEC, ASAF, EFFAS

**Contracting Members:** SFAF (France), DVFA (Germany), CPMR (India), AIAF (Italy), SAAJ (Japan), GIFA (Russia), IEAF (Spain), ASAG-SVFV (Switzerland)

**Funding Members:** SAAC (PR China), SFAF, DVFA, AIAF, SAAJ, IEAF, ASAG-SVFV.

**Associate Member:** HKSI (Hong Kong)

Council members representing federations/national associations are:

<b>Mr Fritz Rau (Chairman)</b>	<b>DVFA (Germany)</b>
<b>Mr Burin Kantabutra</b>	<b>ASAF</b>
<b>Mr Etienne Rutsaert</b>	<b>EFFAS</b>
<b>Mr Ronaldo Nogueira</b>	<b>ABAMEC</b>
<b>Dr Ma Qingquan</b>	<b>SAAC (PR China)</b>
<b>Mr Jacques Lereboullet</b>	<b>SFAF (France)</b>
<b>Mr NJ Yasaswy</b>	<b>CPMR (India)</b>
<b>Mr Giampaolo Trasi</b>	<b>AIAF (Italy)</b>
<b>Mr Kiyoto Hagiwara</b>	<b>SAAJ (Japan)</b>
<b>Mr Aldo Olcese</b>	<b>IEAF (Spain)</b>
<b>Dr Jean-Claude Dufournet</b>	<b>ASAG-SVFV (Switzerland)</b>

### September 2001 CIIA<sup>®</sup> final exam results:

Exam 1 pass rate: 51.9%; Exam 2 pass rate: 67.1%

Aggregate number of successful candidates who successfully passed both papers of the final exam: **836**

### March 2002 exam centres:

Frankfurt, Interlaken, London, Madrid, Mumbai, New York, Osaka, Rome, Tokyo.

# Members' Regional News

## SIA — forging ahead with Industry Reforms

The Institute has developed a strong credibility among regulators and stakeholders for representing **best practice industry views in policy matters**, and has achieved wins for the improvement of industry standards and regulation. Consultation with the industry on key regulatory and policy matters will continue, as part of the SIA's ongoing push for greater transparency and more effective and efficient markets in Australia.

Significant policy initiatives ahead include superannuation reform, legislative reform to introduce capital gains rollover relief for company demergers, participating in a review of the Trade Practices Act and developing policy on key accounting issues. The Institute has an enviable track record in achieving positive outcomes on policy reform for its members and we will maintain this record in the year ahead.

## SIA — Launch of Best Practice Guidelines

The highly successful launch of joint **SIA/SDIA Best Practice Guidelines for Research Integrity** was held on 19 November 2001. These industry-supported Guidelines will assist analysts and their firms manage potential conflicts of interest that may influence research reports and investment recommendations. International guest speaker, **Tom Bowman, CEO of the Association of Investment Management and Research (AIMR)**, spoke at the launch, which was combined with the inaugural luncheon for NSW Fellows. The Institute was pleased with the positive media coverage associated with the launch of the Best Practice Guidelines.

## HKSI — CIIA Final Examination in Hong Kong

The **HKSI** joined the **Association of Certified International Investment Analysts (ACIIA®)** as an Associate Member in November 2001. With accreditation of the **HKSI Diploma Program Examination (DPE)** by the **International Examination Committee (IEC)** of the **ACIIA®**, **HKSI members** that have completed the DPE may proceed directly to the **CIIA® Final Examination** for the **CIIA®** qualification. **HKSI members** that are holders of the DPE qualification are exempt from taking the **CIIA® Foundation Examination** and the **National Specific Examination**.

Besides **Tokyo and Osaka**, **Hong Kong** will become another **examination centre in Asia** for the **CIIA® Final Examination**. The **HKSI** is now preparing the schedule and information on the **CIIA® Scheme**. Details of the first **CIIA® Final Examination** in **Hong Kong** will be announced to **HKSI members** in the first half of 2002.

## HKSI — Development of Licensing Examinations and associated study and teaching materials

The **HKSI** is commencing a comprehensive review of its present examinations and associated study and teaching materials with the purpose of a major upgrading of its existing examinations and extending the range of examinations offered by the **HKSI**. The modules cover the technical and regulatory aspects of securities investment, derivative investment, leveraged foreign exchange, corporate finance and asset management. **Financial Education Development Services Ltd (FEDS)**, an Australian consultant, has been appointed to develop the technical finance part of the modules whilst **HKSI** is in the process of appointing a local company to develop the regulatory part.

## HKSI's role in Continuous Professional Training (CPT) Activities

With the implementation of **Continuous Professional Training (CPT) requirements by the Securities and Futures Commission (SFC)** in April 2001, **HKSI** organised more than 260 training courses facilitating practitioners to fulfil the 2001 CPT requirement.

The **HKSI** was also approved by the **Mandatory Provident Fund Schemes Authority (MPFA)** as a recognised institution in providing Continuing Professional Development (CPD) courses to MPF intermediaries. The Institute also plays an active role in offering approved CPD courses for insurance intermediaries as stipulated by the Office of Commissioner of Insurance.

In November 2001, the **HKSI** was granted a "Certificate for International Exchange of Personnel for Overseas Organizations" by the State Administration of Foreign Experts Affairs of the People's Republic of China. The recognition on the one hand, signified **HKSI's** role in providing education and training for PRC executives. It has also opened up opportunities for further cooperation and collaboration with relevant PRC institutions in exchanging and promoting professionalism in the region.

## SAAJ — Contribution to the AIMR 11 September Memorial Scholarship Fund

Fully supporting the purpose of **AIMR's** initiative in establishing **AIMR 11 September Memorial Scholarship Fund**, **SAAJ** has made a donation. The Fund will provide annual scholarship grants to the casualties of whatever nationality of the terrorist attacks, their family members, domestic partners, and dependents who wish to pursue undergraduate degrees in finance, economics, or a related field. Like the casualties, **applicants may reside and study anywhere in the world.**

# Members' Regional News

## SAAJ — Revising SAAJ-IPS® into a Country Version of GIPS

The SAAJ Investment Performance Standards (SAAJ-IPS®) were established in June 1999 following more than three-year discussions at the SAAJ-IPS Committee and already incorporate all of the required elements of the Global Investment Performance Standards (GIPS, April 1999) as their core. After the establishment of SAAJ-IPS, in February 2000 the Investment Performance Council (IPC) was organized by AIMR for promoting GIPS as well as for implementation and future development of GIPS, and in September 2000 provided detailed guidelines for adopting a Translation of GIPS (TG) or Country Version of GIPS (CVG) approach at the local level. In response to such development, SAAJ has now adopted the CVG approach and published for public comment proposed revisions to the SAAJ-IPS standards to transform them into a CVG format and restate them as "SAAJ Investment Performance Standards, the Japanese Version of GIPS". The proposed revisions fully meet the principal goal of the IPC that local standards converge with GIPS in accordance with certain principles and format, thereby facilitating the availability of comparable investment performance history on a global basis. SAAJ aims to have the standards endorsed by the IPC as a CVG by September 2002. *The full text of the English translation of the proposed revised SAAJ-IPS is available on the SAAJ website ([www.saa.or.jp/professional/IPS.html](http://www.saa.or.jp/professional/IPS.html)) or by request to [ips@saa.or.jp](mailto:ips@saa.or.jp).*

*TG: Adopts the full text of the GIPS standards verbatim and translate it into local language with no additions to GIPS.*

*CVG: Adopts the full text of GIPS as the core of the local standard without change, adding minimal country-specific provisions in a predetermined manner.*

## SAAJ Issues Promoting Professional Ethics for Securities Analysts Paper

In late January 2002, the SAAJ Professional Ethics Committee issued a paper entitled *Promoting Professional Ethics for Securities Analysts* for public comment. The paper describes important ethical issues such as the accuracy, objectivity, and fairness of research reports, the credibility of sell-side ratings, relationships with investment banking departments, personal trading on the part of analysts, the treatment of material non-public information received from issuers, communication with individual investors, etc. It also proposes revisions to the current SAAJ Standards of Professional Conduct and some measures to be taken by SAAJ to enhance implementation of the standards. Following modification based on comments received, the paper will be submitted to the SAAJ Board of Directors for approval.

## RIIAM — Commonwealth Association for Corporate Governance (CACG) Membership & Supports 2001 CACG Annual Conference

RIIAM supported the 2001 Annual Conference of the CACG in Kuala Lumpur in November. Representatives from more than 17 countries within the Commonwealth attended the conference, the theme of which was "Dynamic Developments in Corporate Governance in Commonwealth Countries." CACG was established in 1998 with the mission to promote excellence in corporate governance in Commonwealth countries. Thus far, it has conducted training programs and workshops in some 27 Commonwealth countries. Its programs involve working with directors on the ground in Commonwealth countries to create and enhance the understanding and practice of better corporate governance and building institutional capacity.

RIIAM was admitted as member of CACG recently. At the Annual General Meeting of CACG held in conjunction with the conference, Mr. Azlan Hashim, Chairman of RIIAM and Deputy Chairman of ASAF, was elected the President of CACG for a period of one year.

### Calendar 2002

**23/24 March 2002**

ASAF AdComm/ExComm meeting  
Shanghai, PR China

**13 – 15 May 2002**

AIMR Conference/ICIA meeting  
Toronto, Canada

**27 June 2002**

ACIIA® AGM  
Rome, Italy

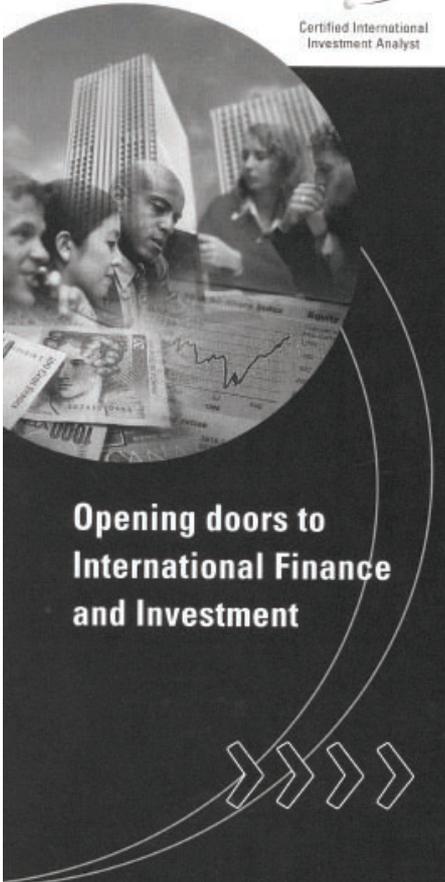
**26 – 30 October 2002**

ASAF AGM & meetings/Conference  
Mumbai, India



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# The CIIA®

## What is the CIIA® ?

### A Truly International Qualification

The Certified International Investment Analyst (CIIA®) designation is an international, advanced professional qualification for individuals working in the financial and investment industry.

### Opening Doors to International Finance and Investment

Increasing globalisation of investment markets means the world's key financial institutions are integrating their operations across the major financial centres of the world.

As employers increasingly recognise the advantage of hiring mobile professionals with qualifications that will enable them to work in any international financial center, the CIIA® is a passport to success.

### CIIA® : The Mark of Superior Knowledge and Skill

Obtaining the CIIA® qualification evidences that one has mastered the knowledge/practices essential for working in domestic and international investment markets.

### CIIA® Exams

To be awarded the CIIA®, candidates must pass two levels of international common exams and an individual society specific exam.

CIIA® Exams are held every semester in March and September.

The international common exam is conducted in various languages so that candidates will not suffer any handicap.

### ACIIA® Contact Details

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 Website: www.aciia.org

### Q&A

For further and up-to-date information and inquiries regarding the CIIA®, please visit the ACIIA® website.

Candidates from the Asian-Pacific region may contact SAAJ (Japanese society) at intl@saa.or.jp. If necessary, it will relay inquiries to individual ACIIA® member societies.

## Association of Certified International Investment Analysts (ACIIA®)

Some of the world's leading federations and national/regional societies for financial and investment professionals have come together to create the CIIA® designation and related programs/exams.

### What is the ACIIA® ?

The Association of Certified International Investment Analysts (ACIIA®) is a not-for-profit organisation limited by guarantee, established in the UK. The role of the ACIIA® is to promote and supervise exams for the CIIA® and to award the qualification.

The CIIA® is currently recognised and supported by the world's leading federations and national/regional societies as follows:

#### Federations

- Associação Brasileira dos Analistas do Mercado de Capitais (ABAMEC)
- Asian Securities Analysts Federation (ASAF)
- European Federation of Financial Analysts Societies (EFFAS)

#### Individual Member Societies

- SAAC (China)
- AIAF (Italy)
- SFAF (France)
- SAAJ (Japan)
- DVFA (Germany)
- GIFA (Russia)
- HKSI (Hong Kong)
- IEAF (Spain)
- CPMR (India)
- ASAG-SVfV (Switzerland)