

From the Desk of an ExComm Member: P.R. China

2003 ASAF Annual Meeting and the Conference:



Dr. Ma Qingquan, SAC-SAAC Vice Chairman

Two years ago, the Securities Analysts Association of China (SAAC) was accepted as a member of ASAF.

Since then, we are embraced by the impressive atmosphere within ASAF of equality and mutual respects among member societies and free exchange of information and experiences on market development and regulation, organizational establishment and professional innovation. We also sensed the important role that ASAF, a regional organization for the Asian securities investment analysts, could play in directing the trends of development of the industry in the region.

Thanks to the trusts of the member societies of ASAF, SAAC will host the **2003 ASAF Annual Meeting and the Conference**. It is the first time that SAAC may receive in Beijing and provide direct service to all ASAF member societies. The SAAC treasures this opportunity and determined, with the assistance of the ASAF secretariat, to make the Meeting and the Conference a success. SAAC has already set up a special working group for the preparation of the Meeting and Conference. The working group will soon start to locate a suitable hotel for the meetings, specify topics of the Conference, formulate the agenda and do other preparatory works.

According to the 2002 AGM decision, **the 2003 Annual Meeting and the Conference will be held from 18th to 21st of October in Beijing**. Beijing is an ancient, yet modern metropolis with a long history and rich culture. October, usually blessed by clear blue sky, white clouds and pleasant breeze, is the best season of Beijing. We shall not waste such a beautiful time when considering the site-seeing program, as well as arranging other activities, so that delegates will be able to comfortably enjoy both the splendid historical sites and the attractive modern city.

As you all know, the theme of the 2003 ASAF Conference is **"Ethics and Integrity of Securities Analysts"** as decided in the 2002 ASAF AGM. We are now discussing the possible sub-topics and preparing the agenda together with the ASAF secretariat. We shall keep the member societies promptly informed through ASAF Secretariat with any progress. Direct contact and proposals to meet special needs from member societies are welcomed.

Recent years, ethics and integrity of security market participants caught people's attention again throughout the world. Practicing in accordance with the requirement of ethics and integrity is vital for the survival of securities markets, and for securities analysts. This is where we have a common stand. Yet, due to the uneven development level and cultural differences of each market, it is possible that each country or region should have its own understanding on the meaning of the ethics and integrity for securities analysts. We believe that information exchange among member societies at the 2003 ASAF Conference will effectively enhance the mutual understanding between developed and developing markets in the region, provide useful experiences for those who wish to improve their market management system and lay a nice foundation for cooperation between member societies.

Securities analysts are among the most important market participants in China. Their status is getting higher and importance increasing. In December 2002, SAAC formed a new committee, defined its new tasks and revised its working rules in its meeting. The relationship between SAAC and the Securities Association of China (SAC) is stressed. Communication channel between government authority and the industry through SAAC is enhanced.

The purpose of the SAAC is, under the guideline of the SAC's objectives and working schedule, aiming at the realization of the three basic function of SAC: "self-regulation, service and transmission", bearing in mind the principles of being practical and innovative, to further improve the self-regulation system on securities investment consultation business, to protect the lawful rights of the members and to direct the healthy development of securities investment industry. **The tasks of SAAC in the year 2003 is to gradually establish and improve the self-regulatory rules and performance standards regarding securities investment consultation business, conduct research and promote innovation and development of the industry, and to intensify professional training and international communication.** No doubt, organizing the 2003 ASAF Meeting and Conference is among the important tasks of SAAC.

At the moment, with the participation of the members, SAAC is carrying out its works progressively and starting to play its role on bridging between securities regulatory authority and SAAC members in terms of conveying problems faced by the industry, submitting suggestions regarding the development of the industry to the authority. It is also playing its role on enhancing international communication and promoting the development of the industry.

There are currently 21 directors and 4 advisers in SAAC. All of them are reputable senior executives and experts from securities investment consulting companies, research centers of securities companies or securities investment fund management companies, with sound professional knowledge, rich experiences and good reputations, who may well represent the industry. **Dr. Lin Yixiang**, the president and general manager of the TX Investment Consulting Co., Ltd. continues to be **the president of SAAC.**

Influenced by the trends of monetary globalization and China's admission to the WTO, Chinese securities markets has made new progress towards normalization, market-oriented management and internationalization. **The QFII (Qualified Foreign Institutional Investors) system** is now formally in effect. Foreign investors are able to enter the Chinese securities markets through such system. Therefore, communication and exchange of views between Chinese and foreign investment analysts are even more necessary now than ever.

In short, SAAC is very glad to have the opportunity to host the 2003 ASAF Meetings and Conference, and through it, to bridge the communication between ASAF member societies and to provide a chance for our members to learn from and exchange experience with other colleagues in Asia.

Ma Qingquan,
ASAF Director/SAC-SAAC Vice Chairman

Committee News

Education

In accordance with the Education Committee Action Plan which was approved at the last AGM, the Committee is preparing a **one-day seminar** "*Lessons to be learnt from the experience of comparatively well-established members*" to be held in Bangkok, Thailand, on 1 June 2003 following the interim ExComm meeting. Two societies (SIA and SAAJ) will make a presentation on the first suggested theme "*How should a society be managed and operated from the viewpoint of a sound financial structure?*" and two (HKSI and ICFAI) on the second theme "*Management and Operation of Education Programs and Examination System*". Speakers from the above four societies are expected to provide significant hints in terms of reinforcement of financial structure as well as development and operation of education/examination schemes through their wide ranging knowledge and experience. The Committee believes that the seminar will provide participants an excellent opportunity to learn from other members' experiences and hopes that mutual understanding can be further deepened through the exchange of views.

Communications

The Communications Committee continues to make progress towards the objectives agreed at the AGM last year in Brisbane. The next E-journal is expected to be available to member societies in April 2003.

We have produced three newsletters so far this financial year, and the fourth will be issued in June. Thanks to the contributions of members all have been positively received.

The website has been utilized extensively and provides excellent access for members to obtain information about ASAF as well as to publications such as the **Yearbook**, **E-journal**, and **Newsletter**. Recent statistics show hits to the **ASAF website** approximate 15,000 per month.

As always, we ask member societies to supply materials for publication and appreciate the efforts of those that have been supportive.

Advocacy

ASAF has finalized its position paper on [Corporate Disclosure of Material Price-Sensitive Information](#) regarding publicly traded companies in members' countries/regions. ASAF hopes it will prove to be a solid and regionally consistent foundation for regulators. The paper specifically encourages listed companies to monitor and determine if a specific event, issue, or other business development is deemed both material and price sensitive. Meeting ASAF criteria means that corporate directors/senior management fully disclose non-public information in a timely and transparent manner (see [Media Release](#)).

Following the success of the above position paper, the Advocacy Committee has commenced initial research of regional standards regarding **Research Independence and Integrity**. The Committee will evaluate information and materials relating to this issue provided by members and develop a draft position paper, based on general high-level principles and best practice guidelines.

ACIIA® News

New members

In addition to five societies (SAAC, HKSI, ICFAI, KCIIA, and SAAJ) in the ASAF region, SAA, Thailand and IIDAI officially joined the ACIIA® as Associate Members in January and March 2003, respectively. Including new members from European countries such as the Netherlands, Hungary, Luxembourg, and Sweden, the number of ACIIA® members now totals 24 including Federation members (ASAF, EFFAS, ABAMEC).

CIIA® Examinations (March 2003)

The March 2003 CIIA® Final Examinations were smoothly held on 7 (Europe and the Americas) and 8 (Asia) March 2003. Many candidates sat for the exams and the results will be published around June and also appear in the ASAF Newsletter in due course.

Secretariat News

The new Secretariat scheme reported in the December Newsletter started very smoothly with good teamwork among the Treasurer, the Public Officer, and the Manager. We would like to express our special thanks to member societies' cooperative support for the operation. If you have any suggestion or comments for the Secretariat, please feel free to contact us. We would welcome your valuable input for further improving the quality of our services as well as publications including the Newsletter.

Calendar 2003

31 May 2003

ASAF interim ExComm meeting
ASAF ComComm meeting
ASAF AdComm meeting

1 June 2003

ASAF One-day EdComm seminar
Bangkok, Thailand

24 June 2003

EFFAS/ICIA meetings

25 June 2003

ACIIA® Council meeting

25 June 2003

ACIIA® Annual General Meeting
Stockholm, Sweden

18 – 19 October 2003

ASAF EdComm meeting,
ASAF ComComm meeting,
ASAF AdComm meeting,
ASAF ExComm meeting, and
ASAF Annual General Meeting

20 and 21 October 2003

ASAF Conference
Beijing, P.R. China

Members' Regional News

Australia — SIA

Reaccreditation of Educational Programs Complete

Over 2002, a comprehensive review and redesign of the Institute's educational programs was undertaken to align Open Entry offerings with recent developments in national industry training packages and ensure the continued market relevance and recognition of the higher education award courses.

The higher education review resulted in the restructuring of the *Master of Applied Finance and Investment* as a 12 – unit course which progresses through *Graduate Certificate* and *Graduate Diploma* levels to the Masters qualification. In addition, two new *Graduate Certificate* courses have been 'nested' within our two *Graduate Diploma* qualifications in *Applied Finance and Investment* and *Financial Planning*. The restructuring provides an early exit point for those wishing to gain postgraduate qualifications.

SIA Launches Global Markets

Securities Institute Australia launches Global Markets subject as part of its post Graduate offerings.

This new subject was launched in 1st Semester 2003. The subject is part of the Post Graduate award courses and is presented in response to globalisation and to meet the needs of both international and domestic students.

The subject profiles compares and contrasts leading international markets. The major markets covered are US, Japan and London markets in comparison with the Australian market. Comparisons focus on issues such as market size, protocols, conventions and procedures as well as the surrounding regulatory environment. Emerging markets and global trends are also analysed in the subject.

Market response has been very positive to the new product and the Securities Institute is pleased with both the domestic and international enrolments.

Improved Learning Resources for Students

Online *subject rooms* continue to provide increased learning support for students undertaking Institute courses. 'Rooms' have been built for each subject and currently house relevant resources such as additional reading, reflection and self-assessment exercises, learning activities, and compulsory assignments. They are essential adjuncts to the educational programs.

SIA Continues to Chair ASAF Advocacy Committee

Based on responses from Asian Securities Analysts Federation (ASAF) member societies to an SIA questionnaire on the type of corporate disclosure policy, access to information and compliance with existing disclosure requirements operating in their respective countries/regions, the Securities Institute as the 2002 Chair of the ASAF Advocacy Committee Chair has drafted a regional position paper setting out best practice recommendations for effective corporate disclosure practice in Asia.

On 27 October 2002, ASAF member societies endorsed the position paper, [Corporate Disclosure of Material Price-Sensitive Information](#), as the ASAF regional standard.

The ASAF paper (available on the Institute's website) advocates the merits of continuous disclosure and looks at a company's obligation to promptly inform the market of material price-sensitive developments that occur outside the periodic disclosure reporting structure

Strategic Partnerships

Courses for financial planners were provided to the *Institute of Chartered Accountants* in Australia, and a new project commenced with the *Indian Institute of Bankers* to develop three subjects within their *Diploma of Financial Counselling*.

Reflecting the work undertaken with regulators in Australia, the Institute partnered with the *Capital Market Development Authority* in Fiji to develop licensing exams for stockbrokers, dealers and investment advisers.

A continuing partnership with ACIL to provide an expert team in Indonesia for an AusAID funded project to develop the *Indonesian bond market* is progressing at a satisfactory rate. Following the successful first government issue in October 2003, a training course has been developed for senior Ministry of Finance staff.

The Institute participated in the Federally subsidised Axiss Roadshow to *China*, led by Axiss CEO Les Hosking. Presentations regarding the Institute's capabilities were delivered to large audiences in Beijing, Shanghai and Shenzhen. The Roadshow is to be repeated in April 2003 and potential strategies and partners are being investigated.

India — ICFAI

The ICFAI University launches ICFAI Law School

The ICFAI University has recently established the ICFAI Law School (ILS) with the objective of developing a new cadre of lawyers and corporate professionals through a comprehensive and contemporary body of integrated knowledge of law and management and rigorous education and certification programs. ILS offers full-time five year integrated programs in law. The programs offered by ILS are BBM, LLB (Honors) and BA, LLB (Honors). These law Programs integrate management and arts streams respectively. These Programs have a duration of 5 years and cover 75 courses including law courses, general education courses, IT courses, Management and Arts courses. For further details, you may visit www.icfai.org.

Faculty Development Programs

The ICFAI University will be organizing a series of residential Faculty Development Programs (FDPs) during April – June 2003 at Hyderabad, India for the benefit of Principals and Faculty members of leading academic institutions of India. The objective of these FDPs is to help the participants update themselves with the current developments in the context of the far reaching changes taking place in the economy and their impact on education and career opportunities. They are also a good forum for the participants to exchange ideas and network with the other participants from the various academic institutions. The costs of organizing these programs including the cost of travel and hospitality expenses of the participants are borne by The ICFAI University. Such FDPs are organized by ICFAI University every year as a part of its social commitment to upgrade the knowledge and skill levels of the faculty members of Institutions offering higher education in the field of finance and management.

New Law Journals from ICFAI

ICFAI has recently launched five law journals in the areas of Intellectual Property Rights, Cyber Law, Environmental Law, International Business Law and Alternative Dispute Resolution. These law journals contain contemporary, thought-provoking and insightful articles that are authored by eminent persona from academia and legal profession. These Law journals are useful resources for legal practitioners, academicians and students of law. The contents of these law journals include articles, decided cases, executive summaries of articles published in reputed international journals, book summary, book shelf containing information on latest books, legal updates etc. In a nutshell, each issue of the journal will deliver the cutting-edge knowledge every quarter. For further details, please visit www.icfai.org.

Japan — SAAJ

15th SAAJ – AIMR/JSIP Joint Seminar, 5 – 7 March 2003, Tokyo

The 15th SAAJ – AIMR/JSIP Joint Seminar, *Asset Management and Benchmarks*, was successfully held in Tokyo, March 5 – 7, 2003, with 84 participants including eight from Taiwan, Singapore, and Thailand. Both the number of participants and those from overseas were the highest ever.

Presentations by eleven instructors from the US, UK, and Japan and their participation in each Q&A session explored important issues regarding benchmarks and asset management from theoretical and practical aspects. One of the highlights was the case study where participants were divided into groups to discuss a given case over four hours followed by a general discussion of two hours among participants and instructors based on the results of group discussions. Through such experiences participants reported they were able to learn various ideas and solutions in depth.



Case study on 6th March 2003

Thailand — SAA, Thailand

Thai Exchange Promotes Analyst Standards

The Stock Exchange of Thailand (SET) has taken a major step towards improving the standards of analysts in Thailand by offering scholarships to analysts at all brokerage houses who are members of the SET and the Association of Securities Companies.

This funding will cover virtually all expenses of sending two analysts per firm to sit the Certified Investment and Securities Analyst (CISA) 2003 exams, purchase their own sets of *Stalla's Review Guide*, and participate in the Review Program for CISA/CFA Candidates offered by the Securities Analysts Association, in Thailand. (The CISA is the local designation of SAA, based on the CFA designation with AIMR's kind permission. It aims to keep the CFA's standards while adapting them to Thai conditions, is offered in Thai, and is recognized by the ACIIA®.)

As former ASAF Chairman and incumbent SAA Chairman Dr. Panas Simasathien said, "The SET is to be praised for its assistance, which will significantly raise the quality and credibility of Thai analysts by encouraging them to broaden and deepen their expertise through the rigorous process of becoming CISAs. This funding will both increase the supply of highly qualified analysts and lessen the damaging practice of pirating analysts from competitors."

(The article was kindly provided by the Stock Exchange of Thailand through SAA, Thailand.)



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