

### Secretariat News



#### ASAF Conference/Meeting in Seoul

The ASAF Annual General Meeting will be held Wednesday 8 November in Seoul, Korea in conjunction with the 2006 ASAF Conference hosted by The Korea Certified Investment Analysts Association (KCIAA). The venue for the committee meetings, AGM, and conference is The Shilla Seoul, a five-star hotel located near the center of the city.

The official conference website is now open and all conference details, registration procedures, as well as related travel information are available at <http://www.2006asaf.org/>. We sincerely hope to see as many as possible from all over the ASAF region. We know all will enjoy the high quality speeches/panel discussions and visits to historical spots in Seoul during the post-conference tour on 9-10 November. There are eight World Heritage sites in Korea and three of them are located in Seoul and suburbs.

#### First GIPS (Global Investment Performance Standards) Working Group Presentation in Seoul

The ASAF interim ExComm meeting held in Manila approved forming a GIPS Working Group within ASAF, headed by Mr. Kiyoto Hagiwara, Deputy Chairman of ASAF. The first meeting will take place on 8 November in Seoul right after the AGM. Mr. Yoh Kuwabara, one of the nine GIPS Executive Committee members (Chair of the Verification Subcommittee), who is at the same time a key member of SAAJ's Investment Performance Committee, will give a presentation to introduce GIPS. Through such activities, we hope that GIPS will become widely disseminated in Asia and the Pacific region.

#### ACIIA® News

##### ACIIA® Council Meeting and Annual General Meeting: 28-29 June 2006, Luxembourg

The ACIIA® Council Meeting and Annual General Meeting were held 28-29 June 2006 respectively in Luxembourg. Taking the opportunity, the Luxembourg Association, ALGAFI, organized an ACIIA seminar which included presentation by ACIIA IEC (International Examination Committee) Chairman to draw attention to the CIIA® as an internationally recognized designation.

## Portability of the CIIA

Increasing the portability of CIIA was discussed at the AGM in Luxembourg.

HKSI Hong Kong and SAAJ Japan have already posted announcements on their own websites that membership of their associations is open to any CIIA's working in their country. The German and Swiss associations also welcome CIIA holders of all nationalities who are working in their market.

To make the full international portability of the CIIA clear, ACIIA headquarter is now preparing a complete list about membership portability of ACIIA member associations.

## Recognition from regulatory authorities

Recognition from regulatory authorities has already been obtained in Hong Kong, Brazil, Greece and Poland. Applications in the UK and at the NYSE and NASD in the USA are pending.

## CIIA® Exams: September 2006 Session

CIIA® autumn exams were successfully held in various major cities throughout the world on 15 September in Europe and the Americas, and 16 September in Asia. Candidates came from some 15 countries.

March 2007 exams are scheduled for 9 March in Europe/the Americas, and 10 March in Asia.

## Calendar 2006/2007

### 8 November 2006

ASAF Education Committee Meeting  
ASAF Advocacy Committee Meeting  
ASAF Communications Committee Meeting  
ASAF Executive Committee Meeting  
ASAF Annual General Meeting

### 9-10 November 2006

2006 ASAF Conference

Seoul, Korea

### 28 November 2006

ACIIA Council Meeting

New Delhi, India

### March-April 2007

ASAF Ex. Comm. Meeting

TBA

### June 2007

ACIIA® Council Meeting  
ACIIA® Annual General Meeting

Frankfurt or Mainz, Germany

## Member's Regional News

### Australia — Finsia

#### 120 years of history

On 21 July 1886, The Banker's Institute of Australasia was formed, which later became the Australasian Institute of Banking and Finance (AIBF). The original objects of the Institute included "the promotion of good feeling and friendly intercourse among its members, the dissemination of professional knowledge and inculcation of sound banking practice", as set out in Rule 2.

It was this positive outlook that later set the scene for the merger and the formation of Finsia. Finsia today draws its heritage from the 40-year history of the SIA and the 120-year history of the AIBF.

Ongoing education and training have become an increasingly important part of the financial services landscape. As a leading educator and professional membership body, Finsia has over the past 120 years developed an expansive network and a wealth of expertise that has truly set us apart.

#### New Principles launched

During August, Finsia and the Australasian Investor Relations Association (AIRA) released new Principles for Building Better Relations Between Listed Entities and Analysts, to act as a communication framework for listed entities and analysts.

The Principles provide a framework for a listed entities' investor relations executive (and other senior executives) to communicate openly and professionally with analysts. They have been developed co-operatively using the practical skills, knowledge and experience of members of Finsia (representing individuals in the analyst community) and AIRA (representing listed entities and investor relations professionals).

These Principles encourage existing good practices and establish them as a minimum standard of professional conduct. The principles recognise that analysts should not need to fear market criticism when they issue unfavourable research findings.

The Principles are voluntary, however, the underlying principles build on expected behaviours inherent in AIRA's Code of Ethics and Finsia's Code of Ethics. A copy of the Principles for Building Better Relations Between Analysts and Listed Entities can be found at [www.finsia.edu.au/About/Policy\\_and\\_Advocacy](http://www.finsia.edu.au/About/Policy_and_Advocacy) and <http://www.aira.org.au/>.

Finsia and AIRA developed these Principles in consultation with a Working Group of some of the industry's leading experts in research (sell-side, buy-side, subscription-based and credit) and corporate investor relations. Members of the Working Group include Warwick Bryan, Brian Cahill, John Deakin-Bell, Kristina Devon, Emilio Gonzalez, Larry Hamson, Stephen Higgins, Alastair Hunter, Peter Leodaritsis, Scott Marshall, John O'Connell, Anne O'Driscoll and Mervyn Peacock.

Finsia and AIRA greatly appreciate the contribution of the Working Group members in formulating and supporting these Principles.

#### International training

During July Finsia-facilitated training was held in Thailand, Vietnam, Philippines and Perth.

In Thailand two training courses were held for Futures Brokers and Marketing staff, one on writing market reports for SET50 Index Futures facilitated by Gary Norden, a practitioner from Western Australia, and the other, facilitated by Craig Roberts, a practitioner from Sydney, on marketing techniques for SET590 Index Futures.

Under Finsia's role as Secretariat for the APEC Financial Regulators Training Initiative funded by the Asian Development Bank, a five-day training course on Investigation & Enforcement of APEC Securities Regulators was held in Manila, Philippines.

#### Finsia focus on Vietnam

During 2006 Finsia has developed and delivered tailored training courses for the Vietnamese capital markets. Our first offering was a one-week Corporate Finance course, delivered in Hanoi in February 2006 and facilitated by David Rothery SF Fin for securities brokers. The course utilised material from our postgraduate subject and David tailored presentations to assist participants in the Vietnamese market.

In July a Technical analysis course was presented in Hanoi for market participants and Larry Lovrencic F Fin developed a course using data from the Vietnam capital markets. These courses were well received by the market and are evidence of the increased activity in the capital markets. This will result in increased need for practical and applied training courses for participants in banking, finance and investment markets in Vietnam.

Finsia has signed a Memorandum of Understanding with RMIT International University, Vietnam. This will be the basis for delivering training, seminars and

conferences for industry participants in Vietnam. RMIT has campuses in Hanoi and Ho Chi Minh City. RMIT and Finsia will collaborate to meet the needs of industry participants. The MOU was signed by Michael Mann, President RMIT International University, Vietnam and Brian Salter F Fin, CEO, Finsia on 3 July 2006.



## 59th International Banking Summer School 2006 (IBSS)

Over 100 delegates from 31 countries attended the IBSS2006 held (at the end of winter) in Melbourne. This was the fifth time the IBSS had been held in the southern hemisphere, each time in Melbourne and hosted by Finsia or one of its predecessor organisations, the Australasian Institute of Banking and Finance (AIBF).

Major Australian banks such as ANZ, CBA and NAB played host to the IBSS by sponsoring dinners, and other financial services firms and organisations such as KPMG, St. George, Victorian Government, Park Hyatt Melbourne, Australia Government Invest Australia (AXISS) and Protiviti were sponsors and/or provided key speakers.

The theme of 'Building Sustainable Growth: Strategies for Success' emphasised the importance of developing business models and strategies to cope with a rapidly changing banking environment – with changes being driven by advances in finance theory, technology, demography, and regulation. Faced with increasing competition from capital markets and funds managers, as well as increasing global competition, banks need to adapt and change continually to deal with the new environment.

Ultimately the core business of banking involves borrowing and lending money (and associated services) and pricing for, and appropriately managing, the resulting risks. Several presenters

emphasised the continuing evolution of sophisticated management techniques involving the application of economic capital concepts and risk-based pricing. The ability to apply such techniques as a source of competitive advantage was stressed, but so also was the necessity for decision makers in the organisation to understand and assess risks.

With a diverse group of participants from a wide range of different countries and with different backgrounds and skills, there is as much value to be gained from networking and informal learning as there is from a formal structured program of presentations and workshops. Participants took full advantage of (and wanted more) opportunities for such informal sharing of knowledge.

We acknowledge the contribution to the success of this program to the Chair of the IBSS2006 Academic Committee Kevin Davis SF Fin, who is Commonwealth Bank Chair of Finance and Director, Melbourne Centre for Financial Studies, and the Finsia team of John Unkles, Frieda McLoughlin and Carmel Romano.

## Hong Kong — HKSI

### HKSI Signed Memorandums of Understanding with professional associations in the region

#### MOU with Hunan

In September, the Hong Kong Securities Institute (HKSI) signed a Memorandum of Understanding (MOU) with the Federation of Hunan Joint-Stock Companies and the Securities Association of Hunan Province during a signing ceremony at the Hunan-Hong Kong Financial Services Cooperation Forum held in Changsha, China. The signing ceremony was one of the key programmes of the Hong Kong financial services sector's three-day visit to Hunan. The delegation, with over 100 industry leaders, was led by the Secretary for Financial Services and the Treasury Mr. Frederick Ma.

The agreement outlined the main areas for further cooperation between Hong Kong and Hunan, which included the establishment of the mechanism to facilitate information exchange, the arrangement of an appropriate platform for practitioners from two sides to meet and share experiences and the organisation of study missions and training programmes to encourage sharing of best practices.



Mr. Edward Kwan, Chairman of the HKSI (third from the left in the front row) signed a Memorandum of Understanding (MOU) with the Federation of Hunan Joint-Stock Companies and the Securities Association of Hunan Province.

### MOU with Korea

Another MOU was signed in the same month with the Korea Securities Dealers Association (KSDA), providing the framework for further cooperation in areas of education and training between the two markets.

Both organisations have recognised the importance of continuous education and training as a global development tool, and desired to strengthen and broaden the scope of co-operation and mutual assistance in the provision of education and training through their respective territories.

The MOU was signed by KSDA Chairman & CEO Mr Kun-Ho Hwang and HKSI Chairman Mr Edward Kwan. The HKSI is looking forward to working closely with the KSDA and to deepen the exchange of information and programmes in nurturing the securities practitioners at both places.



Front row (from left to right): Mr Edward Kwan (HKSI Chairman) & Mr Kun-Ho Kwang (KSDA Chairman & CEO).

Back row (from left to right): Mr Siu Yam-wing (HKSI Training Senior Manager), Mr Gary Cheung (HKSI Chief Executive), Mr Byung-moon Park (Managing Director) & Mr Sung-soo Hwang (Korea Securities Training Institute Director).

## India — ICFAI

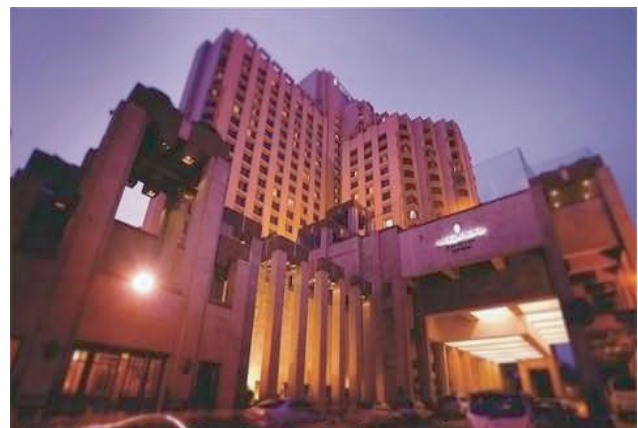
### ICFAI hosts Association of Certified International Investment Analysts (ACIIA) Meetings at Delhi, India:

Association of Certified International Investment Analysts (ACIIA) is organizing its Council & Promotion and Marketing meetings in November 2006 which would be hosted by ICFAI.

The meetings will be organized at Hotel Intercontinental The Grand — New Delhi, the capital city of India on 27th November 2006 and 28th November 2006.

The Promotion & Marketing Committee Meeting will be held on 27th November and Council Meeting on 28th November 2006. A day long sight seeing trip has been organized on.

29th November, which will cover the places of historical importance in Delhi.



A view of the Hotel Intercontinental The Grand: The Venue of the ACIIA Meetings

## ICFAI Business School launches one-year Executive PG Program in Management

ICFAI Business School, Hyderabad has designed and developed the Executive Post Graduate Program, a unique one-year, full-time program for executives with work experience. This is an intensive residential program, with a cutting-edge curriculum that successfully brings together the theory and practice of business. During one year of study, the candidates will obtain a broader perspective on the nuances of managing at a time of great change, and acquire the skills to lead teams and organizations to success in a globalized, competitive business environment. The Program is open to graduates in any discipline with executive level experience of three years or more after graduation. The selection will be based on performance in the Executive Business Aptitude Test (EBAT) 2006 and interview. For further details, you may visit [www.icfai.org/ebat](http://www.icfai.org/ebat).

## Japan — SAAJ

### SAAJ General Membership is open to CIIA® holders – Portability of the CIIA

Reflecting the fact that the CIIA is a globally recognized high level designation for investment professionals around the world, from August 2006 the SAAJ accepts CIIA holders as General Members in accordance with Article 7 of its Articles of Association. General member status will be officially granted following approval at an SAAJ Council Meeting.

#### • SAAJ Membership Categories

There are three membership categories: Individual, Corporate, and Associate.

Individual Members, as stipulated in Article 7 of SAAJ's Articles of Association, comprise

#### 1) CMA® Members (Chartered Member of the SAAJ):

Those who have passed SAAJ examinations (CMA Level I and II exams), and who have three years or more experience working in the domain of financial analysis, portfolio management, and/or investment in general.

#### 2) General Members:

Officers or employees of Corporate Members or Associate Members with three or more years practical experience in securities analysis, and/or academic experts/practitioners with sufficient experience and ability in investment analysis.

#### • Benefits of SAAJ Individual Membership

Following approval, an Individual Member can avail himself/herself of various benefits/services, including:

- receiving the monthly "Security Analysts Journal" featuring experimental studies, papers, updated technology and theories in securities analysis, etc.; free of charge.
- attending seminars (held every other month covering a wide range of topics such as economic and financial situation, securities investments, etc.) and the SAAJ Annual Conference which aims to promote self-development as well as enhance active exchange among members; a discount is available to individual members.
- attending lecture presentations (held about five times monthly); a discount is available to individual members.
- attending presentation meetings by listed companies (about 800 times a year); free of charge.
- having free access to summaries of seminars, lecture presentations, company presentations, etc., on the SAAJ website.
- receiving various information regarding SAAJ events by e-mail.

It should be noted that most benefits/services are in Japanese, except for some special cases.

#### • Procedures to Become an Individual Member (General Member)

It takes approximately 30 days to obtain approval.

- 1) Fill in the application form (available from the SAAJ website: <http://www.saa.or.jp/>) and mail to the SAAJ office)
- 2) Upon receipt of an application, SAAJ will confirm CIIA status with the ACIIA head office as well as ACIIA member association to which the applicant belongs.
- 3) The result of the SAAJ Council Meeting (held once a month) will be advised as soon as practical.

• **Entrance and Annual Membership Fees**

Upon receipt of approval, please pay the following entrance and annual membership fees:

- 1) Entrance fee: 10,000 Japanese yen
- 2) Annual membership fee:
  - Those approved as a member from April 1st to September 30th: 18,000 Japanese yen
  - Those approved as a member from October 1st to March 31st: 9,000 Japanese yen
  - Annual membership fee thereafter: 18,000 Japanese yen

• For Reference:

Regarding the CMA® qualification, although candidates have to pass CMA Level I and Level II exams (enrollment in SAAJ's CMA correspondence course is mandatory), SAAJ is currently studying whether CIIA holders could be partially exempt.

**Recent Events**

**21st SAAJ Annual Conference: Aiming for Better Development of Capital Markets – Role of The Management and Duty of Investment Analysts 6 October 2006, Tokyo:**

The Annual Conference offered impressive general sessions as well as lively panel discussion.

**Commemorative Speech**

Masahiro Sakane,  
President and CEO  
Komatsu Ltd.

**Keynote Speech**

Kunio Ito,  
Executive Vice President, Professor  
Hitotsubashi University



**6th SAAJ Summer Seminar: “New Trend of Structured Products and Risk Management”, 18th of July 2006, Tokyo:**

Featuring stimulating lectures by prominent speakers on the subjects below, the seminar was most successful, attracting 116 participants:

Session 1 “Market Trend of Structured Products and its utilization – New Trend in the U.S.A. and Japan”

Session 2 “Structured Products and Pricing”

Session 3 “Investment Strategy of Structured Products and Risk Management”

**7th SAAJ-Nippon Finance Association Joint Seminar: Accounting information and Valuation of Capital Market, 11th of September 2006, Tokyo:**

SAAJ held annual joint seminar in cooperation with Nippon Finance Association focusing on accounting information and valuation of capital market. This 7th joint seminar featured well-known professor from Waseda graduate school and security analyst as speakers and attracted 77 participants, providing them with the latest knowledge through intensive sessions:

Session 1 Support functions of Financial Accounting of Decision-making and Stock Evaluation.

Session 2 Accounting for Retirement Benefits and Valuation of Firm.

## Other Seminars

SAAJ held 15 seminars and workshops during July-September 2006, including:

- Historical Overview of Equity Risk Premium  
Roger Ibbotson, Chairman and Founder,  
Ibbotson Associates.
- Current situation and Outlook of Japanese  
Economy  
Hideo Hayakawa, Director General Bank of  
Japan
- Recent Trend of Chinese Economy  
C. H. Kwan, Senior Fellow  
Nomura Institute of Capital Markets Research
- Stock Pricing at Indian Stock Market  
Masaki Takahashi, Strategist  
Okasan Asian Center



**Disclaimer: Not for distribution in North America.  
Members' regional news supplied by ASAF members  
and ASAF takes no responsibility for the accuracy  
of the articles or views expressed therein.**

Published by the ASAF Secretariat,  
Contact: Kazumichi Karita,  
c/o 5F Tokyo Stock Exchange Building,  
2-1 Nihonbashi-Kabutocho, Chuo-ku,  
Tokyo 103-0026, Japan

Tel: 81 3 3666 1576 Fax: 81 3 3666 5845  
E-mail: [asaf-manager@saa.or.jp](mailto:asaf-manager@saa.or.jp)  
Website: [www.asaf.org.au](http://www.asaf.org.au)