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## **Regulatory and Technical Updates**

### **Corporate Governance: Practices and Disclosures in Annual Reports**



The Stock Exchange of Hong Kong Limited (“SEHK”) published the on 27 November 2015 “Analysis of Corporate Governance Practice Disclosure in 2014 Annual Reports” which indicates that issuers have continued to achieve a high rate of compliance on the SEHK’s Corporate Governance Code and Corporate Governance Report (“Code”), with room for improvement on the overall quality of explanations for deviations from the Code.



A day before, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) announced the results of the Best Corporate Governance Disclosure Awards 2015 (“Awards”). The Judging Panel of the Awards has recognised companies for progressively raising their corporate governance standards and called for some remaining information gaps to be addressed through, including more disclosure of remuneration policy and packages, and concrete information on monitoring the implementation of board diversity policies.

The HKSI Institute is one of the supporting organisations of the Awards. Mrs Edith Chan, the HKSI Institute Chief Executive and a member of the Judging Panel, is delighted to see that the overall quality of short-listed reports was high and congratulates the awardees.

### **Hong Kong Exchanges and Clearing Limited (“HKEx”) proposes to build “London-Hong Kong Connect”**



On 21 October 2015, HKEx Group announced that Hong Kong Futures Exchange Limited (“HKFE”), HKFE Clearing Corporation Limited (“HKCC”), the London Metal Exchange (“LME”) and LME Clear Limited (“LME Clear”), subsidiaries of HKEx and members of the HKEx Group, signed a non-binding memorandum of understanding for the proposed development of a trading link between the two exchanges, HKFE and the LME, and a clearing link between the two clearing houses HKCC and LME Clear, to be named “London-Hong Kong Connect”.

According to HKEx, the launch of the London-Hong Kong Connect will enable HKFE’s eligible Exchange Participants to trade LME products, and HKCC’s eligible Clearing Participants to clear those trades.

At present, no formal agreement has yet been entered into. HKFE, HKCC, LME and LME Clear will discuss the related issues, such as the types of products to be involved, the operational model and the system requirements etc. and the implementation is subject to regulatory approval in Hong Kong, the United Kingdom and the European Union.

# Regulatory and Technical Updates

## HKEx supports programme for Hong Kong's emerging FinTech industry

Financial Technology ("FinTech") is a hot topic in the financial services industry recently. Prof KC Chan, Secretary for Financial Services and the Treasury, mentioned in his speech at the HKSI Institute Autumn Dinner 2015 on 23 October 2015 that FinTech has a key role to play in fostering the development of the financial services industry. On 2 November 2015, HKEx announced to become a Supporting Organisation of the SuperCharger Accelerator. The SuperCharger Accelerator, Hong Kong's first programme dedicated to helping both start-ups and more established FinTech companies aiming to capture opportunities in Asia's growing markets, will allow HKEx to share knowledge and explore collaboration with some of the leading creative minds in FinTech.

The twelve-week programme, which runs from 11 January to 8 April 2016, assists with company building, mentorship and advice in areas such as market entry, regulatory obligations and joint ventures opportunities.

It is not surprised to see more development of FinTech in the market in the near future.

## Introducing more Asia Commodities Contracts planned by HKEx



Awaiting market readiness and regulatory approval, HKEx announced on 12 October 2015 that it plans to introduce three Renminbi-denominated mini metal contracts named London Nickel Mini Futures, London Tin Mini Futures and London Lead Mini Futures which are the second group of London Metal Mini Futures introduced by the HKEx. A timeline will be provided in due course.

These new Renminbi-denominated contracts will meet the needs of base metals producers, investors and users in different time zones by using our markets in London and Hong Kong. Besides, this will provide additional risk management and hedging tools and create more arbitrage opportunities. Furthermore, market participants in Asia can have a greater access to the London Metal Exchange's highly respected global reference prices.

## OTC Derivatives Regime Updates

### Consultation papers issued

In September 2015, the Securities and Futures Commission ("SFC") and the Hong Kong Monetary Authority ("HKMA") jointly issued a consultation paper on introducing mandatory clearing and expanding mandatory reporting. In November 2015, the SFC published another consultation on proposed changes to update the Guidelines for the Regulation of Automated Trading Services ("ATS Guidelines"). Both consultations ended, pending the conclusions.

### Introducing mandatory clearing

Major proposals include:

- Implementation of mandatory clearing is to be in 2 phases and this time the consultation is only about Phase 1 Clearing;
- To cover only certain interest rate swaps ("IRS") (Non-deliverable forwards ("NDF") and forward rate agreements ("FRA") are not covered this time);
- To cover only dealer-to-dealer transactions (and exclude transactions entered by nonregulated entities who may need to rely on client clearing services provided by a third party intermediary); and
- There is a clearing threshold (unlike mandatory reporting obligation there is no threshold).

### Expanding mandatory reporting

It is proposed to cover the obligation to all OTC derivative products instead of just IRS and NDF and expand the information to be reported.

### ATS Guidelines

The main proposals include amendments to cater for the expanded definition of ATS which covers not only services for trading and clearing of securities and futures contracts but also that for OTC derivatives, so that the ATS Guidelines will be applicable to ATS providers authorised under Part III of the SFO and intending to act as central counterparties (CCPs) for OTC derivatives. Other amendments are for aligning the guidelines with international standards and practices and codifying existing practices with market development.

### Way forward

The SFC plans to implement the revised ATS Guidelines simultaneously with the implementation of subsidiary legislation for mandatory clearing obligation for OTC derivatives transactions, which is expected to be in mid-2016. The expanded mandatory reporting regime is expected to be implemented in early 2017.

## SFC signed MoU with ESMA for information exchanges of derivatives contracts

The SFC has entered into a Memorandum of Understanding ("MoU"), which came into effect on 19 November 2015, with the European Securities and Markets Authority ("ESMA") to facilitate information exchange regarding the information on derivatives contracts held in trade repositories.

## SFC proposes to expand short position reporting

On 27 November 2015, the SFC launched a consultation on the scope of short position reporting, and it proposes to expand into all securities that can be short sold under the rules of the SEHK. The consultation ended on 31 December 2015.

## SFC moves to paperless individual licences

The SFC has ceased to issue printed licences to individual licensees with effect from 13 November 2015, when the Securities and Futures (Amendment) Ordinance 2015 came into operation. The move to paperless individual licences will reduce the industry's compliance burden and help protect the environment. Details of licensed individuals will continue to be published on the SFC's online Public Register of Licensed Persons and Registered Institutions.

Meanwhile, the SFC will continue to issue printed licences and certificates of registration for licensed corporations and registered institutions respectively.

## Consultation conclusions on client agreement requirements published



The new requirements are added in the Code of Conduct to be effective from 9 June 2017.

Intermediaries are required to:

- include in the client agreement a new clause reads as, "If we [the intermediary] solicit the sale of or recommend any financial product to you [the client], the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of this agreement or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause."
- preclude incorporation of any clause, provision or term in client agreements and other documents with clients which is inconsistent with a intermediary's obligation under the Code of Conduct and misdescribe the actual services to be provided to the client.

The new requirements enable an investor to claim for damages for intermediary's sales or recommendation of unsuitable financial product.

## Shanghai-Hong Kong Stock Connect – Introduction of Circuit Breaker Mechanism by the Shanghai Stock Exchange

On 1 January 2016, the Shanghai Stock Exchange ("SSE") introduced the circuit breaker mechanism measures ("SSE Circuit Breaker") which affects northbound trading of A shares through Shanghai-Hong Kong Stock Connect. The table below is a summary of the SSE Circuit Breaker measures:

<b>% of the CSI 300 Index increases or decreases as compared to its close on the previous trading day during the continuous auction session</b>	<b>Actions to take under the SSE Circuit Breaker measures</b>
5%	<ul style="list-style-type: none"><li>• The trading of A shares on SSE will be suspended for 15 minutes.</li><li>• A call auction will take place before the resumption of continuous auction session.</li></ul>
7%	<ul style="list-style-type: none"><li>• The trading of A shares on SSE will be suspended for the rest of the trading day.</li></ul>

Accordingly, the amended Rules of The Stock Exchange of Hong Kong Limited reflecting the changes took effect on 1 January 2016.

## Forthcoming Regulatory Implementation in Q1 2016

As discussed in more details in our previous issues of S.I., market participants are reminded of the effective dates of the following:

- The amendments on Corporate Governance Code and Corporate Governance Report proposed by the SEHK took effect on 1 January 2016.
- The revised Professional Investor regime will take effect on 25 March 2016.



# Regulatory Insight Series - Inside Information Disclosure

## Background

The Securities and Futures Ordinance (“SFO”) was amended on 1 January 2013 to introduce the statutory disclosure regime, which imposes obligations for listed corporations to make timely disclosure on inside information and for their officers personally to ensure that disclosure takes place properly.

Timely disclosure is important because it could prevent abusive use of inside information by officers. Under the SFO, if it appears to the SFC that a breach of a disclosure requirement has or may have taken place, the SFC may institute disclosure proceedings in the Market Misconduct Tribunal concerning the matter. Officers of listed corporations now face possible sanctions, both civil and criminal, if they breach relevant requirements. On this ground, every officer must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement. This is a major step by the Government to improve corporate governance practice of listed companies.

### What is inside information?

According to the SFO, inside information, in relation to a listed corporation, means specific information that –

(a) is about:

- (i) the corporation;
- (ii) a shareholder or officer <sup>(Note 1)</sup> of the corporation; or
- (iii) the listed securities of the corporation or their derivatives; and

(b) is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities.

3 key elements of inside information:

#### **Specific**

Identifiable but does not need to be precise. Vague hopes and wishful thinking are not specific information.

#### **Confidential**

Not generally known to that segment of market.

#### **Price Sensitive**

Likely to have a material effect on the price of the listed securities.

### Examples of inside information

The following are some events or circumstances where a corporation should consider whether a disclosure obligation arises:

- Takeovers and mergers (including takeover of and mergers with other companies or being target of takeovers and mergers);
- Restructurings, reorganizations and spin-offs that have significant effect on the corporation's assets, liabilities, financial position or profits and losses;
- Purchase or disposal of equity interests or other major assets or business operations;
- Changes in financial condition, e.g. cashflow crisis, credit crunch, insolvency;
- Changes in performance, or the expectation of the performance, of the business for which shareholders or investors should be warned;
- Changes in directors and auditors;
- Legal disputes and proceedings which could have significant effect on the corporation.

Further examples could be found in the SFC's “Guidelines on Disclosure of Inside Information” <sup>(Note 2)</sup>.

## Previously disclosed information

### Inside information or not?

In 2014, some companies issued profit warning announcements shortly after listing which stated that significant listing costs were among the main reasons for the profit decline. The SFC explained in the second issue of its latest Corporate Regulation Newsletter (“Newsletter”) published in April 2015 that these costs were required to be published in the companies’ prospectus and so were already known to the public and would NOT normally be considered inside information. A profit warning announcement to repeat such fact was not necessary and might even cause confusion. Where a company sought to highlight the information had given the effect of masking the impact of other factors on its financial performance, it might be regarded as having made a misleading statement.

However, this would not apply to some of the more general comments in a prospectus, such as the risk disclosures. The Newsletter gave an example that potential work stoppages at a factory might be a risk factor cited in the prospectus, but the subsequent suspension of factory operations was likely to be specific information which was not generally known to the public. The company could not rely on its previous disclosure in the prospectus in such a case.

The SFC has suggested other instances of confusion caused by the repetition of information disclosure in profit warning or alert announcements. For more details please refer to the Newsletter <sup>(Note 3)</sup>.

## Who could be liable for insider dealing?

Insider dealing is a form of market misconduct, the following are circumstances for insider dealing to take place:

- (1) Connected Persons <sup>(Note 4)</sup> dealing in shares of the corporation;
- (2) Connected Persons tipping off inside information to others who are likely to deal;
- (3) Persons contemplating of taking over the corporation dealing in the shares not for the purpose of the takeover;
- (4) Persons contemplating of taking over the corporation tipping off inside information to others who are likely to deal;
- (5) Persons directly or indirectly coming into possession of inside information dealing in the shares of the corporation.

## Safe harbour of inside information disclosure

A listed corporation is granted safe harbour on inside information disclosure under certain circumstances, including:

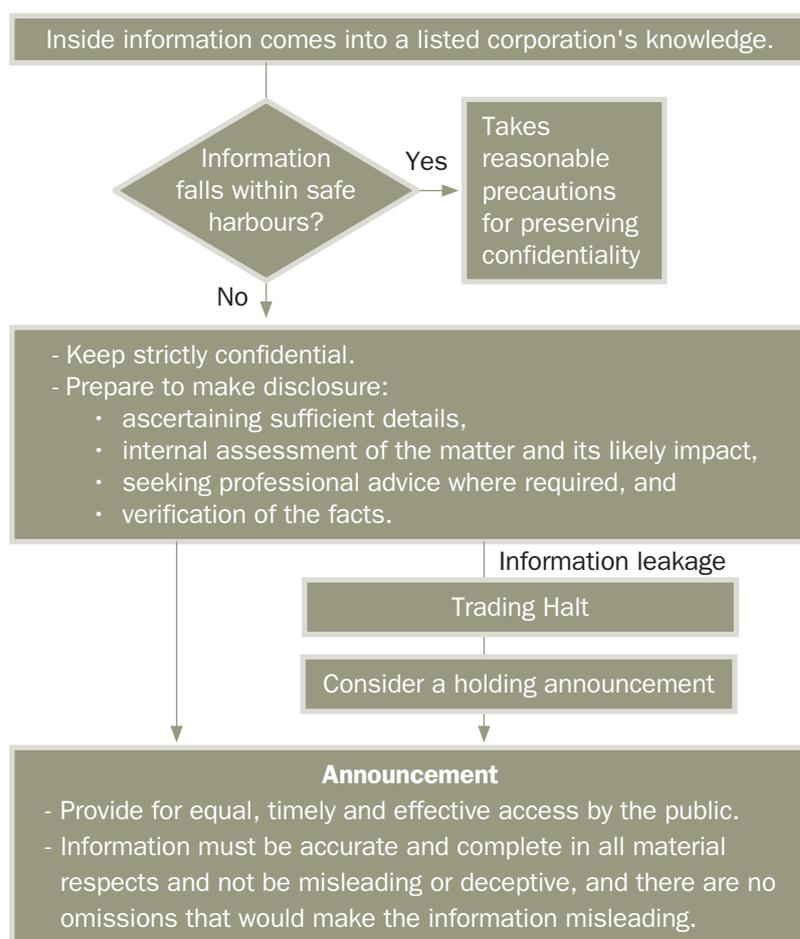
- the disclosure is prohibited under a restriction imposed by an enactment or a court order; or
- the corporation takes reasonable precautions for preserving the confidentiality of the information and confidentiality of the information is in fact preserved, and either:
  - the information concerns an incomplete proposal or negotiation;
  - the information is a trade secret;
  - the information concerns the provision of liquidity support from the Government’s Exchange Fund or a Central Bank (or institution performing such functions, inside or outside Hong Kong);
- the SFC grants a waiver on disclosure prohibited by overseas legislation or restriction orders on a case-by-case basis, with conditions if appropriate.

If confidentiality is lost or information is leaked, the safe harbour will cease to be available and disclosure is required as soon as practicable.

# Regulatory Insight Series - Inside Information Disclosure

## How to handle inside information?

A listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose that information to the public, unless the information falls within the safe harbours. The steps a corporation should do are summarised as follows:



## Who is liable for breaches of disclosure requirements?

A listed corporation is liable for a breach of the disclosure requirements if:

1. it fails to, as soon as reasonably practicable after any inside information has come to its knowledge, disclose that information to the public; or
2. the information disclosed is false or misleading as to a material fact, or is false or misleading through the omission of a material fact; and an officer of the corporation knows or ought reasonably to have known that, or is reckless or negligent as to whether, the information disclosed is false or misleading as to a material fact, or is false or misleading through the omission of a material fact.

An officer of the corporation is also liable if:

1. his intentional, reckless or negligent conduct has resulted in the breach; or
2. he has not taken all reasonable measures from time to time to ensure that proper safeguards exist to prevent such a breach;

The possible penalties include orders of the Market Misconduct Tribunal, with a maximum fine up to \$8 million. A person in breach of the disclosure requirements is also civilly liable to pay damages to persons who sustained loss.

## What are the proper safeguards by different parties to prevent any breach?

### Officers

- Establish, maintain and review proper controls and procedures, e.g. controls for monitoring business and corporate events, periodic financial reporting procedures, procedures to review presentation materials before released, and for responding to market rumours, leaks and inadvertent disclosures.
- Maintain proper authorisation and supervision, e.g. restriction of access to inside information to a limited number of employees on a need-to-know basis, authorisation of officer(s) to be notified of any potential inside information and escalation of such information to the board, and provision of regular training to relevant employees for better understanding of corporation's policies and relevant disclosure obligations.
- Maintain proper record keeping, e.g. an audit trail of meetings and discussions concerning the assessment of inside information, record of briefings and discussions with analysts or the media, and the corporation's disclosure policy and procedures.

### Third parties who publish market information (e.g. industry regulators, government departments, rating agencies, etc.)

- Identify if the information to be published would cause significant consequences for the corporation.

### Fund Managers/Research analysts

- Keep abreast of the news and information about the corporations to aid assessment of whether certain information is non-public and price sensitive.
- When communicating with insider, remind the insider not to disclose inside information to you and avoid asking questions which would obtain inside information.
- Establish measures to prevent any possible mishandling of inside information, e.g. research and analysis clearance procedure, staff dealing policies and monitoring mechanisms to prohibit improper trading, and guidance to staff who may deal with insiders.
- When being given inside information, do not disclose/use the information and alert supervisor/compliance, as well as procure the company to make the information public.

### Companies listed on more than one exchange

- Synchronise disclosure of inside information as closely as possible in all markets.
- Ensure inside information that is publicly released in Hong Kong in both English and Chinese unless otherwise stated, at the same time it is released in other markets.
- Issue an announcement before the Hong Kong market opens for trading, if the Hong Kong market is closed when information is released in another market.

*Note 1: An officer means a director, manager or secretary of, or any other person involved in the management of, the corporation.*

*Note 2: Guidelines on Disclosure of Inside Information*



*Note 3: SFC's Corporate Regulation Newsletter April 2015*



*Note 4: Connected persons mean:*

1. directors, employees or substantial shareholders of the corporation;
2. persons who may reasonably be expected to have access to inside information by reason of having a professional or business relationship with the corporation; or
3. connected persons of another corporation where the inside information relates to transactions between the two corporations.

## Market Connections

### Mutual recognition of funds (“MRF”):

- 13 Southbound funds and 3 Northbound funds under the China-Hong Kong MRF scheme approved in December
- An initial consensus reached between Taiwan and Hong Kong for an MRF scheme



### Stock Connect:

- Shanghai-Hong Kong Stock Connect - launched for more than one year
- Shenzhen-Hong Kong Stock Connect - expected to be launched in 2016

### Proposed London-Hong Kong Connect for trading LME products:

- A memorandum of understanding has been signed to develop the scheme



## MPF

### Default Investment Strategy:

- The new legislation gazetted on 13 November 2015 to require each MPF trustee to provide a standardised Default Investment Strategy with fee controls



## Market Infrastructure

### Proposal for Weighted Voting Rights:

- Shelved after the SFC expressed not to support



### Volatility Control Mechanism and Closing Auction Session:

- Market consultation concluded. To be implemented in 2016.



## Asset and Wealth Management

### Amendments to Code on Unit Trusts and Mutual Funds:

- Effective from 30 January 2015



### Stamp duty waiver for all Exchange Traded Funds:

- Effective from 13 February 2015



### SFC's pilot revamped fund authorisation process:

- Started on 9 November 2015 for six months for new applications for MPFs and Pooled Retirement Funds



### The Certified Private Wealth Professional Examinations:

- Launched under the Enhanced Competency Framework for private wealth management practitioners



### Government's manpower training initiative for the asset and wealth management industry:

- Proposed to launch a three-year pilot programme ("Pilot Programme") of HK\$100 million for insurance and asset and wealth management sectors
- HKSI Institute is proposed to be the implementation agent of the Pilot Programme for the asset and management sector. Watch out for more details



## Regulatory Development

### Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules:

- Effective from 10 July 2015



### Consultations on OTC derivatives activities' financial requirements, dealer-to-dealer mandatory clearing obligations and the expansion of the reporting obligations:

- Issued in the third quarter of 2015, pending consultation conclusions

### Amendment to Guideline on Anti-Money Laundering and Counter-Terrorist Financing:

- Effective from 1 April 2015



### Enhanced regime for alternative liquidity pools ("dark pool"):

- Effective from 1 December 2015



### Competition Ordinance:

- Commenced on 14 December 2015



## HKSI Institute Leader Interview – Mr John Maguire, New Chairman



### HKSI Institute: developing the skills of, and instilling standards of excellence in, our young professionals

*His career started in corporate finance as a solicitor in London where he worked for 5 years. In 1991, he came to Hong Kong and it has been his home ever since. He worked as a solicitor handling corporate finance transactions in Hong Kong until 1995 when he moved into investment banking. He became a member of the HKSI Institute in 1998 shortly after its establishment. He is the new Chairman of HKSI Institute — **John Maguire**.*

“The HKSI Institute is a great organization and I am proud to be a member and excited to be its Chairman.” That is the feeling of John upon becoming Chairman of the HKSI Institute.

With more than 20 years experiences in the securities and investment industry, John is well qualified to comment on the changes that have taken place. “The rules and regulations applicable to the securities and investment industry and those who work in it have become far more complex and demanding compared with 1997, the year the HKSI Institute was established,” John said. “The future is only likely to bring additional regulation and more complexity, not less,” he emphasized.

“The HKSI Institute plays an important role in providing high quality professional training and examination programmes for industry participants. The relevance of the HKSI Institute to the market is greater today than it was 18 years ago when the Institute started out.” John pointed out.

Talking about the vision for his Chairmanship, John already has a detailed plan in his mind. “The HKSI Institute is a membership community. Aside from providing training and examination programmes, we also hold events for and provide benefits to our members. One area of focus for 2016 will be helping young members to develop and realize their potential.” John explained that young people are the future of the industry. John elaborated that “the HKSI Institute will build upon the creativity and talent of our young people and provide them with the right skills and mindset to prepare them to be the leaders of the future and to ensure that Hong Kong continues to be a leading international financial centre”.

“We have a wealth of senior people in the market who are our HKSI Institute members. We will stage more events where our younger members may mix with a cross section of senior members of the industry in a relaxed environment and thereby build their professional networks.” John said.

In addition to providing more training and skills-development programmes for young members, John wishes to see the HKSI Institute further develop its community of younger



*In 2015 Mentoring Programme Ceremony*

members as they will become the lifeblood of the Institute and the industry in the future. To this end, John plans to establish a young professionals club within the HKSI Institute. “This club will provide our younger members with a voice to tell us what they want from the HKSI Institute, will empower them in helping the Institute to provide them with the skills they need and will give them a role in further developing and shaping the Institute” John said. In addition, John hopes that the young professionals club will also organize social and networking events. “This club will run in parallel with our very successful mentoring programme. The value of this programme is evidenced by the number of mentees we have who after finishing the one year mentoring programme, sign up for a further year.”

John also highlighted the Institute’s on-going work towards implementation of the Advanced Learning Platform. This is an important project for the Institute and will become the bedrock of the Institute’s internal processes and public facing internet interface. “Once up and running, this

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**It is important for HKSI Institute to do all it can to assist our young members to develop professionally and instill within them the desire to strive for professional excellence.**

”

platform will make what we offer more accessible to our members and will enable us to offer more on-line services to our members. We are very grateful to the SFC for its continuing support of this initiative.” John explained.

“In a nutshell, I see 2016 as being an important year for the further development of the HKSI Institute. We have many initiatives, the ones that I have just mentioned are not the only things that I see being introduced next year. I believe that 2016 will be a year in which we can do much good for the industry and hopefully have fun doing it.” John smiled.

Our new Chairman is very confident of the future success of HKSI Institute. We look forward to his Chairmanship as he leads the HKSI Institute towards a new horizon.



*Mentoring Programme 2015 – Outside seminar room, BBQ gathering*

## Know Your Board Member – Mr Paul Day, Education and Development Committee Chairman



**If you stop pushing yourself to learn, then your value proposition stagnates too. It's far more fun and rewarding to keep challenging yourself.**



### HKSI Institute Board Member Paul Day's Take on Lifelong Learning

Paul Day, a Managing Director of Morgan Stanley Asia, very much enjoys working in Hong Kong, noting the vibrant working culture of entrepreneurial locals and a positive and diverse expatriate community. Paul travels frequently as he oversees Morgan Stanley's Operations Department in Asia, focusing on eight countries in the region – Australia, China, India, Indonesia, Japan, Korea, Taiwan, and Singapore. Paul likened Operations as the “first line of defense” and the “engine room” for processing securities transactions of the firm's institutional, wealth management and asset management business. “We (Operations) are all about operational excellence; creating scalable and efficient platforms and ensuring quality in every aspect of what we do, be it client service or risk management”, Paul said.

#### Learn · Get Connected

Despite his work demands in the intense investment banking field, Paul enjoys contributing to the industry and has been generously serving the industry via the HKSI Institute – as a Board Director, Chair of the Education and Development Committee, as well as a Member of the Executive Committee and Advanced Learning Platform Steering Committee. He has witnessed, as well as played an important part in growing and transforming the Institute; driving real value propositions for Members and helping position it as the “go-to” place for on-going professional learning opportunities and networking.

“In your career, you need to constantly learn new skills and experience different things to stay ahead of the game. The Education and Development Committee assists the Institute with the development and delivery of its learning and

development courses which are an important element of the HKSI Institute membership,” Paul said.

The Advanced Learning Platform (ALP), developed in collaboration with the Securities and Futures Commission, is a strategic initiative undertaken to provide flexible online training and will enable the Institute to better reach out to the learning community outside the traditional classroom setting. It will be a creative delivery mechanism that will support multiple training media, interactive, and enable participants to review their learning history and redefine their development needs. With his dedicated input and counsel towards this initiative, there is much to look forward to in its roll-out in 2017! “The ALP will represent a quantum leap in the way the Institute can offer training,” Paul emphasised.

### **Journey to success... more than having good grades**

Being a strong proponent of lifelong learning, Paul searches for such traits in his team members too.

Paul recalled the exact words of his professor on his last day at university. "There are a lot of very smart people in this room, but very few of you are actually employable," he said. "I never did figure out whether I was one of the employable ones he had in mind! But when you look at what it takes for someone to be successful in their career, it is more than just being smart. It is about a host of other things including leadership, attitude, judgment, people management, communication, resilience," he said, adding that it is the willingness to accept feedback and the

desire and ability to continually develop skills that often provides clues as to who his best people are.

"As you evolve in your career, the way in which you add value changes dramatically. If you stop pushing yourself to learn, then your value proposition stagnates too. It's far more fun and rewarding to keep challenging yourself," Paul said.

Developing young talents for the industry is also a subject close to his heart. Paul is a great supporter of the HKSI Institute Scholarship Programme, and has offered shadowing opportunities for scholars for three consecutive years, enabling them to join senior level meetings and

experience the real working environment, corporate culture, and appreciate how senior managers manage issues.

"The absorption of culture and the sense of reality will also help them gain confidence from the experience. It's also valuable for me to spend time with students and understand how they think about their career choices," Paul said. He recalled being a student and knowing very little about the investment banking industry. "It's advantageous to get your first career choice right and if I can help people make a more educated decision through this programme then it is time well spent".



*Mr Paul Day receiving the Recognition of Sponsors Award from Professor KC Chan, Secretary for Financial Services and the Treasury, for his contributions to the HKSI Institute Scholarship Programme.*

# HKSI News and Updates

## Autumn Dinner 2015

The HKSI Institute conferred its Honorary Fellowship to Miss Au King-chi, GBS, JP, at its annual Autumn Dinner on 23 October, with Prof K C Chan, GBS, JP, Secretary for Financial Services and the Treasury as the Guest of Honour. The HKSI Institute Honorary Fellowship is the top accolade awarded to individuals who have made distinguished contributions to the advancement of the financial industry in Hong Kong.

At the special occasion, five esteemed HKSI Institute members were also inducted as Senior Fellows in recognition of their significant contributions to the industry and the Institute. They are Prof Michael Firth, Ms Alice Law, Mr Kenju Ogyu, Mr Derek Shek and Ms Anna Wong. At the dinner, Prof K C Chan also presented souvenirs to the sponsors of the HKSI Institute's Scholarship Programme, a scheme launched in 2004 to nurture young talents, which was developed based on a seed idea from him during his tenure as the Institute's Board Director. We extend our deep gratitude to the leaders, members, partners and sponsors for their support of the Autumn Dinner 2015.



# HKSI News and Updates

## AGM

The eighteenth Annual General Meeting of the HKSI Institute was held on 10 December 2015. We are pleased to announce the election of Mr John Maguire as Chairman, and the appointment of our Board of Directors for the 2016 term. We also thank Mr Craig Lindsay, former Chairman of the HKSI Institute, for his invaluable contributions and leadership in steering the Institute's work in championing professional standards of excellence in Hong Kong's financial services industry.



## Board of Directors 2016

Name	Job Title and Company	Remarks
Mr John Maguire (Chairman)	Head of Corporate Finance REORIENT Financial Markets Limited	Holds office until completion of his term
Mr Joseph Chan	-	Holds office until completion of his term
Mr Paul Day	Managing Director and Head of Asia Operations Morgan Stanley	Holds office until completion of his term
Prof Michael Firth	Hong Kong Economic Journal Chair Professor of Finance Lingnan University	Elected by Members
Prof Vincent Kwan	Honorary Professor The University of Hong Kong	Holds office until completion of his term
Mr Victor Lee	Partner SM Investment Advisors Limited	Holds office until completion of his term
Mr Craig Lindsay	Senior Partner China Alpha Fund Management (HK) Limited	Holds office until completion of his term
Mr Benson Lo	Chairman and Executive Director Pacific Foundation Securities Limited	Elected by Members
Mr Louis Mak	Chief Executive Officer I-Access Group Limited	Holds office until completion of his term
Ms Katherine Ng	Senior Vice President and Head of Policy Listing Department Hong Kong Exchanges and Clearing Limited	Appointed by the SFC
Mr Colin Shaftesley	Partner, Financial Services Practice PricewaterhouseCoopers, Hong Kong	Appointed by the SFC
Mr Derek Shek	Director of Licensing Securities and Futures Commission	Appointed by the SFC
Mr Trini Tsang	Director and General Manager Wocom Holdings Limited	Elected by Members
Mr Philip Tye	Director HFL Advisors Limited	Elected by Members
Ms Anna Wong	Consultant Jolmo Capital	Holds office until completion of her term

# HKSI News and Updates

## New Corporate Members

### Category C



**上海銀行(香港)**  
Bank of Shanghai (Hong Kong)

**Bank of Shanghai (Hong Kong) Limited**



**Euto 裕韜**  
Capital Partners

**Euto Capital Partners Limited**



**Standard Perpetual Partners Limited**

## New Individual Members

Mr Alan Wang	Ms Fan Wai Sum Loretta	Mr Ma Tak Wah
Mr Boris Kam	Mr Feng Xiaoyuan	Mr Mikhail Garcia Romulo
Mr Chan Chi Hung	Ms Fok Kin Yee Hazel	Mr Nikolay Bykov
Mr Chan Chi Wai Chivy	Ms Fung Kar Wing Karen	Mr Romano Andrea
Mr Chan Chung Yee Alan	Ms Gu Yi Lei	Mr Shiu Shu Ming Manfred
Mrs Chan Eva Wu	Mr Guo Leoi Zhi Lei	Mr Shiung Eric Hsin-Yi
Mr Chan Ka Kin	Mrs Gupta Ruchira	Mr Sin Cheuk Pong
Mr Chan King Lai	Mr Ha Wai Kee	Mr Syren Johnstone
Mr Chan Wai Sum	Miss Ho Ching Chi Jane	Mr Tang King Hei Frank
Mr Chan Ying Kit	Mr Ho Tiat Oen Albert	Ms Tso Pui Sze Teresa
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