



ACIIA NEWS

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Newsletter of the Association of Certified International Investment Analysts ACIIA



Successful ACIIA Council Meeting and Seminar in Taipei

ACIIA Council members and representatives from ten Countries gathered in Taipei in early November for the ACIIA Council meeting.

Key discussion topics at the meeting included the amendment of the CIIA syllabus, the revision of future September correction schedules, updates on new potential ACIIA members and following the successful registration of the CIIA trademark in the United States, ways in which the ACIIA can demonstrate that the CIIA trademark is being widely used in America.

The warm welcome from the hosts, the Securities Analysts Association Chinese Taipei SAA CT made sure that the long journey to Taipei was truly worthwhile. The SAACT became a member of the ACIIA in 2005 and the first candidates sat the CIIA Final examinations in March 2006.

The meetings also lent an occasion for the ACIIA executive and SAACT to meet with the Financial Supervisory Commission and the Securities and Futures Bureau-SFB.

The Securities Analysts Association Chinese Taipei also organised a seminar under the theme "The Global Qualification for Investment Professionals". Mr. Kiyoto Hagiwara, ACIIA Chairman and Professor Michael

Theobald, IEC Chairman, were invited to deliver speeches to draw attention to the CIIA as an internationally recognised designation. Moreover, after the seminar, Mr. Hagiwara and Professor Theobald accepted a television interview to discuss the challenges faced in the Japanese and European markets, worldwide financial and investment analysts certificates and the Association of Certified International Investment Analysts ACIIA.

The meetings were rounded off by a wonderful dinner and an evening of musical entertainment hosted by the SAACT. Our thanks go to, Mr. Chingpo Chiu, SAACT Secretary General, and his staff, whose meticulous planning ensured that the both the meetings and the dinner were a huge success.



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The next ACIIA Council Meeting will be held in Paris in June 2008.

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A courtesy call on the Chairman of the FSC in Taipei

Taking the opportunity of having held the ACIIA Council Meeting in Taipei, Mr. Kiyoto Hagiwara, Chairman of the ACIIA (President and CEO of the SAAJ) paid a courtesy call on Dr. Sheng-Cheng Hu, Chairman of the Financial Supervisory Commission, on 7 November 2007.

During the meeting, Mr. Hagiwara gave an outline of ASAF as well as the ACIIA® and CIIA® designation. In stressing the importance of CIIA exams, offered since March 2006 session through the Securities and Futures Institute (SFI) though the

ACIIA member is the Securities Analysts Association, Chinese Taipei (SAA, CT), he asked for Dr. Hu's support. Mr. Hagiwara also introduced the ACIIA Principles of Ethical Conduct which define

practical and globally relevant standards for the professional conduct of investment analysts worldwide. These principles form a supra-national policy vis-à-vis the individual ACIIA mem-

ber societies and aim to stimulate the further development of national standards towards ACIIA best practice.

As regards the GIPS, Chinese Taipei does not have a country sponsor and Mr. Hagiwara suggested that an appropriate institution become a candidate.

Dr. Hu said he highly evaluated the CIIA designation not only to stimulate securities analysts but also as a way to enhance their knowledge and capabilities. He also said he understood the importance of the GIPS. ●



Dr. Hu, third from right, and Mr. Hagiwara and delegates

EFFAS Conference – 22 November 2007

In November 2007, EFFAS held its first conference in conjunction with the EURO FINANCE WEEK, which takes place every year in Frankfurt.

The topic of the first part of the EFFAS conference day was devoted to unbundling in Europe and to the questions of business

models for research. Speakers from the UK gave their views on unbundling, debating issues covering; managing conflicts of interest, justifying inducements, best execution, disclosure about trades, etc.

For Glenn Bedwin, head of external research at Fidelity In-

vestments Ltd, the term transparency would be better than unbundling.

Barry Marshall, CEO of Bidroute, sees in conjunction with the implementation of MiFid, unbundling as being backed by the principles of best execution. Commission Sharing Agree-

ments (CSA) would be an instrument for paying different parties in the execution process. Gunnar Miller, managing director of Germany's Allianz Global Investors, not only supports unbundling, but calls for more "specialisation" and "more market knowledge".

Jean de Demandolx Dedons, Member of the Board, Autorité des Marchés Financiers (French Regulator), is a supporter of the Unbundling process. Based on a new regulation, in effect from 2008, bundled soft commission arrangements in France are terminated.

The second part of the EFFAS conference day was dedicated to corporate social responsibility. Friedrich Mostböck, EMC member and vice-chairman of the Austrian Society, gave the keynote speech.

The next EURO FINANCE WEEK is from 17–21 November 2008.

We invite you to take part in the EFFAS Conference Day on Wednesday, 19 November 2008!



2007 ASAF Conference hosted by ICFAI University, Tripura

The 2007 ASAF Conference on the theme Asian Capital Markets – The Way Forward was held on 23 November 2007 at Le Meridien, New Delhi hosted by ICFAI University, Tripura. Mr. M Damodaran, Chairman, Securities and Exchange Board of India (SEBI) inaugurated the conference, which was attended by about 200 delegates from various countries in the Asia-Oceania region.

Welcoming the delegates Prof. Subhash Sarnikar, Chancellor, ICFAI University, Tripura said that the conference theme “portrays the collective reflection of achievements and aspirations of the capital markets industry in

this part of the world.” He also recounted that this was the second time that the conference is being organized in India. Dr. Bill Kwok, Chairman, ASAF in his opening remarks shared his vision of ASAF and also spoke about its achievements and the road map ahead. He said that integration within Asia has promoted complementary and yet competitive development and ASAF has “assumed an important role in facilitating and promoting constructive dialogue of regional societies.

The inaugural address by Mr. Damodaran set the key note for the conference touching on several issues of immediate as

well as far reaching relevance to the capital market. Talking about the fast growing markets in Asia, he said that they need to see far more attention paid to reducing asymmetry of information and that is where researchers and analysts come in.

There were five technical sessions in the conference in which the discussions were led by presentations from eminent professionals Viz., Mr. Shinichi Yoshikuni, Senior Adviser, Shinko Securities, Japan, Mr. C S Mohapatra, Director, Capital Markets Div, Min of Finance, Govt. of India, Ms. Angelina Kwan, Director, Head of Legal & Compliance, Cantor Fitzgerald, Mr. B S

Raghavan, IAS retired, Columnist and Author, Mr. N K Garg, Chief Executive, Sahara Asset Management Co, Mr. T S Harihar, Vice President – Equity Derivatives, Karvy Stock Broking, and Dr. Bijan Roy, Controller of Examinations, ICFAI University.

The concluding remarks for the conference were presented by Prof. O P Gupta, Director, IBS Gurgaon. In all the sessions, the quality of presentations and discussions was very high. The conference also provided a platform to professionals from several countries to exchange notes. The organisational arrangements for the conference also received high praise and several of the foreign delegates said that this was the most favoured of all ASAF conferences they had attended. The conference, in all aspects, fully met the promise set out at the start by the Conference Director Prof. Manas Chakravarty that it will be a “day of intellectual engagement and professional networking.”

The conference was followed by a dinner hosted in honor of the ASAF Chairman and representatives of ASAF member-societies from various countries. Apart from the delectable Indian cuisine, the guests regaled with a presentation of Indian music in the form of a jugalbandi between bansuri and santoor. The next day, guests were taken on a sightseeing trip of the city where they had a glimpse of the rich historical and cultural heritage of the country. These occasions also provided further opportunities to build upon individual and institutional relationships.

The presentations given in the Conference can be viewed at www.2007asaf.org

The ASAF AGM and other meetings were held on November 22, 2007.



ASAF Annual General Meeting and Committee Meetings in New Delhi

Asian Securities Analysts Federation (ASAF) is a federation of 14 member societies in Asia and Oceania region, and it regularly holds its Annual General Meeting and related committee meetings in conjunction with the Annual Conference. In 2007, the Annual Conference was held on Friday 23 November in New Delhi kindly hosted by the Institute of Chartered Financial Analysts of India (ICFAI).

Prior to the Annual Conference, on Thursday 22 November, the Annual General Meeting (AGM), Executive Committee Meeting as well as Education, Advocacy and Communications Committee Meetings were held at Le Meridien New Delhi Hotel in New Delhi, India.

During the Education Committee, Mr. Hagiwara, Deputy Chair-



man of ASAF and Chair of Education Committee (Chairman of ACIIA) made a detailed report on the status and recent developments of the CIIA programs.

In addition to the ordinary agenda items such as the approval of the audited financial statements and budget for the 2008 financial year etc., there was lively discussion as to how to revitalise the activities of the federation including ways to attract more

members. As a result it was decided to set up a working group to consider and draft an amendment to the Constitution in order to complete such amendments by the AGM in November 2008. It was also decided to hold the next interim Executive Committee meeting towards the end of March 2008 in Hanoi Vietnam and have several meetings with the Vietnamese regulators to exchange views on both ACIIA/CIIA and ASAF matters.

During the AGM, the following six people were elected Executive Committee members for a two-year term: Mr. Mike Willis (Australia), Dr. Lin Yixiang (China), Dr. Bill Kwok (Hong Kong), Mr. Sanjay Ramchandani (India), Mr. Kiyoto Hagiwara (Japan), and Mr. Tolmas Wong (Singapore). At the following Executive Committee meeting, Dr. Bill Kwok was elected Chairman, and Mr. Kiyoto Hagiwara Deputy Chairman. ●



SFAF's Training Centre 40th birthday Held on December 19th in Paris

SFAF celebrated the 40th birthday of the training centre (CFAF) Since it was created in 1967, CFAF has trained more than 4000 people in Paris, of which 1600 are now SFAF members. This includes more than 170 CIIA diplomas since 2004. It also helped to create Tunisia and Morocco's own training centres. It employs 3 permanent members of staff and as well as 80 professors. It prepares students for to the CIIA

and CIWM diplomas as well as different local programs.

This event was chaired by Patrick Leguil, SFAF's Chairman and organised successfully by Ariane Lieure, CFAF Director. Fritz H. Rau, Vice Chairman of ACIIA and Chairman of EFFAS was present as well as several members of the boards from these two associations.

The event started with a round table about the evolution of the financial analysts' profession in France and the subsequent impact for training. Over 150 people were present. Of particular interest in the discussions was the trend that has been noticed in France over the last few years:

- the growth of asset management. 40% of SFAF's members are active today in this bus-

ness, with asset managers currently representing today 28% and Buy Side analysts 10%,

- the rapid development of new professions such as independent advisors, named CIF in France (with representing 2.5% of SFAF's membership), independent financial analysts (3%), Private Equity specialists (2%), Compliance officers (2%) and Investor relations (3%),

In Investment Banking (35% of SFAF's members), the number of Sell side analysts is decreasing regularly with this function profession now only representing only 16% of SFAF's population. In reverse, the proportion of credit analysts (2%), corporate analysts (7%) as well as investment bankers (8%) is increasing.



Following this round table, SFAF organised a cocktail. Around 300 people were present at this event including many of SFAF's professors and former students as well as representatives from the various organisations of the French financial markets including market authorities and various associations. Also in attendance were CFOs and investors relations of several major listed companies and Human Resources managers.

Vincent Bazi
SFAF Vice-Chairman



(From left) – Dr. Jesús López Zaballós, Mr. Gonzalo Milans del Bosch, Ms. Claudia Stinnes and Mr. Fritz H. Rau

HKSI celebrates its 10th Anniversary Tapping the brains for the next decade of success



HKSI Chairman Dr. Au King-lun and Guest of Honour Bloomberg Chairman Mr. Peter Grauer celebrated the HKSI 10th Anniversary with a traditional Chinese lion dance



(From left) – HKSI Chairman Dr. Au King-lun, HKSI Hon Fellow Mr. Gordon Jones and HKSI Chief Executive Mr. Gary Cheung

The Hong Kong Securities Institute (HKSI) is pleased to announce a celebration of its first decade of service to the Hong Kong finance industry. Since its establishment in 1997, the HKSI has been dedicated to raising the professional standards of market professionals. Prominent business leaders gathered at a Gala Dinner last October where the guest of honour Mr. Peter Grauer, Chairman of Bloomberg, helped commemorate the occasion.

During the event, Dr Au King-lun, Chairman of the HKSI, formally inducted Mr Gordon Jones, JP as a HKSI Honorary Fellow for 2007. Mr Jones has recently retired from the Registrar of Companies after serving the Hong Kong government for 34 years. The HKSI Honorary Fellowship is intended for individuals who have made a significant contribution to the development of the finance community. It is Mr Jones' work in enhancing the territory's corporate infrastructure, plus his strong support and active participation in raising the stan-

dards of Corporate Governance that lead the HKSI awarding him the title of Honorary Fellow – only the third such award in its 10 year history.

Research study "Grooming of New Talent"

There is little doubt that Hong Kong's future will be hinged on how successfully it capitalizes on its current strength to develop into a global financial centre. Last October, the Institute has commissioned the Lingnan University to conduct a research study on the manpower gap in the financial sector in Hong Kong to assess the nature and magnitude of any manpower gap that may be hampering the growth of the industry.

The research consists of two parts: (1) focus group meetings with employers, and (2) a survey of employees with 3 years or less working experience. Since the launch, about 30 local major financial institutions including banks, securities firms and fund management firms already participated in the focus group discussions. The research findings will be released in Q2 2008 tentatively.

New Board Directors Appointed Dr Au King-lun Re-elected as Chairman

The 10th Annual General Meeting (AGM) of the Hong Kong Securities Institute was held on

12 December 2007. During the meeting, 7 directors were appointed. Dr Au King-lun was re-elected as Chairman at the inaugural meeting of the new Board held immediately after the AGM.

New Office in Shenzhen

Going forward, the Institute will continue to expand on many fronts. An office in Shenzhen will be opened sometime in the second quarter of this year. The 1,200 square feet office is located just a block away from the Shenzhen Stock Exchange. The office will serve as a liaison point between financial professionals of Hong Kong and the Mainland and will provide them with logistical and administrative support services like conferences, seminars and training courses. Shenzhen is going to be our first point of entry. In the future we may open similar liaison offices in other major cities such as Shanghai and Beijing.

HKSI Reading List 2007

As we celebrate our 10 year anniversary we look at some of the

books that have influenced and entertained our members. From The Aggressive Conservative Investor to Hands On, Hands Off, these books are judged to have been informative, enlightening, interesting and truthful about the industry in which we work. The list is a selected collection of the books reviewed in the Column 'Reading List' of the HKSI official Publication "Hong Kong Securities" in the year of 2007. The books selected for review will generally present but will not necessarily be limited to the work of acknowledged authorities on aspects of the investment and financial services industry, and hopefully will stimulate our readership as well as help them to make their own selections from the often bewildering range of publications they are faced with on the internet and in bookshops. Detailed book reviews written by our members and practitioners are available at www.hksi.org/journal.



Lingnan University hosted the focus group discussions with senior industry representatives



Private banking seminar held in Tokyo a great success

A private banking seminar held in Tokyo with 58 participants from various industries such as banks, big and niche securities firms, private banking firms, wealth management companies, CPA firms, a university professor, etc., was a great success.

“Private Banking Seminar – Theory and Practice” was held by SAAJ (in its Conference Room) on 13–14 December 2007 with prominent speakers from pertinent areas being invited.

Topics:

- (1) Targeted clients for PB/wealth management
- (2) Challenges and prospects for PB/wealth management in Japan
- (3) A proposal: Japanese-style family office
- (4) Wealth management/relationship management (theory)
- (5) Alternative investments
- (6) Case studies: (i) investment and inheritance policy after retirement of a corporate executive, and (ii) MBO – business succession for a small privately-owned company



In Japan, the number of high net worth individuals is dramatically increasing every year, thus, many financial institutions such as banks, securities firms, etc. have set up their own private banking or wealth management section since such individuals are demanding global and comprehensive investment information.

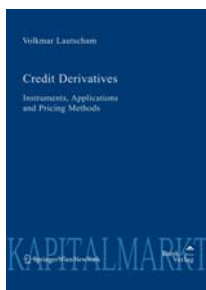
SAAJ, an association whose main objective is to offer educational programs leading to the CMA and CIIA designations, believes now is the right time to promote a wealth management program which incorporates fi-

ancial theory and analytical research techniques. It is also meaningful for CMA members (about 22,000), including CIIA holders, to widen their area of expertise and win the confidence of individual investors by obtaining the necessary skills through appropriate training and study.

All participants highly evaluated the seminar and showed a keen interest in attending similar seminars in the future. They said they would unreservedly recommend the experience to their colleagues. ●

New: Publication on Credit Derivatives

In 2007, right with the outburst of the sub prime crisis Springer Verlag published a new book on Credit Derivatives (ISBN 978-3-85136-084-4). This introductory text on credit derivatives provides the reader with ideas and tools to understand and discuss different instruments, the market, applications and pricing approaches. The first part is focused on providing a framework around credit risk and the application of credit derivatives to managing credit risk. The second part explains basic pricing concepts. ‘Key concept boxes’ throughout this part will



highlight the main results. References will direct the reader to more detailed discussions of specific issues.

Prof. Mike Theobald wrote on this book in a review: “Furthermore, the book provides a very strong basis for moving on to the more sophisticated modelling procedures that are now available and, indeed, developing. The author demonstrates a very strong understanding of the material and it is this comprehension that enables him to present the material in such a concise, yet informati-

ve, fashion. Overall then, a nicely developed and structured book which provides a very sound introduction to the credit derivatives area in a highly accessible and concise fashion”. ●

Special Offer for ACCIA Members through OVFA

As the CIIA Syllabus has now been changed incorporating the topic of Credit Derivatives this book could well serve as additional study material. OVFA provides all Member Societies of ACCIA with a special price if ordered directly with OVFA.

The special price will be EUR 21,-- if an order exceeds 50 books (ordinary sales price is EUR 42,--). ●

Agenda

Meetings and Events

25 June 2008

ACIIA Council Meeting, Paris, France

26 June 2008

ACIIA Annual General Meeting, Paris, France

CIIA Final Examination Dates

March 2008

Friday 7, in Europe, New York and Americas; Saturday 8, in Asia

September 2008

Friday 19, in Europe, New York and Americas; Saturday 20, in Asia

Members' Meetings and Events

ASAF

29 March 2008

ASAF Interim Executive Committee Meeting Hanoi, Vietnam

EFFAS

27 June 2008

EFFAS Annual General Meeting 2008 Paris, France

France

19 December 2007

SFAF training centre 40th Birthday, Paris, France

Japan

12–14 March 2008

20th SAAJ-CFA Institute/CFAJ Joint Seminar, Tokyo, Japan

ACIIANEWS

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