



# ACIIA NEWS

No 16 / Oct. 2007

Newsletter of the Association of Certified International Investment Analysts ACIIA



## The 30<sup>th</sup> ACIIA member: Kazakhstan (AFIA)

Kazakhstan is the world's ninth largest country and politically and economically the most stable country in Central Asia and in the Commonwealth of Independent States (CIS).

Kazakhstan is characterized by a high rate of economic growth. The country has not only created good conditions for the attraction of investments but accumulated some financial resources that could be invested in other economies.

From 1993 to 2006 the inflow of foreign direct investments (FDI) into the national economy of Kazakhstan totaled US\$ 51.2 billion (the highest per capita indicator in the CIS). In 2006 the FDI inflow to the Republic of Kazakhstan totaled US\$ 10.4 billion which exceeds the relevant indicator for 2005 by 57.7%.

In 2006, as compared to 2005, the GDP of Kazakhstan grew by 10.6% and totaled US\$ 77.2 billion, and the per capita GDP exceeded US\$ 5 thousand. In 2007 the GDP is expected to increase to US\$ 100 billion.

At the present time there are 33 commercial banks, 14 Pension Funds, 6 Venture Funds, 101 Investment Funds and 40 insurance companies in Kazakhstan.

The globalization of investment markets has opened new opportunities for professionals of the financial market, but at the same time it also demanded additional professional skills from the financial specialists. As a result of this the Association of Financial & Investment Analysts (AFIA) was created for Kazakhstan's integration into the world financial community.

At the present moment AFIA is an associated member of ACIIA. AFIA is a non-profit organization of Kazakhstan investment professionals. Its mission is to assist the development of the Kazakhstan capital market by introducing modern standards of professional qualification and professional skills for Kazakhstan specialists in the investment and financial spheres. One of the general objectives is to develop international cooperation and forge relationships with foreign investment professionals all over the world.

According to the General meeting's resolution of members of Public Association "AFIA" Mr. Dias Sarsenov was elected as the AFIA President on September, 2006. Since 2002 Mr. Dias has held high positions in companies which are professional

### CONTENTS

- 1/2 The 30th ACIIA member: Kazakhstan (AFIA)
- 2 CIIA Recognition in the UK
- 3 CIIA Examinations SEPTEMBER 2007  
The CIIA Program in Brazil – APIMEC
- 4 HKSI Mission to Shanghai
- 5 SFAF's training centre 40th birthday  
Seminars on Finance and Investments – India, ICFAI  
The 1<sup>st</sup> SAAJ Private Banking Seminar: 13–14 December 2007, Tokyo  
IUP Books on Investments
- 6 The new Chairman of The Security Analysts Association of Japan-SAAJ elected  
Agenda



participants in the securities market.

**AFIA plans for the future include:**

- Raising the standards of financial and investment analysis services, training and accreditation of analysts according to international requirements,

introducing and supporting the International Code of Ethics, and developing the program of national certification of investment and financial specialists that includes national examination.

- Expansion of international professional contacts and cooperation of members of AFIA and

Financial Institutions' Association of Kazakhstan.

- To bring together specialists in the field of investment and their professional organizations, to enhance relations between them and develop international co-operation with investment professionals of other countries.



● **Mr. Dias Sarsenov**

## CIIA Recognition in the UK

In July 2007 the ACIIA fulfilled all the non-UK specific criteria set by the Financial Services Authority (FSA) and achieved recognition in London for the CIIA designation. This means that CIIA is now recognised as an appropriate designation for the seven FSA-regulated activities in the UK that are most relevant to CIIA holders.

ACIIA had already received Awarding Body Status recognition from the Financial Skills Services Council in March 2007 and following this latest major accomplishment, the CIIA designation is now classed as a key 2 Qualification and is included on the Financial Services Skills Council Examination List in the UK (details can be found at the

FSSC website [www.fssc.org.uk](http://www.fssc.org.uk)) A key 2 Qualification requires a further UK specific examination to fully cover the FSA requirements since the CIIA examination does not incorporate a UK Financial Services Regulation and Ethics approved exam. Successful CIIA candidates who would wish to engage in any of the seven relevant activities will

need to take a UK regulation examination (Key 3) such as the IMC (UK regulation and markets part, only) for full recognition. Achieving designation recognition in the UK is a significant step for the CIIA as not only does it increase CIIA visibility in the United Kingdom but it also signifies a designation of quality and good standing in Countries worldwide. ●



## CIIA Examinations SEPTEMBER 2007

With the successful completion of the CIIA examinations on September 14th (Europe/Americas) and 15th (Asia), it marked the fourteenth occasion in which the exams have been administered.

The examinations were held in eighteen countries and regions and a lot of candidates endeavored to take on the challenge that the CIIA examinations repre-



sent. For the first time since their formation the Iranian and Hungarian Societies introduced candidates to the examinations. Since the ACIIA first held the CIIA ex-

aminations in 2001 more than 3,700 candidates have successfully passed the designation and the exams have been conducted by 23 ACIIA Societies.

To date the examinations have been sat in the following countries and regions:

Argentina, Austria, Belgium, China, Chinese Taipei, France, Germany, Greece, Hong Kong, Hungary, India, Iran, Italy,

Japan, Korea, Luxembourg, Morocco, Poland, Russia, Spain, Sweden, Switzerland and Ukraine.

With the number of ACIIA Member Associations increasing and the accessibility of the CIIA qualification spreading worldwide, we are ever nearing the realisation of the CIIA diploma becoming a truly international designation. ●

## The CIIA Program in Brazil – APIMEC

The first attempt to introduce in Brazil a local qualification program for investment professionals was made in early 1990s. Unfortunately, a number of adverse factors, including the then unstable economic environment and a consequent weakness of the domestic stock market, in addition to the lack of any incentive for the creation of a “certification culture” among investment professionals, prevented our success.

It was only in 2001, when APIMEC took part in the initial discussions that resulted in the creation of the ACIIA, that the certification program started to be formally implemented in Brazil.

Though the American CFA program has been present in Brazil since those years, as it was considered the only analyst certification program with international recognition, its access has been limited to a small group of “privileged” professionals with larger financial capacity (to cover the costs of the exams, study materials, and annual fees required for maintaining the diploma) and, in particular, with a good fluency in English language. It was clear that this was not the ideal certification program able to upgrade the level of our investment professional community at large.



Therefore, it was the creation of the ACIIA and the adhesion of APIMEC to the CIIA program that really started the certification program in Brazil. Initially, as our association was not structured to conduct the preparation of the Foundation exams, we had the support and cooperation from the Swiss Society which, since 2001, has been providing us with the examination papers that are applied (in Portuguese language) to our candidates. During these years, the number of Foundation exams in Brazil has increased steadily, specially after the en-

forcement of a regulation by the Securities Commission requiring that all sell-side analysts must be certified in order to be able to perform his/her activities in the Brazilian market. This way, the number of Foundation exams (I,II and III) grew from 27 in 2004, to 131 in 2005, to 318 in 2006, and to 513 in 2007.

So far, the primary interest has been to obtain the “National Certification of Investment Professional (CNPI) which is achieved by passing the three Foundation exams and the Brazilian content exam. There is no doubt

that the implementation of the “certification culture” in our investment market was largely due to the incentive provided by the Securities Commission regulation. Now, with the accreditation of our Foundation syllabus by the IEC, our goal is to increase the number of candidates every year and to aggressively promote the Final exams.

We hope that our experience may help other societies – particularly in developing markets – to implement the CIIA program in their countries. ●

## HKSI Mission to Shanghai

The Hong Kong Securities Institute is committed to strengthening ties between the finance sectors of the Mainland and Hong Kong. One of our goals is to create a channel through which our members can exchange knowledge and information with their counterparts on the Mainland. The future development of the local finance industry is dependent on the cooperation and ties we build today. Without the partnership of professionals, private industry and Government departments in the Mainland, Hong Kong would not be in the enviable position it is in now as the gateway to China and the region's premier finance hub.

Our close ties with the Mainland received a further boost in July when Chairman Dr Au King-lun led a 40-member delegation to Shanghai – the Mainland's leading financial centre. With the positive feedback from the 2006 Beijing CEPA Forum and the growing interest of the Mainland market among local practitioners, the trip was part of a series of activities now being arranged by the Institute in conjunction with the Shanghai government, institutions and firms. The objectives of the Shanghai visit were to build on the strengths that already exist between Hong Kong and Shanghai in the securities sectors, and to provide networking opportunities for members that joined the delegation.

During the two day programme, delegates visited the Shanghai Municipal Government Financial Service Bureau, CSRC Shanghai Office, Shanghai Stock Exchange, China Securities Index Company, Shanghai Futures Exchange and China Financial Futures Exchange (CFFEX). It also included an in-depth discussion session with the China Futures Association.

The delegation received tremendous support from leaders

and senior representatives of Shanghai's government and market institutions, proving there is great interest across the border in how Hong Kong works as a successful finance market.

Participants from both sides agreed that professional networking activities between Hong Kong and Shanghai are essential in laying the foundations for a higher level of cooperation.



(Shanghai, 12 July) During the meeting at Shanghai Municipal Government Financial Service Office



(Shanghai, 12 July) HKSI's delegation and the representatives of CSRC, Shanghai Office



(Shanghai, 13 July) HKSI's delegation and the representatives of Shanghai Stock Exchange

### PDFM Recognised by ACCA

As an ACIIA member society, the Institute is committed to providing the CIIA qualification to the local practitioners as our top-tiered qualification. The Institute also believes that career success comes from a diversified portfolio of experience and qualifications, which is why the Institute is actively promoting the HKSI Professional Diploma in Financial Markets (PDFM) qualification for middle level practitioners.

The examination for this qualification aims to equip candidates with a standard level of proficiency across many of the general aspects of the securities and investment industry. The PDFM programme consists of seven modules intended to give candidates grounding in the core disciplines, and act as a platform for further learning and development. While the qualification is recognised by a number of local and international professional associations including ACIIA, we are actively promoting it to become an internationally accepted award.

Recently, the Association of Chartered Certified Accountants (ACCA) has recognised the qualification that PDFM graduates will be granted exemption from Papers F3 and F9 of the ACCA Qualification, and Papers T1, T3, T6, and T10 from the Certified Accounting Technician (CAT) of the ACCA.

The Institute welcomes the ACCA's recognition of the PDFM as a sign that the hard work of our board and member's is beginning to bear fruit. We firmly believe the holders of these qualifications will begin to enjoy further career success as they gain greater integration into the international finance sector. We at the Institute will continue with our efforts in getting broader and deeper recognition for these qualifications and its membership in order to further strengthen Hong Kong's status as an international finance centre. ●

## SFAF's training centre 40<sup>th</sup> birthday

SFAF will host in Paris around 100 people for its training centre's 40th birthday (CFAF).

Since its creation in 1967, it has trained more than 4000 people in Paris, of which 1600 are today SFAF's members and helped to create Tunisia and Morocco's own training centres.

This event will take place on December 19th from 5 pm in Palais Brongniart, the historic Paris stock exchange. It will be chaired by Patrick LEGUIL, SFAF's

Chairman and organised by Ariane LIEURE, CFAF's Director. It is to start with a round table about the evolution of the financial analysts' profession in France and abroad and the subsequent impact for training.

The trend that we have noticed in France over the last few years is the following:

- the growth of asset management (40% of SFAF's members), with asset managers representing today 28% and Buy Side analysts 8%

- the rapid development of new functions such as independent advisors (named as Cif with 2.5% of SFAF's members) and independent financial analysts (3%), Private Equity specialists (2%), Compliance officers (2%) and Investor relations (3%)

On the contrary, in Investment Banking (35% of SFAF's members), the number of Sell side analysts is decreasing with this class representing only 16% of SFAF's population while the proportion of credit analysts (2%)

and corporate analysts (7%) as well as investment bankers (8%) is increasing. Following this round table, 2007 CEFA and CIIA successful students will receive their diploma and become SFAF's alumni. Fritz Rau, Vice Chairman of ACIIA and Chairman of EFFAS will be present as well as several members of the boards of these two associations.

A dinner will close the event.

**Vincent BAZI**  
SFAF's Vice-Chairman.

## The 1<sup>st</sup> SAAJ Private Banking Seminar: 13–14 December 2007, Tokyo

As pre-announced in the last ACIIA Newsletter No.15, SAAJ will organize its 1<sup>st</sup> Private Banking Seminar with prominent speakers in Private Banking business in Tokyo.

### Seminar Program

#### Introduction **Takashi Yoneda**

Representative Director & Chairman of the board  
LPL JAPAN SECURITIES K.K.

#### Session 1 **'Targeted clients for private banking/wealth management'**

Hiroyuki Miyamoto  
Group Manager, Financial Industry Consulting  
Department  
Nomura Research Institute

#### Session 2 **'Challenges and prospects for private banking/wealth management in Japan'**

Takashi Yoneda

#### Session 3 **'Proposal for Japanese style Family office'**

Katsura Suzuki  
Ernst & Young (Zurich) Representative of Japan  
Business Services

#### Session 4 **'Wealth management /relationship management (theory)'**

Takashi Yoneda

#### Session 5 **'Alternative investments'**

Motoyasu Yukawa  
Managing Director and General Manager  
Private Asset Management Department  
Pictet Financial Management Consultants Co., Ltd.

**Case Study** Session coordinated by  
Mr.Masaichi Kitayama, CPA(Japan), CMA  
CEO  
Capital Asset Planning, Inc.

(All seminar materials will be provided by the above-mentioned speakers. The seminar will be offered in Japanese.)

## Seminars on Finance and Investments – India, ICFAI

A series of seminars were organized in the area of finance and investments covering Opportunities in Equity Research, Insights into Financial Derivatives, Investment Strategies, Trade Financing, and Equity Linked Bonds for Indian Investors. Prominent speakers from the financial industry and Faculty mem-

bers from the University spoke in these seminars. These seminars were organized for the benefit of students and working executives to get an overview of the emerging trends in these sectors and the various career opportunities. The Seminars were held in several cities across India.



## IUP Books on Investments

IcfaI University Press (IUP) has come out recently with several books which are relevant to students pursuing the CIIA Program.

Some of the recent titles in the Investment & Finance are:

- Investor Relations
- IT @ Financial Services – Insurance Industry
- Microfinance In Latin America
- Microfinance: Impacts and Insights
- Special Purpose Vehicle: Concepts and Applications

The Profitability of Trading Rules and Volatility in Emerging Financial Markets



## The new Chairman of The Security Analysts Association of Japan-SAAJ elected

At an Extraordinary General Meeting held in August 2007, a new Board of Directors of SAAJ was elected. A Board Meeting was held immediately and elected Mr. Yukio Suzuki as new SAAJ Chairman.

Mr. Suzuki has been a Director (Audit Mission Director) of Nomura Holdings, Inc. since 2005, and, reflecting his considerable professional experience in the securities and investment industries gained over many

years, he has contributed to the SAAJ as a member of various standing committees such as the Policy and Coordinating Committee, the Professional Ethics Committee, Education and Examination Committee, etc. and also a speaker at seminars on various topics.

After being awarded a Master of Engineering (ME) degree from the Graduate School of Science and Engineering of the Science University of Tokyo in 1975, Mr.

Suzuki immediately joined Nomura Research Institute. Since then, he has served the Nomura Group in such positions as Director of the Investment & Financial Division of Nomura Research Institute (1996–1997), Director of Financial Research Center of The Nomura Securities Co., Ltd. (1997–1999), and Senior Executive Officer of Head of Investment Research Division of Nomura Asset Management Co., Ltd. (2000–2005) and assumed the current position in 2005. ●



New SAAJ Chairman Mr. Yukio Suzuki, CMA, SAAJ Japan

### Agenda

#### Meetings and Events

##### 8 November 2007

ACIIA Council Meeting, Taipei

##### 26 June 2008

ACIIA Annual General Meeting, Paris, France

#### CIIA Final Examination Dates

##### March 2008

Friday 7, in Europe, New York and South America

Saturday 8, in Asia

##### September 2008

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

#### Members' Meetings and Events

##### ASAF

##### 22–24 November 2007

ASAF Annual General Meeting  
ASAF 2007 Conference, New Delhi, India

##### March–April 2008

ASAF Interim Executive Committee Meeting

##### EFFAS

##### 30–31 October 2007

EFFAS Training and Qualification Commission (TQC)  
Barcelona, Spain

##### 22 November 2007

EFFAS Conference Day within the Euro Finance Week (19–23 November)  
Frankfurt, Germany

##### 18 December 2007

Scheduled EFFAS Meetings  
Paris, France

##### 27 June 2008

EFFAS Annual General Meeting 2008  
Paris, France

##### France

##### 19 December 2007

SFAF training centre 40th Birthday,  
Paris, France

##### Japan

##### 12 October 2007

22nd SAAJ Annual Conference, Tokyo, Japan

##### 13–14 December 2007

1st Private Banking Seminar, Tokyo, Japan

##### 12–14 March 2008

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



### ACIIANEWS

#### Publisher

Association of Certified, International Investment, Analysts ACIIA, Feldstrasse 80, 8180 Buelach/Zurich, Switzerland, T +41 44 872 35 43, F +41 44 872 35 32  
info@aciia.org / www.aciia.org

#### Layout

zollinger graphic design, Zurich/Switzerland (azollinger.ch)

#### Copyright ©

Pictures: The rights to all pictures are either with ACIIA or a third party and may not be used without permission.