



ACIIA NEWS

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Newsletter of the Association of Certified International Investment Analysts ACIIA

Happy 10th Birthday ACIIA!



10th Anniversary of ACIIA – a success story for the CIIA designation

The globalisation of investment markets has opened new opportunities for financial market professionals, but at the same time, it has placed new demands on their skills. Analysts are seeking international development and exchange opportunities, which requires training that takes into account the variety of the capital markets to be found worldwide.

Rising to this challenge demands a willingness by the international investment community to strive for excellence in a spirit of cooperation and respect. It requires flexibility, open-mindedness and a diverse contribution of expertise from around the world. It was in this spirit that the CIIA® (Certified International Investment Analyst) was developed as a professional designation that is truly

international in its creation, scope and applicability.

2010 marks the ten year anniversary of ACIIA, the awarding body of the CIIA, and during this time it has established itself as a valuable forum for the exchange of knowledge, ideas and education in the international investment field. Since its inauguration in 2000, ACIIA membership has grown from nine to thirty-three associations worldwide. The members are spread throughout Asia, Europe, Central and South America, the Middle East and Northern Africa, and encompass a wide variety of languages, cultures, and business customs. While some member associations have a long history of representing the investment profession and ad-

ministering qualification programmes, others have only evolved in the last few years and are implementing a training program at an international level for the first time. At a regional level, the ACIIA is represented by the federations of ASIF Asia and EFFAS Europe.

Thanks to the continuing efforts of Member societies actively involved in developing new membership in Asia, Europe, Ibero-America and the Middle East, ACIIA continues to grow at a steady rate.

To celebrate this special occasion several member associations are planning to hold a 10th year celebration event and details will be sent out from Head Office in the near future.

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The cultural city of Beijing hosts the ACIIA Council Meeting

CHINA



On November 27th 2009, the ACIIA Council Meeting took place in the bustling and vibrant city of Beijing. Delegates from around the world travelled to China to attend the meetings held in the Westin Hotel, Beijing. Key discussion topics included using national seminars as a way to continue to enhance the benefits of existing CIIA diploma holders, the allocation of specific topic area, responsibility to individual members of the International Examination Committee IEC and a discussion on the potential benefits of using ACIIA UK as a chapter in the United Kingdom.

With 2010 marking the 10th anniversary of the CIIA, delegates of the member associations discussed ways in which to symbolise this occasion.

A small delegation including the Chairman and Vice Chairman of

ACIIA and the Chairman of the IEC, together with representatives from the Securities Association of China SAC, took the opportunity to meet with the China Securities Regulatory Commission CSRC and further enhance relations between the parties.

The meetings also provided an ideal occasion for SAC to organise a CIIA promotional forum with the Vice Chairman of SAC Mr. Chen Ziqiang and Dr. Lin Yixiang as hosts. The forum was attended by the President of Tianxiang Investment Consulting Company and approximately 70 Chinese practitioners and analysts comprising senior managers, analysts of securities companies, fund management companies and commercial banks, CIIA holders and CIIA candidates. ACIIA Chairman, Mr. Fritz H. Rau, Vice Chairman Mr. Kiyoto Hagiwara and IEC Chairman Prof. Michael Theobald

gave short key note speeches to the attendees.

The hosts, Securities Association of China SAC, organised the events superbly and the meetings culminated in a gala dinner held

at a traditional Chinese restaurant in a famous temple of Beijing.

The next Council Meeting and Annual General Meeting 2010 will be held in Geneva on 23rd and 24th June respectively. ●



ACIIA Chairman Mr Fritz H Rau

The 24th SAAJ Annual Conference held in Tokyo



Japan-Effectiveness of market-oriented corporate governance" by Yosuke Mitsusada, CMA and Toyohiko Hachiya.

BOJ Governor's historical first speech to CMA holders

On December 22nd 2009, Masaaki Shirakawa, Governor of the Bank of Japan (BOJ), gave a speech entitled "Macro-prudence and the Central Bank" at the Shouken-Kaikan Hall to some 340 CMA holders, the first time for a BOJ Governor to address CMA holders. At the beginning of the speech, the Governor highly evaluated SAAJ's contribution to the development of Japan's securities market and expressed high regard for SAAJ's many years of effort since its establishment in 1962.

The SAAJ Annual Conference was successfully held on October 9th 2009 at the Keidanren Hall in Tokyo with more than 700 participants.

During the morning session, there were two guest speakers: Yuji Kage, Former Managing Director, Pension Fund Association, "Reconsidering Risk Management" and Charles D. Ellis, PhD., Chair of Whitehead Institute and Director of Vanguard, "Good Governance or Lessons Learned in 45 Years".

During the afternoon session, Toshihiko Fukui, Former Governor of the Bank of Japan, made a commemorative speech entitled "New Structure of the World Economy and the Role of Japan". And Kazuhiko Toyama, President and CEO of Industrial Growth Platform, Inc. gave a keynote speech entitled "Overcoming the Financial and Economic Crises" and discussed how to overcome the crises with five prominent leaders from securities firms, and manufacturing industries.

The Conference also held two award ceremonies: "Securities Analysts Journal Prize" given to the authors of distinguished articles appearing in the Securities Analysts Journal during the year 2008, and "2009 Awards for Excellence in Corporate Disclosure" in each industry / area. SAAJ's online-service (for members only) started up from this Conference.

Securities Analysts Journal Prizes for 2008

The Securities Analysts Journal is SAAJ's official monthly journal with a circulation of more than 25,000. Each year, the Editing Committee, consisting of SAAJ members and scholars, selects special topics and articles for publication. The Journal has earned a well deserved reputation as a high-quality professional publication focusing on investment theories and practices, practitioner relevant research, and other related topics and reports on SAAJ's activities. Since 1989, distinguished articles appearing in the Journal have been awarded Securities

Analysts Journal Prizes; during the SAAJ Annual Conference held in October 2009, two papers were awarded prizes for 2008. The papers were originally written in Japanese, but have been translated into English for the benefit of overseas readers. Please visit the following SAAJ home page:

<http://www.saa.or.jp/english/publications/journal.html>.

"The Explanatory Power of Policy Asset Allocation" by Tadaaki Komatsubara, CMA "Ownership Structure and Equity Returns in

Governor Shirakawa argued that the recent global financial crisis has shown that it is difficult to achieve financial system stability and to contribute to the sustainable growth of the economy, the ultimate aim of financial system stability, relying only on regulation and supervision based on micro-prudential principles. To ensure financial system stability, he asserted that micro-prudence, which secured the soundness of individual financial institutions, and macro-prudence, which paid attention to risks to



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the financial system as a whole, were both equally necessary.

He also explained the roles of the BOJ in ensuring the financial system stability and in this regard emphasized five points: (i) to attain not only price stability, but also financial system stability, (ii) to fulfill the bank's "lender of last resort" function, (iii) to collect a variety of information from financial institutions to secure the objective of ensuring financial system stability, (iv) to conduct risk assessment of the financial system as a whole, and (v) to participate in international discussions on regulation and supervision and to engage in the review of such regulation and supervision.

3rd Private Banking Seminar in Tokyo

The 3rd Private Banking Seminar – Theory and Practice for Private Bankers – was held by SAAJ on December 10–11th 2009 in Tokyo with more than 30 participants from various in-

dustries such as banks, securities firms, CPA firms, etc. The seminar, featuring prominent practitioners / professionals as speakers, was a great success, the one-day case study being particularly well received.



Day 1: Main lecture topics (9:00 am – 5:30 pm)

- High net worth transactions in Japan
- Financial products (asset allocation)
- How to use trust in private banking
- Key tax considerations for private bankers

Day 2: Case study (9:00 am – 5:30 pm)

- Various business succession choices for a 70-year old owner – from entrance to exit.
- Since 2007, SAAJ has held two-day seminars three times and supplementary seminars seven times. Now, based on experience and demand, SAAJ will study how to proceed with educational programs for wealth managers as of next year. ●

HONG KONG

HKEx Chief Executive Mr Paul Chow receives the honour of HKSI Honorary Fellowship

Hong Kong Exchanges and Clearing Ltd (HKEx) Chief Executive Mr Paul Chow was made an Honorary Fellow of the Hong Kong Securities Institute (HKSI) during the induction ceremony held at the HKSI's annual Autumn Dinner on October 20th 2009. The Institute was glad to have Mr Ronnie Chan, Chairman of Hang Lung Properties Ltd., to present a keynote speech on "Global Power Shifts after the

Crisis" on the occasion.

HKSI Honorary fellowships are awarded to individuals who have made distinguished contributions to the development of Hong Kong's financial services industry.

HKSI Chairwoman Ms Barbara Shiu said, "Mr Chow is one of the key figures that has helped shape the development of Hong

Kong's financial industry." Mr Chow has worked in Information Technology, Securities, Banking and Asset Management businesses as well as the Stock Exchange. His commendable contribution to the industry, especially in supporting the development of HKEx, is well recognised.

"With his tremendous contribution to the Hong Kong financial industry, it is our honour and pleasure to have Mr Chow as our HKSI Honorary Fellow for 2009," said Ms Shiu.

In recognition of the members' significant contribution to the development of the industry and Institute, five HKSI ordinary members were also inducted as HKSI fellows on the same occasion. They are Mr Henry Chan, Mr Desmond Chan Kwok Kit, Mr Andrew Fung Hau Chung, Professor Lam Kin, and Mr Gerry Ng Joo Yeow.



Hang Lung Properties Ltd. Chairman Mr Ronnie Chan

HKSI Chief Executive Mr SF Wong said, "Since its inception, the Institute has gained great support from the industry and the members. We hope that the newly inducted Honorary Fellow and Fellows continue to support our work in helping the industry to weather through the crisis and re-build the momentum for further development"

The HKSI is a premier membership organisation in the financial services industry in the region. To date, there are about 20,000 individual members with 39 Honorary Fellows / Fellows as the highest rank.



(From left) Mr Timothy Wong, HKSI Chairwoman Ms Barbara Shiu, HKSI Honorary Fellow Mr Paul Chow and HKSI Chief Executive Mr SF Wong

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HKSI Board Members with elites of the industry

Hong Kong Securities Institute Appointed New Board Directors and Re-elected Ms Barbara Shiu as Chairwoman

The 12th Annual General Meeting (AGM) of the Hong Kong Securities Institute was held on Thursday December 10th 2009. During the meeting, the following seven new board directors were appointed. Ms Barbara Shiu was re-elected as Chairwoman at the inaugural meeting of the Board held immediately after the AGM.

1. **Mr George Hongchoy**, Executive Director and Chief Financial Officer, The Link Management Ltd.
2. **Mr Roger Lee**, Senior Vice President, Listing Division, Hong Kong Exchanges and Clearing Ltd.
3. **Mr Anthony Muh**, Founder and Chief Executive Officer, Clearpool Capital Management Ltd.
4. **Mr Colin Shaftesley**, Partner, Financial Services Practice, PricewaterhouseCoopers, Hong Kong
5. **Mr Ringo Chiu**, Managing Director and Chief Operating Officer, CITIC Securities International
6. **Miss Angelina Kwan**, Chief Operating Officer, Asia Pacific Region, Cantor Fitzgerald
7. **Ms Doris Pak**, Director of Licensing, Securities and Futures Commission, Hong Kong

In addition, the following eight directors remain on the Board:

1. **Ms Barbara Shiu**, General Manager, Operational Risk and Compliance Department, Bank of China (Hong Kong) Ltd.
2. **Ms Samantha Ho**, Investment Director, Invesco Hong Kong Ltd.
3. **Prof Simon Ho**, Vice Rector (Academic Affairs), University of Macau
4. **Dr Bill Kwok**, JP, Managing Director, Wocom Holdings Ltd.
5. **Mr Craig Lindsay**, Chief Operating Officer, China Alpha Investment Management Ltd.
6. **Mr Philip Tye**, Chief Operating Officer, DragonBack Capital Ltd.
7. **Mr Peter Wong**, Managing Director and Chief Executive, Taifook Securities Group Ltd.
8. **Mr SF Wong**, Chief Executive, Hong Kong Securities Institute



AZEK and EFFAS Co-operation



In July 09 members were informed about the alliance between AZEK and EFFAS to offer the distance learning platform SPOT (Study Platform Online Tool) to the EFFAS emerging societies.

The SPOT platform allows students access to the foundation and final course materials which enable them to study for the foundation and final CIIA exams. Through SPOT students have access to exercises, formulae booklets, a study guide

and have the ability to train their knowledge and newly acquired skills with past examination questions, comprising multiple choice and open questions.

The Lithuanian association FAA has become the first society to make use of this distance learning tool as a means of providing solid and comprehensive CIIA training to their students and as a result will present candidates for the March 2010 foundation exams.

“The Bankruptcy Act and its implementation”

SPAIN

In December 2009, the Foundation of Financial Studies (FEF), which is the thinking tank of the Spanish Institute of Financial Analysts (IEAF), published the study “The Bankruptcy Act and its application”, which aims to make an assessment on what that law has meant from the perspective of a six-year period, to delve into a need to promote its reform and to contribute as thought in the process of the forthcoming revision of bankruptcy laws. The event was closed by D. Santiago Hurtado, Technical Secretary General of the Ministry of Justice.



of several Founders Entities of the Foundation, as Uria & Menendez, Garrigues, Baker & McKenzie and PricewaterhouseCoopers.

The work consists of two parts. In the first part, there are several articles which provide a complete picture of the Bankruptcy Act and its implementation problems made by very relevant people, from their respective professional occupations (judges, professors, responsible for major areas of bankruptcy law firms, etc.) who know about the situation from different angles.

The study was prepared by a team led by D. Rafael Sebastian, D. Antonio Fernandez Rodriguez and D. Jose Antonio Rodriguez and has enjoyed the cooperation

The study consists of ten articles covering economic, financial, legal and practical problems. It also provides statistical information and a geographical

sector of the competitors in Spain.

The second part contains the conclusions and recommendations of consensus reached during a meeting of the Work Team and the Advisory Group who have participated in the study.

Research Awards

This year a new edition of the Research Awards, that the Foundation of Financial Studies grants, will take place.

Eligible for these awards are individuals and / or research teams, from Spain, the European Union and Latin America. This year, there will be a first prize and two consolation prizes, adding to the amount of Euro 24,000. The bases can be found on our website (www.fef.es).

EFFAS Summer School (ESS)

In July 2010 the third edition of the EFFAS Summer School will take place and we have the pleasure to announce that Banco Santander has renewed its commitment to sponsor this event for a period of three years. This will strengthen the ESS as a highly prestigious international event.

This event, as you know, brings together the financial analyst community from European, American and Asian countries to discuss the current financial situation and serves as a forum for CIIA and CEFA holders and other financial professionals from the 25 European National Member Associations that EFFAS comprises. ●

Three MOUs were inked by the Financial Authorities of Taiwan and Mainland China

CHINESE TAIPEI

Sean Chen, the chairman of the Financial Supervisory Commission (FSC), signed three financial memorandums of understanding (MOUs on banking supervision, securities and futures supervision, and insurance supervision) with the Chinese authorities (the China

Banking Regulatory Commission, China Securities Regulatory Commission, and China Insurance Regulatory Commission) through a document exchange on November 16th, 2009. The MOUs will take effect as soon as the respective authorities complete their preparations, but in

any case no later than 60 days from November 16th 2009. The MOUs will enable the FSC to perform effective supervision on the mainland branches of domestic financial institutions. The financial supervisory cooperation MOU provides a framework for the supervisory authorities of different jurisdictions to work together in supervising the cross-border business of financial institutions based in their respective jurisdictions. An MOU is the most common way to establish international supervisory cooperation. Before signing the three MOUs with the Chinese authorities, Taiwan has signed 39 bilateral MOUs with 34 different jurisdictions. Those MOUs, including the three just signed cross-strait MOUs, only provide the basis for voluntary mutual cooperation, and are not legally binding.

The three cross-strait financial MOUs are modeled upon prevailing international practice, and provide for such matters as sharing of information, protection of information, on-site inspections, ongoing coordination, and crisis management. Furthermore, these three MOUs would not touch upon market access issues. The content of the three MOUs can be briefly summarized as follows:

1. Sharing of information: The type of information shared is limited to that which is necessary for the purposes of consolidated supervision of financial institutions, as well as information related to the financial supervision laws and regulations of the parties to the MOUs. Customers' account information is not shared.



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2. Protection of information: The obtained information is for supervisory purposes only, and will remain confidential.
3. Financial inspections: Both on-site and off-site inspections of cross-border institutions in the host country may be carried out by the home supervisor.
4. Ongoing coordination: The supervisors of both sides shall conduct meetings to promote

- cooperation and encourage exchange of visits.
5. Crisis management: When a financial institution in the host country becomes financially troubled, the financial supervisory authorities of both sides should work together to resolve the problem.

As to, when Taiwan's financial industries will be allowed to set up commercial presence in mainland China, the FSC has stated that after the three cross-

strait MOUs take effect, domestic financial industries will be allowed file their applications with the FSC. In the future, the FSC will be able to pursue effective supervision on the mainland branches of domestic financial institutions through the three MOUs.

SAACT Securities Investment Workshop in Taipei

On December 11th 2009, The Securities Analysts Association Chinese Taipei (SAACT) held a

seminar with the topic "2010 outlook for Taiwan economic development and financial markets". Mr Frank Tsai, senior vice president of Fubon Securities Investment Trust Company, was the host speaker. He's also a CIIA charterholder. Members in the workshop gave rich feedback during the speech. ●



Role of Treasury and Investments in Insurance Companies Seminar

INDIA



Canara HSBC Oriental Bank of Commerce Life Insurance Company Vice President-Treasury Mr Barat Kalsi

Mr Kalsi expressed his opinion that the Indian Insurance players are better placed compared to their global counterparts because of the stricter regulatory controls surrounding the industry in India, the conservative approach and the prudent practices adopted by the insurance players.

He made an observation that though the Indian insurance in-

dustry welcomed the private players in early 2000, the trend caught up quickly and so far there are 23 players operating in the Indian insurance sector. The current penetration level in terms of gdp share is above 4% against the global average of developed countries which is around 8-10%. Given the size of the Indian market there is a huge untapped potential and there-

fore, the liberalization of the insurance sector saw some of the world's biggest insurance players opening in India in partnership with strong Indian promoters.

The seminar covered several aspects such as industry updates on the regulatory framework covering investments, sales, compliance, and corpo-

rate governance. The speaker dwelled in detail on treasury operations in insurance companies and related areas and also spoke on the business model of insurance companies in India and the concept of bankassur-ance.

The presentation was followed by an interactive session with the speaker. ●



September 2009 Examinations

The successful completion of the CIIA examinations held on September 18th and 19th marked the eighteenth occasion in which

the exams have been administered and more than 830 candidates from around the world endeavoured to take on the CIIA challenge.

Since ACIIA first held the CIIA examinations in 2001 more than 4,960 candidates have successfully passed the designation and

the exams have been conducted by 26 ACIIA Societies. To date the examinations have been sat in the following countries and regions:

Argentina, Austria, Belgium, China, Chinese Taipei, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Italy, Iran, Japan, Korea, Luxembourg, Mo-

rocco, Poland, Russia, Spain, Sweden, Switzerland, Tunisia and Ukraine.

In the forthcoming March 2010 examination session, CIS Nigeria will present candidates for the first time since joining ACIIA as Contracting Members in 2009. ●

Agenda

Events

ECMI Conference "MiFID at Last"

1st February 2010, London

ABI, CSR Forum

10 – 11th February 2010, Rome

European GIPS Standards Conference

24 – 25th February 2010, London

Frankfurt Global Business Week

17 – 21st May, 2010, Frankfurt

TBLI Conference ASIA

27 – 28th May 2010, Tokyo

EFFAS Summer School

7 – 9th July 2010, Madrid

EFFAS ESG Conference

14 – 15th September 2010, Frankfurt

SAAJ 25th Annual Conference

8th October 2010, Tokyo

Euro Finance Week

15 – 19th November 2010, Frankfurt

Meetings

ASIF Executive Committee Meeting

10th April 2010, Singapore

ILPIP Meeting

22nd June 2010, Geneva

ACIIA Council Meeting

23rd June 2010, Geneva

ICIA Meeting

23rd June 2010, Geneva

ACIIA Annual General Meeting

24th June 2010, Geneva

EFFAS Annual General Meeting

25th June 2010, Geneva

ACIIA Council Meeting

10th November 2010, Tokyo

Seminars

SAAJ International Seminar

18 – 19th February 2010, Tokyo

CIIA 10th Anniversary Seminar

11th November 2010, Tokyo

CIIA Final Examination Dates

March 2010

Friday 5, in Europe, New York and South America;

Saturday 6, in Asia

September 2010

Friday 17, in Europe, New York and South America;

Saturday 18, in Asia



ACIANEWS

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