



## March CIIA Examinations



ACIIA Chairman Mr Fritz H Rau at the examinations held by SFAA in Interlaken

The completion of the CIIA examinations on March 5th and 6th marked the nineteenth occasion in which the exams have been successfully administered.

The examinations were held worldwide and more than 1'000 candidates endeavoured to take on the challenge that the CIIA examinations represent.

Since its inauguration in 2000, ACIIA membership has grown from nine to thirty-three associations worldwide. During this time ACIIA has established itself as a valuable forum for the exchange of knowledge, ideas and education in the international investment field. 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.

ACIIA first held the CIIA examinations in 2001 and to date more than 4,960 candidates have successfully passed the designation. The exams have been conducted by 27 ACIIA Societies with CIS Nigeria being the latest society to hold the examinations for the first time this session. The March session was also an inaugural experience for the Lithuanian society FAA, who administered the foundation examinations to their candidates that are currently using the

Study Platform Online Tool, SPOT, to study for the CIIA examinations.

The ACIIA Chairman Mr. Fritz H. Rau visited the Swiss Financial Analysts Association in Interlaken, Switzerland to gain an insight of the logistical organisation needed when a society holds examinations in four languages and also attended the SFAA Board meeting which is held every year in conjunction with the March examinations. The Swiss society had 141 candidates present for Final 1 and 146 candidates present for Final 2. The candidates now have a few weeks to wait until the results are released in the middle of May. ●

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## The 1st CIIA exams successfully took place in Lithuania

LITHUANIA

On March 4th and 5th, 2010, the Financial Analysts' Association in Lithuania administered the exams for the first time in Vilnius. Two CIIA candidates took all three Foundation level exams and a third candidate chose to take the first Foundation level exam.

Deimante Teresiene, a financial broker in one of Lithuania's banks, successfully passed all three Foundation level exams and shared her impressions;

*"I'm very glad that the time I dedicated to the CIIA was evaluated with great results. There was quite a lot of preparation material, but it was given in a very clear manner and with practical examples which helped to put the theoretic knowledge into practice. I always had the CIIA preparation material in my handbag and read it whenever I had a free moment."*

When asked why she specifically chose this designation,

Deimante answered; *"I'm interested in the CFA, in FRM and PRM, which is why I am acquainted with all of their specifics and preparation material. The CIIA has the advantage of getting the designation quickly, in the case of passing the exams successfully, while the CFA takes at least 1.5 – 2 years."*

Daiva Rakauskaite, President of Financial Analysts' Association,



CIIA student  
Ms. Deimante Teresiene

commented: *"Becoming a member of ACIIA offers greater learning and career opportunities for financial experts in Lithuania. As for the CIIA designation, given by ACIIA - we hope that it will soon become a quality status for Lithuania's financial experts."*

The next CIIA exam session in Lithuania is due to take place in September. ●

## Certificate in Gold and Silver Markets – A Collaboration between HKSI and the Chinese Gold and Silver Exchange

HONG KONG

The HKSI is pleased to report that the Graduation Ceremony of the 1st intake of Certificate of Gold and Silver Markets, in collaboration with the Chinese Gold and Silver Exchange (CGSE) was successfully held on March 12th 2010. The Institute is honoured to have had the following guests attend the ceremony:

- The Honourable Chim Pui Chung, Member of the Legislative Council
  - Mr. Cheng Yan-chee, JP. Deputy Secretary for Financial Services and Treasury Bureau
  - Mr. Lee Tak Lun, President of the Chinese Gold and Silver Exchange
  - Ms. Barbara Shiu, Chairwoman of the Hong Kong Securities Institute
  - Mr. S.F. Wong, Chief Executive of the Hong Kong Securities Institute
- The collaborative programme, Certificate of Gold and Silver Markets, was conducted in the

last quarter of 2009. The programme consists of two levels. Level 1 is 16 hours long and is designed for Traders and Account Executives. Level 2 is 4 hours long and is designed for Registered Managers. ●



Graduation Ceremony of the 1st intake of Certificate of Gold and Silver Markets

## The Unveiling of a Strategic Partnership – HKSI and American Express



American Express representative Mr Kenneth Lee and HKSI Chairwoman Ms Barbara Shiu

On March 30th, the Institute announced its collaboration with American Express to introduce two new co-branded cards in Hong Kong - the Hong Kong Securities Institute American Express Platinum Credit Card and the Hong Kong Securities Institute American Express Gold Credit Card - which extend American Express privileges to more professionals in Hong Kong.

The two new co-branded cards have been specifically designed to recognise the status of HKSI members in the financial sector. "The introduction of the new cards mark another milestone in our affinity card strategy," said Mr Kenneth Lee, Vice President & Head of Consumer Card Products and Marketing, Hong Kong, American Express International, Inc. "We tailor-designed the two cards to provide a series of ben-

efits to members of the Hong Kong Securities Institute, to reflect their lifestyle and professionalism. We will continue to further extend the reach of the American Express brand and our premium products to more affluent professionals, provide them with unsurpassed benefits and complete with first-class

services to cater for their lifestyle needs."

"It is our pleasure to collaborate with American Express to launch co-branded cards," said Mr SF Wong, HKSI Chief Executive. "The variety of privileges will broaden the range of benefits available to HKSI members." ●



HKSI Board Members and American Express Representatives Celebrating the Launch of HKSI AE Co-branded Cards. (From left) Mr SF Wong, Ms Amy Ho, Mr Desmond Leung, Mr Craig Lindsay, Mr Kenneth Lee, Ms Barbara Shiu, Mr Colin Shaftesley and Miss Angelina Kwan

## The 7th PRC Securities Regulations Examination to be held in Hong Kong in May 2010

With the implementation of the Closer Economic Partnership Arrangement (CEPA), Hong Kong professionals in the securities and investment industry are offered a fast track opportunity to obtain the required industry qualification to practice in the Mainland financial markets.

In light of the above agreement, the Securities Association of

China (SAC) developed the PRC Securities Regulations Examination for Hong Kong professionals. Hong Kong professionals can now complete a specified examination on the laws and regulations of the Mainland, in order to be eligible to apply for the corresponding industry qualification from SAC, subject to any other requirements of the Mainland.

The Institute has been appointed by SAC as the sole agent for handling the enrolment and administration of the examination for Hong Kong professionals. The first examination was held in Shenzhen in 2004 with the favourable response from the Hong Kong professionals. Since 2005, the examination has been held annually in Hong Kong to provide further flexibility for our

professionals. In 2010, the seventh examination will be held in Hong Kong on Saturday, May 29th 2010.

Enrolments will be coordinated by the HKSI and start on March 29th and finish on May 10th 2010. The relevant enrolment forms and details about the examination are available from the HKSI office and website [www.hksi.org](http://www.hksi.org) ●

## “Corporate Governance and Institutions in China” by HKSI Board Member Professor Simon S.M. Ho

HKSI Board Director Professor Simon S. M. Ho recently published a book, in Chinese, on “Corporate Governance and Institutions in China.”

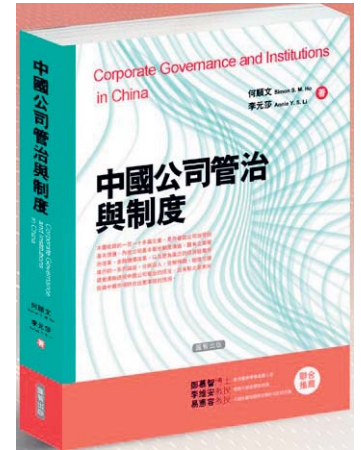
Prof. Ho is a columnist on corporate governance for the renowned Hong Kong Economic Journal. The weekly reviews on governance and financial issues have received high acclaim from readers and the business circle. The articles on the development of corporate governance and financial re-

forms in the Mainland, which contain concrete data and incisive analysis, exert considerable influence on corporate governance reforms in the Mainland and Hong Kong.

Over a hundred of these reviews were incorporated into a collection entitled Corporate Governance in China: A Critical Analysis, which was published in the Mainland at the end of 2006. After subsequent revision and augmentation, the collection has been republished in Hong

Kong under the new title, Corporate Governance and Institutions in China.

This book lays its focus on the specific operations of the corporate governance system and presents numerous case studies. It is of great benefit to the average Mainland businessperson, as it facilitates continuous updates on the knowledge of corporate governance, promotion of advanced practices and enhancement of corporate governance and performance. ●



“Corporate Governance and Institutions in China” by Prof. Ho

### CHINESE TAIPEI

## XBRL reporting to be adopted in Taiwan this year

A proposal for filing financial reports using Extensible Business Reporting Language (XBRL) has been approved by the Financial Supervisory Commission (FSC) and will be implemented in Sep-

tember 2010. Under the guidance of the regulatory authority, Taiwan Stock Exchange (TWSE) has established a policy for the adoption of XBRL for the filing of financial reports across the

capital market in order to align with international trends and enhance the information transparency and international visibility of its securities market. TWSE has also been proactive-

ly pushing for the implementation of the XBRL plan. The initial preparation work is complete, paving the way for the adoption of XBRL for the filing of financial reports in 2010. ●

## SFI signs the MOU with HKSI through the cooperative efforts of SAA CT



HKSI Chief Executive Mr SF Wong and SAA CT Secretary General & SFI President Mr Chingpo Chiu, signed the MOU in Taipei

Securities and Futures Institute (SFI) and Hong Kong Securities Institute (HKSI) signed a Memorandum of Understanding (MOU) on March 26th 2010 in Taipei. HKSI Chief Executive, Mr SF Wong and SFI President, Mr Chingpo Chiu signed the MOU on behalf of their organisations. Since the SAA CT joined ACIIA as an Associate Member in April 2005, SFI has made efforts to start up the CIIA exam program for the SAA CT. Over past few years, SAA CT has actively developed a closer working relationship with the international finance community, which has lead to a good start for cooperation between the SFI and HKSI.

The purpose of the MOU is to provide the framework for further cooperation in areas of examination and training. Both organisations agree that the MOU will not only facilitate professional exchange, but will also encourage the sharing of best practices. In the near future, the SFI and HKSI will collaborate to offer the Licensing Examination (LE) for Securities & Futures Intermediaries in Taiwan.

The HKSI will also support the SFI in providing related training programs for those market practitioners who are interested in entering the Hong Kong financial services industry. ●

# Forthcoming ACIIA CM and AGM in Geneva

SWITZERLAND



The main representatives from the ACIIA member associations will be present in Geneva from Tuesday, June 22nd to Friday, June 25th to attend the ACIIA meetings. EFFAS representatives will also be present for the EFFAS AGM.

The 3 day meetings will include:

- Tuesday 22nd, the meeting of the Board of the ILPIP.
- Wednesday 23rd, the ACIIA Council Meeting, and on Thursday 24th, the ACIIA Annual General Meeting. All events will take place at the Credit Suisse Forum in Geneva with lunches to be held at the Beau Rivage hotel situated in a prime position by the beautiful lake of Geneva.



EFFAS will hold its Annual General Meeting on Friday 25th also at the Credit Suisse Forum.

On Thursday 24th, the Swiss Financial Analysts Association SFAA, will invite ACIIA and EFFAS representatives to a gala dinner at the Beau-Rivage hotel from 19:30.

The Beau Rivage founded in 1865 is renowned for its traditional luxury and is legendary for being the place where Empress "Sissi" left her mark. The dinner will be attended by the SFAA Chairman and various SFAA Board members.

Geneva is a beautiful and vibrant city with quays, lakeside

promenades, countless parks, lively streets and elegant shops and the Swiss association is looking forward to welcoming delegates and sharing all that Geneva has to offer.



The symbol of Geneva is the "Jet d'eau" - a fountain with a 140 metre high water jet at the periphery of Lake Geneva.

# SAAJ's 1st International Seminar Launched

JAPAN

SAAJ successfully launched the First International Seminar on February 18th and 19th 2010, at the Gakushikaikan Hall with 70

participants, following the closure of the SAAJ – CFA Institute joint-seminar last year. The seminar focused on the latest in-

sights into theories and practices in investment management, supported by supranational organisations of professional fi-

ancial analysts: ACIIA (the Association of Certified International Investment Analysts), ASIF (Asian Securities and Investments Federation), and EFFAS (the European Federation of Financial Analysts Societies). Following the significant impact of the global financial crisis, this seminar studied lessons to be learned and explored critical issues regarding the shape of investment management strategies going forward.

Prominent internal and external practitioners discussed various topics as shown in the program below. Case study analysis through group and general discussions offered participants the unique opportunity to learn about various ideas and thoughts based on a practical case scenario.



## SAAJ's 1st International Seminar Launched

### Outline of Programs

#### Thursday, February 18th 2010

09:30 Welcome and Opening Remarks

#### 09:45 **Session 1**

*Does Institutional Investing Have a Future?*

**Keith P. Ambachtsheer**

President and Founder

KPA Advisory Services Ltd.

Director and Adjunct Professor of Finance

Rotman International Centre for Pension Management

University of Toronto

#### 11:20 **Session 2**

*The Future of Financial Engineering*

**Yasuyuki Kato, CMA**

Senior Executive Officer

Global Research Division

Nomura Securities Co., Ltd.

Visiting Professor, Kyoto University

#### 13:40 **Session 3**

*Building Better Portfolios –*

*What Remains of Financial Theory*

**Kevin Kneafsey**

Managing Director

BMACS Investment Research Portfolio Management Group

Black Rock Institutional Trust Company, N.A.

#### 15:25 **Session 4 – Panel Discussion**

*Exploring New Pension Investment Strategies after the Financial Crisis*

**Panelists:**

**Andrew Kirton**

President and Global Head for Investment Consulting,  
Mercer

**Hideo Kondo**

Asset Management Director

DIC Pension Fund

**Noriyuki Morimoto, CMA**

President and CEO

HC Asset Management Co., Ltd.

**Moderator:**

**Hiroshi Miyai, CMA**

Executive Managing Director

Nikko Financial Intelligence, Inc.

Visiting Professor, Chuo Graduate School of Accounting

#### 17:00 **Case Study Introductory Session**

**Manabu Yano, CMA**

*Investment Officer and Head of Quantitative Research,*

*Indexing and Quantitative Investment Department*

The Sumitomo Trust and Banking Co., Ltd.

17:30 Reception

19:00 Hall 201, Gakushikaikan

#### Friday, February 19th 2010

#### 09:30 **Session 5**

*Investment Strategies for High Net- Worth Investors –  
Paradigm Shift after the Financial Crisis*

**Takashi Yoneda**

President

AforL Ltd.

#### 11:05 **Session 6**

*Rethinking Alternative Investments*

**Andrew Kirton**

President and Global Head for Investment Consulting,  
Mercer

#### 13:30 **Session 7 – Case Study: Group Discussion**

*Pension Fund Investment Strategies: Returning to the  
Basics and Future Evolution*

**Manabu Yano, CMA**

Investment Officer and Head of Quantitative Research,

Indexing and Quantitative Investment Department

The Sumitomo Trust & Banking Co. Ltd.

Participants will be divided into groups and based on a  
case, discuss:

- What has happened in pension fund management and some lessons learned from the financial crisis
- Revisiting objectives of pension fund management
- Practical usage of LDI in Japanese pension fund management

#### 16:00 **Session 8 – Case Study: General Discussion**

*Pension Fund Investment Strategies:*

*Returning to the Basics and Future Evolution*

**Manabu Yano, CMA**

Investment Officer and Head of Quantitative Research,

Indexing and Quantitative Investment Department

The Sumitomo Trust & Banking Co., Ltd.

General discussion will be made based on the outcome of  
group discussions on the case.

#### 17:40 **Closing Remarks**



## GIPS Seminar held in Tokyo

SAAJ held the GIPS Seminar on Monday, March 8th 2010 in Tokyo for the purpose of explaining the key points of major revisions in the 2010 edition of GIPS (Global Investment Performance Standards), which was approved by the GIPS Executive Committee on January 29th, as well as their practical implications. The seminar attracted about 200 participants and had lively discussions including questions and answers sessions.

There were four sessions delivered by the speakers who are members of SAAJ - IPS Committee and concurrently members of various GIPS Subcommittees and Working Groups:

The four sessions were:

1. "Outline and main points of GIPS 2010 edition" by Yoh Kuwabara, Chairman of SAAJ-IPS Committee, member of GIPS Interpretations Subcommittee
2. "Disclosure of verification status and revision of verifi-

cation procedure" by Seiji Kamiya, CMA, member of SAAJ-IPS Committee, member of GIPS Verification Subcommittee

3. "Revisions to real estate section" by Eriko Kato, member of SAAJ-IPS Committee, member of GIPS Real Estate Working Group
4. "Revisions to private equity section" by Tetsuro Higuchi, CMA, member of SAAJ-IPS Committee, member of GIPS Private Equity Working Group



## The Insurance Sector in Spain

SPAIN

The Fundación de Estudios Financieros (FEF), chaired by Xavier Adserà, presented "A Study on the Insurance Sector in Spain" on March 11th 2010, which aims to assess the situation of this important sector and to make proposals that adapt to the challenges being faced at the moment. The study aims to contribute to the reflexion due to the imminence of far-reaching legal reforms, affecting this sector. The event was closed by D. Ricardo Lozano, General Director of Insurance and Pension Funds.

The work was led by Ms. Pilar Blanco-Morales and enjoyed the



**FEF-IEAF Chairman Mr Xavier Adserà, Director of Study Ms Pilar Blanco-Morales and General Director of Insurance and Pension Funds Mr Ricardo Lozano.**

cooperation of various entities, Founders of the FEF: Mapfre, Zurich, Ernst & Young, Deloitte, KPMG, PricewaterhouseCoopers and Uria Menendez. Other outstanding individuals from academia and professionals contributed their articles and / or opinions to enrich the study.

The publication includes an economic legal and sociological analysis, and it provides sectorial information on the insurance sector. It aims to offer an accurate picture of the Spanish insurance industry, reviewing its structure and business model, attempting to reveal the trends in their development and social penetration. It evaluates their state of solvency and capitalisation, and analyzes the impact of ongoing reforms, especially Solvency II.

The report consists of two parts. The first contains the Executive Summary of all the contributions received as well as the conclusions and recommendations of consensus reached at the Work Team and Advisory Group meeting. The second part consists of several articles that provide a comprehensive and full overview of the insurance industry and its challenges, put together by very relevant authors from the aca-

demic, professional and the administration sector, who know the situation profoundly and from different angles.

Main conclusions and recommendations of the study:

With regard to the financial crisis, the study confirms the stabilising role played by insurance companies due to its anti-cyclical investment behaviour. In this regard, it is noted that insurers do not constitute a systemic risk nor are they required to reduce their assets to remain solvent. Its investments are due to criteria of moderation, prudence and investment with a long-term horizon, preferably in bonds and fixed income.

In connection with the supervision model, it is considered necessary to move towards a dynamic scheme, in line with international trends and in particular with the design of the European System of Financial Supervision (ESFS), which has assessed the needs and particularities of insurance to consolidate a sectorial model. The Spanish supervisory financial framework is also called to evolve in the short term, and regardless of the decisions taken in our country, the final model

should recognise the peculiarities of insurance, their needs and problems, with a clear objective: efficient protection of the rights of policyholders.

The study warns that Solvency II means an important challenge for the insurance industry as it establishes a new common regulatory framework in the European Union. This new model will compel to establish and document a model of integrated risk management as well as increase transparency, improve information and strengthen mechanisms for the protection of policyholders. However, it does not censor freedom of organisation and self-regulatory capacity of institutions.

Therefore, in this study the FEF believes that, the necessary preparation to adapt to the requirements of Solvency II requires a stronger commitment of the sector in the Government and Corporate Social Responsibility area. In this sense, the study recommends a greater implication of companies and an increased level of concern regarding these matters, particularly in the more traditional fabric and smaller Spanish insurance sectors.

Continued from page 7

The economic crisis and the growth of the saving rate of Spanish families, identified in recent times, is a major challenge for the insurance industry. The new reality recommends that the insurance industry develop and improve products and services to respond with a dynamic offer to the new model of savings.

Moreover, the aging population is an opportunity for the insurance industry, especially in the areas of insurance dependency, health and life. Private insurance is particularly useful in providing a quality solution to the problem of dependence. Despite the risks inherent in this type of insurance, nothing prevents the design of products that meet this contingency, based on appropriate calcula-

tions to ensure that the period between the collection of premiums and payment of the benefit is sufficient. Complementarity in this area of the insurance sector with the public coverage system is needed at present due to the lack of public resources.

Finally, the study recommends that regulators design a suitable and stable tax law that encourages family savings. It draws at-

tention to the accumulation of legal changes in the tax area that affects family saving products, while those who save demand security and stability. It is inappropriate to modify forth the legal regime applicable to the products of long-term savings. However, if legislative changes are carried out, the meaning of the changes has to be favourable to those saving, if it really seeks stimulation of supplementary welfare. ●

## XXXVI Day of Financial Perspectives

On February 16th the XXXVI "Day of Financial Perspectives" which is organised annually by the Spanish Institute of Financial Analysts, was held at the Hotel Palace in Madrid.

The Institute invited three highly skilled speakers to lecture on the prospects for 2010. Each speaker held a different point of view.

Dr. Xavier Adserà, President of IEAF, opened the meeting and moderated the symposium and was accompanied, at the

speakers' table, by Dr. José Luis Escrivá, Director of the BBVA Research Department, Dr. Jose Luis Martinez Campuzano, strategist at Citi in Spain and Dr. Cesar Molinas, Founding Partner of Multa Paucis and who analyzed the macroeconomic outlook and markets for 2010.

The speakers highlighted a great deal and at the end of their speeches a colloquium was opened between the speakers and attendees to the ceremony. ●



From left to right: Citi Spain Strategist Mr José Luis Martínez Campuzano, Director of Studies BBVA Mr José Luis Escrivá, Founder Partner of Multa Paucis Mr Cesar Molinas, FEF-IEAF Chairman Mr Xavier Adserà

## Research Awards 2010 – Fundación de Estudios Financieros – Bases

"The Fundación de Estudios Financieros (FEF) (hereinafter Foundation") in order to encourage and recognise the research and study in the areas of Financial Markets, Economics, and Finance and Institutions and Entities providing Financial Services, calls the "Research Awards 2010 of the Foundation" (hereinafter "Awards"). The Bases of these Awards are detailed below"

### BASE 1 – PARTICIPANTS:

Eligible for these Awards are individuals and / or research teams from the European Union and

Latin America. If it were a research team, they must identify its main responsible. Each person or team applicants must submit only a single research.

### BASE 2 – TOPICS THAT CAN BE OBJECT OF THE RESEARCH:

Topics must relate to the fields of study of finance, financial markets and intermediaries and family savings.

Within this general framework, the Jury will evaluate the proposals relating to specific issues that have been studied by

the Foundation in recent years and published in its collection "Papers of the Foundation."

### BASE 3 – RELEVANT MERITS:

The Awards Jury will assess the quality of the research, its applied character and contributions about new content and solutions to the topics being investigated in order to optimise the knowledge of the matters referred to in paragraph 2 of the bases.

### BASE 4 – PRESENTATION:

The paper must be written in Spanish or English. It must be original and unpublished and it must be signed with a pseudonym.

The paper must be presented with a title, an original and two copies properly bound and in digital format (CD) recorded in Word, in standard size sheets (DIN-A4). Its maximum length is 100 pages.

This extension does not include indexes, statistical appendices,

tables and bibliography information that may accompany the research.

The work must include firstly, a summary (abstract) of one page maximum, which identifies the objectives and main conclusions of the investigation.

Along with this documentation, a sealed envelope which includes the title of the work, name and the pseudonym of the author or authors must be attached. The document must contain the same information and the applicant name/s of author/s, address, telephone, email address, identity number, and a brief CV of the author and / or authors of the research.

The bases and the Call for Awards can be found on the website of the Foundation ([www.fef.es](http://www.fef.es)) Emails enquiries to: [fef@fef.es](mailto:fef@fef.es)

#### BASE 5 – PLACE AND TIME:

The works may be presented or sent by registered mail to the headquarters of the Foundation: Avenida de Brasil, 17 to 3° A and B, 28020 Madrid, Spain.

The opening date for entries is March 15th 2010 and the deadline June 30th 2010.

#### BASE 6 – PRIZE:

Awards will be the total amount of twenty-four thousand Euros (Euro 24,000). The first prize will be eighteen thousand Euros (Euro 18,000). Optionally and depending on the quality of other papers presented, the Jury may give up to two more consolation prizes of three thousand Euros each (Euro 3,000).

In the case that no one wins the first prize and / or the two consolation prizes, the amount will accumulate for subsequent editions.

#### BASE 7 – JURY:

The Jury shall consist of at least seven members, selected from recognised experts in the eco-

nomie, business and academic, appointed by the Foundation. Among them, one shall act as Chairman and another as Secretary.

The Jury composition shall be made public after learning of the ruling of the Awards through the FEF website.

Each member of the Jury will vote. The decision shall be by a simple majority vote of its components. In case of a tie, the vote of the Chairman shall decide the result.

ment, by the award-winning author, to the FEF, in exclusive way and for the maximum period of three (3) years, of all the rights to exploit the corresponding works, in any format and language, for free distribution by any means, among its Founding fathers, members of the various organs of the institution, collaborators, etc., without prejudice to the relevant author copyright, resigning the author or authors to be subject of their approval to the print test and accepting that any possible compensa-

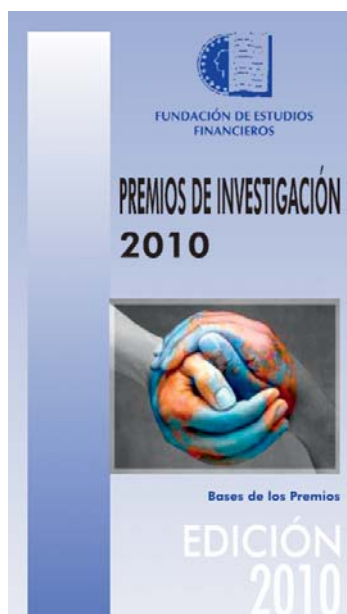
the FEF, according to the first paragraph. For his purpose the participant who intends to perform the above publication, in the specified period of time, should save and expressly communicate to the publisher the existence of any rights of exclusive exploitation of the FEF, also notifying to FEF his intention to publish the work and the fulfilment of this obligation. The violation of any of these rules will result in the automatic exclusion of the participant concerned and, where appropriated, the withdrawal of the award given.

Once made public the decision of the Awards, the author/s not winners will be free to publish their works, being of application to the winners the rules mentioned in the first paragraph of this base.

2. The FEF may request an adapted version of the work in one of the documentary supports used by the Foundation: Magazine "Análisis Financiero", Monographs of the Foundation, Library "Fundación de Estudios Financieros", Collection "Papeles de la Fundación de Estudios Financieros", or in any other formats.
3. The Foundation assumes no obligation to publish the winning works. In this sense, if the FEF decides expressly not to publish the winning works, the winning works may be freely published outside of the FEF, citing in the acknowledgments section that this work has won a prize from it.

#### BASE 11 – ACCEPTANCE OF THE RULES:

Participation in the applications of these awards constitute acceptance of these Bases, and the decision of the Jury can not be appealed. ●



#### BASE 8 – FAILURE OF THE AWARDS:

The ruling of the Awards will be published in October 2010, and will be notified to the winners the next day.

#### BASE 9 – CEREMONY AWARDS:

Prizes will be awarded to winners at a public event organized by the Foundation and it will be communicated in due course. The winners must be present at the ceremony of the Awards.

#### BASE 10 – INTELLECTUAL PROPERTY RIGHTS AND PUBLICATION OF THE WINNING WORKS:

1. The granting of awards automatically imply the assign-

tion to which they may be entitled as a result of the indicated assignment of the edition is understood as paid in full with the amount received by the prize.

Despite the abovementioned and without prejudice to the original and unpublished character of the works to the date of submission, they may be under review process in publications directed exclusively to research and published in the period of time between the date of presentation of the work and the date of communication of the decision of the Jury, although with full safeguarding of the whole rights of exploitation of

# EFFAS 2010 Summer School, 3rd edition, to be held in The Santander Financial City Boadilla del Monte, Madrid, Spain on 7th – 9th July 2010

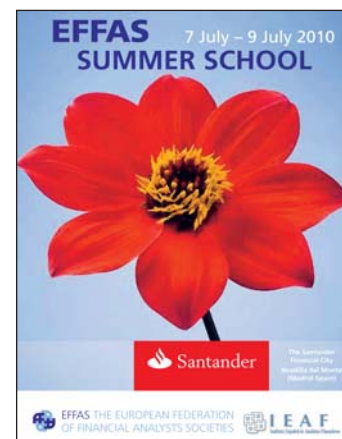
To enhance the networking between existing EFFAS designation holders, CEFA and CIIA candidates and other investment professionals, EFFAS, with the support of IEAF and the Banco Santander Group, is organising this years EFFAS Summer School in Madrid, in the Santander Financial City (Boadilla del Monte – Madrid), starting on Wednesday July 7th and finishing on Friday July 9th 2010. The attendance of participants, as

well as professors / lecturers from various national associations gives the EFFAS Summer School a truly international character.

There will be simultaneous plenary sessions and workshops, and lectures on current topics of interest will be given by professors and experts from various industry sectors. This Seminar is relevant for all investment professionals; it is also relevant for

the various EFFAS and ACIIA designation holders and can also be considered by potential candidates for various designations (e.g. the CEFA, or the CIIA designation), or potential members of the respective national organisations.

The EFFAS Summer School supports the concept that, in addition to qualification, exchanging views and networking, are key for professional development.



## Paradigm shift in India Inc

INDIA

The rapid rise of the Indian capital markets has been attracting the world's attention over the past 4 – 5 years. An economic expansion of 8%+ driven by a consumption and investment theme is running quite high in India, today. The Indian economy is experiencing the most unique times, as it has rarely seen an upturn in consumption and investment, whereas otherwise either of the two precedes or succeeds and peters out.

The Indian capital markets, the biggest beneficiary of this economic expansion has more than 4,500 listed stocks out of which nearly 50% are actively traded. Its breadth and width provides opportunity for a different set of investors at different points of time. India has a strong capital markets regulator, Securities and Exchange Board of India and companies go through rigorous parameters for listing and faces penalty on non compliance of listing agreements by

the stock exchanges. Even the accounting standard and policies of the country are one of the best in the world.

The quantitative parameters of economy and capital market changes are widely quoted by the media, let me put forth a lesser known dimension put forward by corporate India, a strong foundation for long term sustainable growth of capital markets. The three key things, which I believe have witnessed significant change in the last few years and have had a profound impact on investors and the way corporate businesses function.

One of the most important changes that I have seen, in the current economic progress is the changing mindset of the promoters shift for value creation and this has taken precedence over other things. Earlier chequered history of the Indian capital market, from 1992 – 2001, left many investors high and dry. It equally took a long time for promoters to realise the value of stock as a reflection of currency listed on the stock exchanges. But now the promoters are no longer opportunists, rather the majority of them, echoes value creation for stake holders in their thought and action. That change that will leave an indeli-

ble impression on domestic and overseas investors. The market capitalisation has expanded and now the country has quite a large number of world class companies, operating in various part of the world.

Just to substantiate this with an example, qualitative parameters like Management Discussion Analysis (MDA), Details of performance in Director Report, Numbers of Independent Directors on Board have undergone significant changes and have improved substantially in the annual report. This conveys a review and future outlook of the business, giving direction to in-

Market cap Expansion Analysis			
	Yr 2010	Yr 2005	% change
Market cap >\$10 bn	24	11	46%
Market cap between \$10 bn to \$1 bn	117	78	67%
Market cap between \$1 bn to \$500 mn	89	53	60%
Market cap between \$500 mn to \$100 mn	260	290	112%
Market cap of \$100 mn and below	1669	1727	103%

Source : Bloomberg [Cut off dates : March 2010 and Dec 2005]

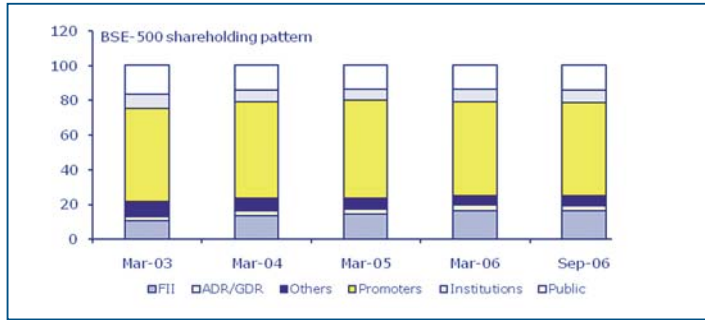


Chart 1

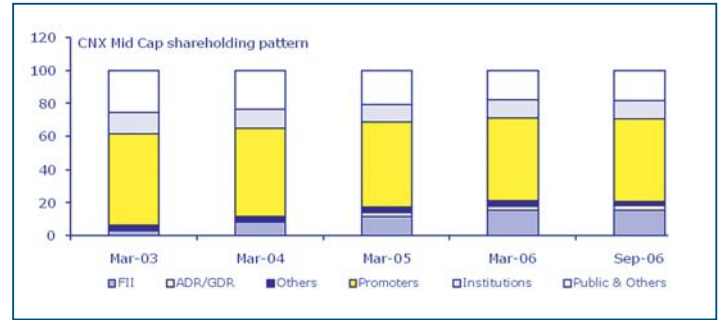


Chart 2

investors of things to come. Surprisingly, promoters led companies are willing to share more details in MDA than listed MNC companies. The CLSA- ACGA paper on corporate governance in ASIA has placed India way ahead of others in the region.

Secondly, cross sections of companies are eager to adopt technology to gain efficiency and productivity. Corporate companies from all disciplines, irrespective of their revenue size are willing to implement En-

terprise Resource Planning (ERP), JIT, CRM tools to enhance productivity. Critics may comment that competitive pressure; low cost of ERP package is among a few reasons for this eagerness, whatever may be the rationale, I am impressed by this sweeping change. This will leverage the cost competitiveness of India Inc tremendously. Last but not least - a new face of changing India, which understands the value of human resources is addressing agency problem, is aligning interests of

managers by the way of 'performance linked pay', ESOPs and other incentives. Organisations are getting flat and are encouraging entrepreneurship. Organisational culture has become one of the key determining factors in attracting talent, as the bulk of the new work force is young and aspiring.

So let me remind readers that the majority of the companies in India are promoter driven, unlike professionally managed companies in developed countries.

These changes will have a deep impact on corporate India and benefit investors. I am sure that tomorrows India will be much better and different from what we are seeing today.

By Manish Bhandari, April 2010 ("This is the opinion of Mr Manish Bhandari, CIIA, Founder Val-lum Capital, an Investment firm, based in Mumbai. The author is an ex-fund manager of ING Investments India, and has worked for more than 10 years in the Indian capital markets."). ●

## The KCIAA 2010 Membership Ceremony

KOREA

The KCIAA held its membership ceremony on January 15th, 2010. The ceremony took place in the Korean Financial Investment Association Building in Seoul, Korea and was attended to by the KCIAA Board of Directors as well as this year's new members.

Among the 16 new members, 15 successfully passed the qualification examinations held in 2009. More than 2,100 candidates sat the preliminary examinations held in May and October 2009, with 225 successful candidates. Of that number, 63 candidates sat the final examination

in November 2009, with 15 successfully passing the exam.

At the membership ceremony, Mr. Kun Ho Hwang, Chairman of the KCIAA, congratulated the new members on their dedication and efforts in passing the examination.

With this year's new members, the membership of the KCIAA has now grown to 1,543. ●



KCIAA Chairman Mr Kun Ho Hwang (sixth from right) pictured with members of the KCIAA board of directors and the new KCIAA members that were present at the membership ceremony.

## Agenda

### Events

#### CIFA Forum

28 – 30th April 2010, Madrid

#### Sustainability Forum Frankfurt

17th May 2010, Frankfurt

#### 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

#### 50th Anniversary ABAF / BVFA Belgium

14th October 2010, Brussels

#### Euro Finance Week

15 – 19th November 2010, Frankfurt

### Meetings

#### 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

#### Asset Allocation:

**From basics to new challenges**

11th June 2010, SFAA Switzerland, Zürich

#### Fundamentals of Commodity Markets

24th September 2010, SFAA Switzerland, Zürich

#### The Analysis and Management of Risk

7th October 2010, IEAF Spain, Madrid

#### CIIA 10th Anniversary Seminar

11th November 2010, SAAJ Japan, Tokyo

#### Investing in Commodities

12th November 2010, SFAA Switzerland, Zürich

#### Real estate in the 21st century

2nd December 2010, SFAA Switzerland, Zürich

#### EFFAS International Seminar

15th December 2010, Paris

### CIIA Final Examination Dates

#### September 2010

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

Saturday 18, in Asia

#### March 2011

Friday 11, in Europe, New York and South America;

Saturday 12, in Asia



## ACIIANEWS

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