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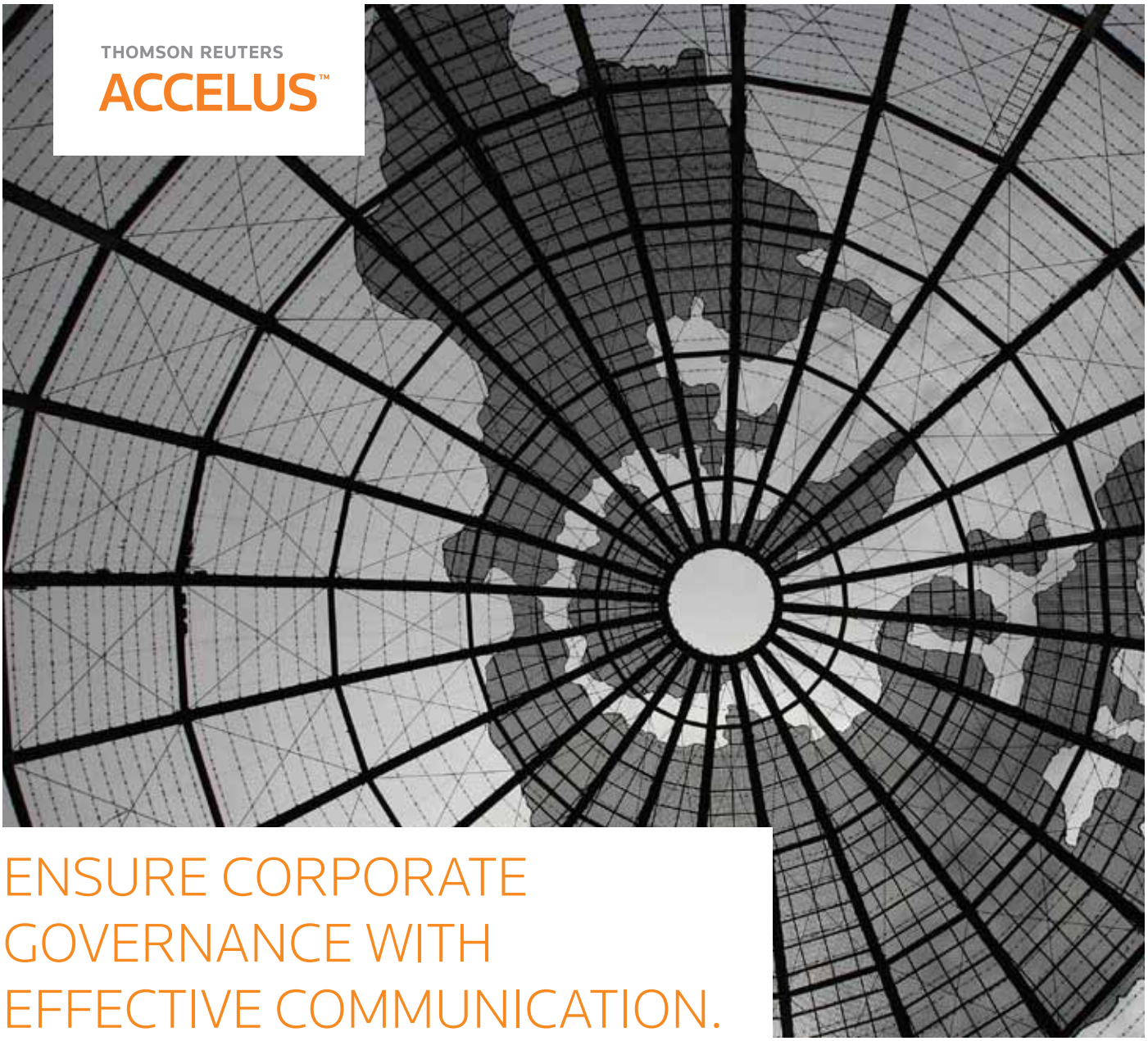

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CHARTERED SECRETARIES 特許秘書

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About The Hong Kong Institute of Chartered Secretaries

The Hong Kong Institute of Chartered Secretaries (HKICS) is an independent professional body dedicated to the promotion of its members' role in the formulation and effective implementation of good governance policies in Hong Kong and throughout China, as well as the development of the profession of the Chartered Secretary.

The HKICS was first established in 1949 as an association of Hong Kong members of the Institute of Chartered Secretaries and Administrators (ICSA) of London. It became a branch of ICSA in 1990 before gaining local status in 1994, and today has about 5,700 members and approximately 3,200 students.

Membership statistics update

As of 21 June 2013, the Institute's membership statistics were as follows:

Students: 3,173
Graduates: 463
Associates: 4,761
Fellows: 469

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July 2013

CSj, the journal of The Hong Kong Institute of Chartered Secretaries, is published 12 times a year by Ninehills Media and is sent to members and students of The Hong Kong Institute of Chartered Secretaries and to certain senior executives in the public and private sectors.

Circulation: 9,100
Annual subscription: HK$2600 (US$340)
To subscribe call: (852) 2982 0559 or
email: enquiries@ninehillsmedia.com

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ISSN 1023-4128

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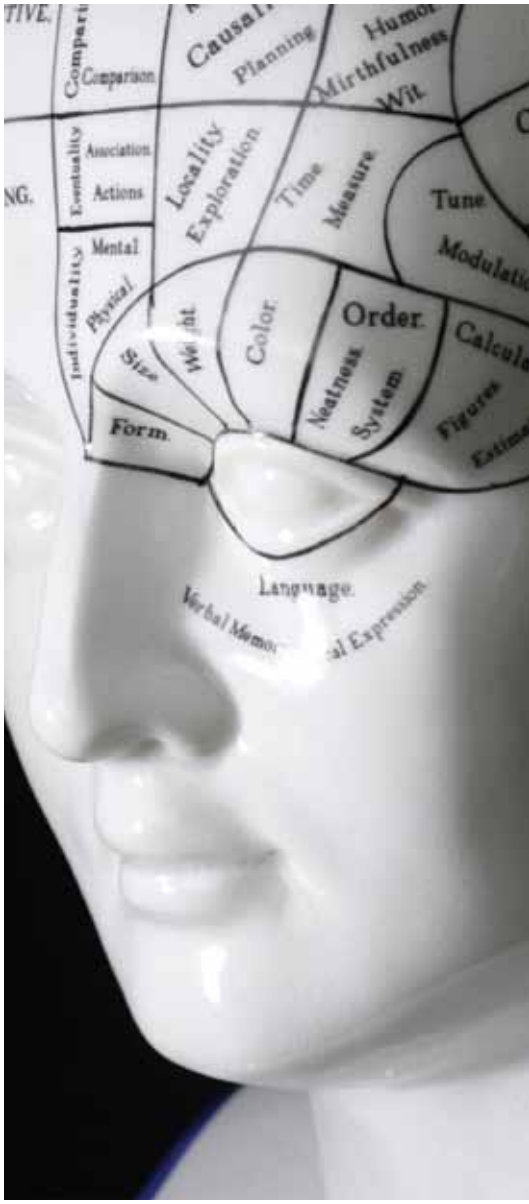

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ACRU 2013

Before turning to the theme of this edition of *CSj*, I would like to take this opportunity to welcome on board our new Chief Executive – Samantha Suen *FCIS FCS*. Samantha will be no stranger to many Institute members, having served as our President 2002–2003. She has also worked on many of the Institute's committees, panels and working groups over the years, in particular she was the Founding Chairman of the Institute's Professional Services Panel and the Anti-Money Laundering Working Group.

Samantha takes up her new role at the helm of the secretariat at an exciting time for company secretaries and the Institute in Hong Kong, and I look forward to working with her to realise our goals in the years ahead. I would also like to take this opportunity to express my deepest gratitude and appreciation to Interim Chief Executive Edwin Ing for his leadership and contribution during the past few months. I wish Edwin all the best in his future endeavours.

This edition of *CSj* reviews our latest Annual Corporate and Regulatory Update (ACRU) seminar. ACRU started life 14 years ago as a relatively small-scale event that was eclipsed by much larger and more 'prestigious' forums, such as our biennial corporate governance conferences. It was based, however, on a winning formula – a forum for compliance professionals to hear directly from market regulators about the most pressing issues in regulatory compliance. This formula has seen ACRU grow year by year into the largest-scale event in our CPD year. In terms of the number of attendees, it has even outstripped our corporate governance conferences. This year's ACRU, held on 31 May 2013, drew an audience of 1,400 attendees (including not only professional practitioners but also listed company directors) making it the largest ever ACRU. So large in fact that the forum has now outgrown its usual venue, the medium-sized rooms at the Convention and Exhibition Centre (CEC), and has had to be 'upgraded' to one of the CEC's large halls.

The second cover story this month (see pages 14–20) reviews ACRU's coverage of the major compliance issues currently on company secretaries' agendas. These include: the new Companies Ordinance; the inside information disclosure regime in the Securities and Futures Ordinance; the latest changes to the Corporate Governance Code; the Exchange's proposed changes to Hong Kong's connected transaction rules; and the latest challenges in anti-money laundering compliance.

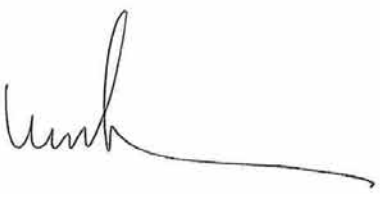
ACRU is an excellent forum for practitioners to stay informed of specific compliance issues, but, over the years, the forum has also evolved another purpose. Regulators have come to recognise the value of this direct dialogue with practitioners and, increasingly, have used their presentations to highlight the thinking behind current legislation and regulation. This was very much in evidence in this latest ACRU seminar. In session three, for example, Stephen Jamieson, Vice-President of the Listing Department, Hong Kong Exchanges and Clearing, gave ACRU attendees valuable insights into the Exchange's general approach to enforcement and disciplinary matters.

This is as useful to practitioners as a detailed knowledge of the rules themselves – if you are seeking to avoid a knock on the door from 'mister nasty', as Mr Jamieson termed himself, then it pays to consider what he is looking for when considering disciplinary action. And what he is looking for was made very clear in Mr Jamieson's presentation – effective internal controls. 'The main point I would like you to take away today,' he said 'is that listed companies need to have adequate internal controls. I cannot stress enough that all directors and senior management should take steps to ensure that issuers have sound and effective systems in place to support and achieve listing rule compliance.'

The Securities and Futures Commission (SFC) also took the opportunity of ACRU 2013 to share with practitioners their latest thinking on regulatory matters. The session one presentation by Charles Grieve, Senior Director of Corporate Finance, SFC, introduced us to an SFC project which has not yet made it off the drawing board – assessing whether Hong Kong would profit from having some form of code on shareholder engagement.

So tentative is this project that Mr Grieve had to preface his remarks with the caveat: 'these are my own personal views and not necessarily those of the SFC'. The SFC is not sure yet whether this 'embryonic' project will see the light of day, but, given the relevant developments overseas, it seems likely that we will hear more about shareholder engagement in the months and years to come.

Finally, I would like to thank the attendees, sponsors, supporting organisations and, of course, the speakers who put so much effort into making ACRU 2013 a success. Thanks should also go to the Professional Development Committee and the secretariat staff for successfully organising and managing this excellent forum. I look forward to seeing how ACRU will develop and evolve in the future!



Edith Shih *FCIS FCS(PE)*

ACRU 2013

在讨论今期的主题前，我先在此欢迎公会新任行政总裁孙佩仪女士。孙女士对许多会员来说一点都不陌生。她在2002至2003年曾任公会会长，多年来参与公会多个委员会、专责小组和工作小组的工作，更是公会专业服务专责小组和打击清洗黑钱工作小组的首任主席。

孙女士接手领导秘书处的新任务，正值公司秘书和公会面对种种挑战的重要时刻，我期望与她并肩合作，在未来的日子里实现我们的目标。过去数月来，暂任总裁伍士荣先生领导秘书处，并作出了宝贵的贡献，我藉此机会向他致以最深切谢意，并祝愿他日后事事顺遂。

今期报道最近举行的公司规管最新发展研讨会(ACRU)。ACRU在14年前开始举办，当时规模较小，与两年一度的公司治理研讨会等较大型的盛事相比，似显得略为失色。然而，ACRU的成功，为负责合规事务的专业人士提供渠道，直接聆听市场监管当局讲解合规方面的最迫切课题。

这个模式，使ACRU逐渐发展为公会每年持续专业发展计划中的最大型活动，参加人数甚至超越公司治理研讨会。今年的ACRU于2013年5月31日举行，吸引1,400名参加者（包括专业公司秘书从业员及上市公司董事），是历来规模最大的一次。由于参加者众多，以往在香港会议展览中心使用的中型会议室场地已不敷应用，而要「升级」至会展其中一个大型展厅。

今期的第二个封面故事（见第14至20页），探讨ACRU会上讨论的公司秘书目前关切的主要合规课题，包括：新《公司条例》；《证券及期货条例》中有关披露内幕消息的要求；《企业管治守则》最近的改动；港交所提出修改关连交易规则的建议；以及打击清洗黑钱合规工作的最新要求。

ACRU为从业员提供一个了解合规议题最新发展的极佳途径；然而，经过多年演变，ACRU更发展出另一个重要性。监管机构开始认识到这是与从业员直接对话的好机会，因而越来越愿意透过研讨会讲解法规背后的理念。这种情况在最近举行的一次ACRU中十分明显。例如在第三节研讨会中，港交所上市部副总裁詹铭信先生便讲解了港交所在执法和纪律措施方面的一般取向。

对于从业员来说，这方面的知识，与清楚了解规则详情同样有用。假如不想「讨厌先生」（詹铭信先生自称）叩门，那么便应花时间了解他决定采取纪律处分与否的考虑因素。而他的讲解正清楚说明了当中的考虑要素：公司是否设有有效的内部管控措施。他说：「我希望你们今天掌握到的重点，是上市公司需要有充足的内部管控措施。我再三强调，所有董事和高层管理人员均应采取行动，确保上市公司设有健全有效的制度，帮助公司遵守《上市规则》。」

证券及期货事务监察委员会（证监会）也藉着今年ACRU的机会，与从业员分享对规管事宜的最新看法。证监会企业融资部高级总监纪礼富先生在第一节讲解中，向我们介绍证监会一项仍在构思阶段的计划，就是评估假如订立有关股东参与的守则，香港可否从中得益。

这项计划仍在极初步的构思阶段，纪礼富先生不忘事先声明：「这是我的个人意见，不一定代表证监会的立场。」证监会仍未肯定这项计划可否落实，但观乎海外趋势，在未来的日子，我们可能会听到更多有关股东参与的讨论。

最后，我在此感谢ACRU 2013的参加者、赞助人和支持机构，当然更感谢各位讲者努力付出，以精彩的讲解，使研讨会成功举行。专业发展委员会和秘书处人员成功筹备这次盛事，我也在此致以感谢。我期望ACRU日后继续发展壮大，取得更佳成绩。

施熙德

A bird's eye view

Company secretaries need to be proficient in a wide range of practice areas. *CSj*, the journal of The Hong Kong Institute of Chartered Secretaries, is the only journal in Hong Kong dedicated to covering these areas, keeping readers informed of the latest developments in company secretarial practice while also providing an engaging and entertaining read. Topics covered regularly in the journal include:

- regulatory compliance
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CHARTERED SECRETARIES 特許秘書

Ask the Expert

If you would like to ask our experts a question, please contact *CSj* Editor Kieran Colvert: kieran@ninehillsmedia.com

Q: *When do you expect to see an RMB IPO in Hong Kong?*

A: There are two types of RMB IPO:

1. Dual tranche dual counter (DTDC)

- An issuer offers both RMB-traded shares and HKD-traded shares during the IPO, investors paying in RMB are allotted RMB-traded shares, investors paying in HKD are allotted HKD-traded shares.
- There are two stock codes and branch registers upon listing.
- Post-IPO, investors can convert their shares between the two counters.

2. Dual tranche single counter (DTSC)

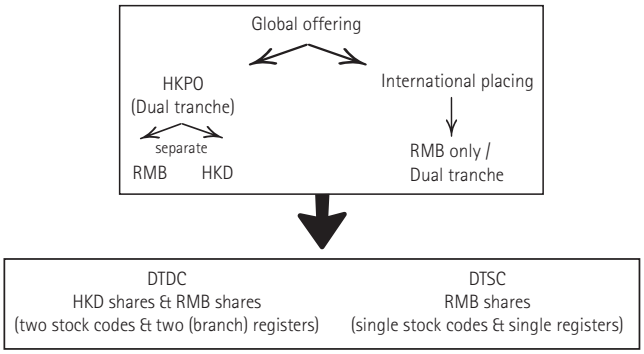
- An issuer offers only RMB-traded shares during the IPO; investors can pay in either RMB or HKD, but only RMB-traded shares will be allotted.
- There will be only one stock code and one register upon listing.

The DTDC model is designed for sizable IPOs, as liquidity is a key issue if the issued shares are divided into two counters. One benefit of the DTDC model is to enhance liquidity when traders are attracted by arbitrage opportunities arising from dual counter trading activities. The free convertibility between two counters on the same exchange can help with market efficiency which can bring share prices to an equilibrium.

This year, sizable IPOs on the Hong Kong listing market have been mostly H-share offerings which cannot raise RMB under the current PRC rules and regulations, so we have not seen an IPO candidate that can fit into a DTDC model RMB IPO yet.

PRC companies' incomes and expenditures are mostly in RMB, so most PRC companies looking for a Hong Kong listing are interested in an RMB IPO. If these companies are not H-share companies, they can consider doing DTSC if their offers are not sizable enough for a DTDC model.

The following diagram illustrates the similarities and differences between the two RMB IPO models.



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Your chance to ask the expert...

The challenges company secretaries face in their work tend to be much broader in scope than those faced by other professionals. Their remit goes from technical areas of corporate administration up to providing high-level corporate governance advice to the board. While this certainly adds to the variety of company secretarial work it does mean that practitioners need to be competent in a wide range of fields.

CSj's 'Ask the expert' column is designed with this in mind, providing you with the opportunity to ask our experts questions specific to the challenges you are facing.

If you would like to ask our experts a question, simply email CSj Editor Kieran Colvert at: kieran@ninehillsmedia.com.

If you would like information about how your company can join our expert panel then please contact Paul Davis at: paul@ninehillsmedia.com, or telephone: +852 2982 0559.

ACRU 2013 review

A guide to regulatory thinking

If your first contact with Hong Kong's market regulators is a knock on the door from an investigation team, your engagement with them is already too late. Whether you think of them as shining white knights protecting Hong Kong's market or, as one regulator described himself at the Institute's latest Annual Corporate and Regulatory Update seminar, 'mister nasty' – it pays to understand regulators' thinking on disciplinary matters.

The Institute's Annual Corporate and Regulatory Update (ACRU) seminar is the most popular event in the Institute's CPD calendar and it is not difficult to see why. The seminar gives compliance professionals the opportunity to hear directly from regulators about the current compliance challenges they are facing. In addition to the specific compliance issues addressed by the seminar (reviewed in this month's second cover story on pages 14-20), this year's ACRU was also a rare opportunity to listen to the regulators' general views on enforcement and market disclipline.

In session three of the seminar, for example, Stephen Jamieson, Vice-President of the Listing Department, Hong Kong Exchanges and Clearing, gave ACRU attendees valuable insights into the Exchange's strategy for enforcing the listing rules.

Avoiding mister nasty

'I'll be giving you advice on how to avoid all contact with the Listing Division enforcement team,' Mr Jamieson said at the outset. 'We are mister nasty. We make a case to the Listing Committee that sanctions should be imposed.' He went on to describe in some detail how the Listing Division goes about fulfilling its role as the frontline regulator of the market.

Will mister nasty go after me?

The short answer is yes. Directors and listed companies are not the only potential targets of the Exchange's disciplinary action. Mr Jamieson explained that, while they are the primary targets, under Main Board Listing Rule 2A.10/ GEM Listing Rule 3.11, sanctions may also be imposed against:

- a member of senior management of a listed issuer or any of its subsidiaries
- an authorised representative of a listed issuer
- a substantial shareholder of a listed issuer, and
- a professional adviser of a listed issuer or any of its subsidiaries.

Company secretaries, as members of senior management, are therefore caught under this rule and can be the subject of a disciplinary action by the Exchange. Mr Jamieson cited a recent disciplinary case in which the Company Secretary of a listed issuer, who was not a director, failed to perform the relevant duties to ensure and assist Model Code compliance by the

Highlights

- the best way to avoid disciplinary action by the Exchange is to ensure effective internal controls
- it is now common for the Listing Committee to require an independent internal control review and to require directors to undergo CPD training in disciplinary actions
- shareholder engagement is potentially a very powerful factor in market discipline

> “I'll be giving you advice on how to avoid all contact with the Listing Division enforcement team”

Stephen Jamieson, Vice-President of the Listing Department, Hong Kong Exchanges and Clearing

listed issuer and its directors. The case ended with a private reprimand of the Company Secretary and the listed issuer, with the engagement of an independent professional adviser to conduct an internal control review. There was also a private reprimand of the directors and training requirements were imposed.

What will get me into trouble?

Mr Jamieson explained that the Listing Division looks at a number of factors when assessing whether to take action, these include:

- the seriousness of the breach
- which rule was breached
- whether prejudice to investors and shareholders was involved
- the size of the relevant transactions
- the duration and the frequency of the breach
- the mindset of the directors concerned – was it a technical breach of the rules resulting from negligence or oversight, or was it the result of a deliberate or reckless disregard of the rules?
- whether the company self-reported or admitted the breach
- the company's compliance record (as you might expect the Exchange keeps records of those who consistently break the rules)
- whether there were deficiencies in the company's internal control system, and
- whether remedial measures were taken after the discovery of the breach.

Am I obliged to co-operate with investigations?

If an investigation is launched, the Exchange may require written submissions from listed issuers and directors. Mr Jamieson explained that listed issuers are obliged to provide information or documents reasonably required by the Exchange for investigating a suspected breach of, or verifying compliance with, the listing rules. This is both an explicit obligation in the listing rules (Main Board Listing Rule 2.12A/ GEM Listing Rule 17.55A), and a requirement

of the 'Director's Undertaking' which is signed by all directors when they take up their position. He added that false or misleading information or documents knowingly or recklessly provided breach Section 384 of the SFO.

Who else do I have to answer to?
While the Exchange is the frontline regulator of listed companies, there are many other regulatory bodies in Hong Kong that could come knocking at your door. These include the Independent Commission Against Corruption (ICAC), the police, professional bodies, the Financial Reporting Council and, of course, the Securities and Futures Commission (SFC). There has been some market concern about possible duplication of regulatory enforcement actions, particularly between the SFC and the Exchange. Mr Jamieson said that the Memorandum of Understanding between the SFC and the Exchange seeks to ensure that any such duplication is avoided. Basically breaches of the law are handled by the SFC and breaches of the listing rules are handled by the Exchange. Moreover, the SFC has a statutory duty to supervise and monitor the Exchange's performance of its listing-related functions and responsibilities.

Who makes the decisions?
While the Listing Division acts as the 'prosecutor' in disciplinary matters, it is the Listing Committee that makes decisions on whether the listing rules have been breached. This means, Mr Jamieson said, that those regulated by the Exchange are subject to a 'trial by peers' because the Listing Committee comprises representatives of market participants. Currently, eight individuals represent the interest of investors and 19 individuals are representatives of listed issuers and market practitioners (including professional advisers). There is a quorum of five for disciplinary matters.

What sanctions can be imposed?
Under Main Board Listing Rule 2A.09/ GEM Listing Rule 3.10, if the Listing Committee finds that there has been a breach of the listing rules, it may impose the following sanctions:

- public censure
- public statement involving criticism
- private reprimand
- remedial action to be taken within a stipulated period
- declaration that retention of office by a director is prejudicial to interests of investors
- reporting the offender's conduct to another regulatory body, and
- any action as the Listing Committee thinks fit.

Mr Jamieson added that a private reprimand can be disclosed to other regulators. Moreover, in recent years the focus of both the Exchange and the SFC has been to ensure that remedial action is taken. This is the 'dual track' approach where both punishment and remedial action are sought. In appropriate cases, for example, the Exchange will direct that a compliance audit by external auditors is undertaken and that directors attend training.

What can I do to avoid disciplinary action?
Mr Jamieson emphasised that the best way to avoid contact with 'mister nasty' is to ensure effective internal controls. 'The main point I would like you to take away today,' he said 'is that listed companies need adequate internal controls. I cannot stress enough that all directors and senior management should take steps to ensure that issuers have sound and effective systems in place to support and achieve listing rule compliance.'

He pointed out that the Corporate Governance Code contains code provisions to the effect that directors should at least annually review the effectiveness of their internal control systems, covering all material controls, including operational and compliance controls and risk management functions. He also urged company secretaries to go to the Exchange website to look at previous disciplinary cases. 'You will see that internal controls are a key element,' he said. 'Past disciplinary decisions illustrate that the Listing Committee takes a very serious view of those directors who fail in this respect.'

It is now fairly common for the Listing Committee to require companies in breach of the listing rules to appoint an independent professional adviser to conduct internal control review and to make recommendations for internal control improvements within a specified period (for example two months) from the publication of the relevant sanction. The independent professional adviser will provide the Listing Division with written reports both on the recommendations made and the actions taken to remedy the situation.

In addition to internal controls, Mr Jamieson stressed the importance of director training. 'It is quite extraordinary

> “Self-discipline alone will never work so you need regulation, but regulation is a fairly blunt instrument ... so you also need market discipline”

Charles Grieve, Senior Director of Corporate Finance, Securities and Futures Commission

the lack of knowledge of the listing rules displayed by some directors,' he said. The Corporate Governance Code contains code provisions requiring directors to receive briefings and the professional development necessary to ensure that they have a proper understanding of their company's operations and business. 'Directors should be fully aware of their responsibilities under the listing rules, all relevant legal and regulatory requirements and the listed issuer's business and governance policies,' Jamieson said.

He added that the listing rules and corporate governance obligations change and develop over time so directors and senior management need to keep abreast of these changes through regular training in the interests of good corporate governance and the performance of their obligations to the Exchange and the wider financial market.

Once again, previous disciplinary cases are a useful resource for company secretaries seeking to understand the Exchange's enforcement policies in this area. It is now common for the Listing Committee to require directors to undergo training on listing rule compliance, directors' duties and corporate governance matters as part of disciplinary actions. The training is often supplied by professional bodies such as the HKICS, the Hong Kong Institute of Directors or other bodies acceptable to the Listing Department. The training has to be completed within a specified period (for example 180 days) from the publication of the relevant sanction and the training provider has to provide the Listing Department with a written certification of completion.

Tentative thoughts on shareholder engagement

There has been a trend in recent years for the ACRU forum to go beyond addressing the 'nuts and bolts' of compliance – regulators have also seized this opportunity to discuss the thinking behind current legislation and regulation. This was in evidence at ACRU 2013, both in Mr Jamieson's presentation and the session one presentation by Charles Grieve, Senior Director of Corporate Finance, Securities and Futures Commission (SFC). Mr Grieve discussed an SFC project still very much in the 'embryonic' stage – assessing whether Hong Kong would profit from having

some form of code on shareholder engagement.

With so many compliance challenges vying for company secretaries' attention at the moment, shareholder engagement might not seem to be very high on the agenda, but Mr Grieve pointed out that corporate governance is a 'three-legged stool'. Good corporate governance comes from:

1. companies' self-discipline
2. regulation, and
3. market discipline.

'You need all three of these legs for the stool to work,' he pointed out. 'Self-discipline alone will never work so you need regulation, but regulation is a fairly blunt instrument even where you have best practice codes enforced by comply or explain, so to produce a fair, effective and transparent market you also need market discipline.'

Fostering an ongoing and active dialogue between companies and their shareholders via some form of shareholder engagement code could be one way to improve the effectiveness of market discipline and the SFC is currently sounding out market participants on this. Mr Grieve said that the SFC has received both positive and negative views. Many respondents to this initial soft consultation agree with the principle that investors should be 'engaged' and should take a long-term view of their investments. Many investors, for example, have pointed out that engagement adds value to investments – a portfolio is more valuable if the companies in that portfolio have good corporate governance.

On the negative side, some investors were of the opinion that 'it costs us money so we don't do it'. Mr Grieve noted that shareholder engagement is also sometimes equated with shareholder activism. 'Investors don't have a right to interfere with the management of the company, but they do have a right to make their views known,' he said.

Mr Grieve said he personally believes Hong Kong would benefit from guidelines on shareholder engagement and wider investor stewardship. 'It would be good to devise some form of guidance for the market, but it will take a long time to get change', he said. He also gave some early indications on what sort of code might be appropriate for Hong Kong. Firstly, he believes it would be important for any code to be applicable to all investors. Many of the overseas examples of shareholder codes are targeted at fund managers but Mr Grieve believes the basic principle should be the same for all shareholders – they should actively monitor their investee companies, they should take part in voting at shareholder meetings and they should disclose how they vote.

Finally, he stressed the point that shareholder engagement is potentially a very powerful factor in market discipline. He pointed out that there have been numerous overseas cases reported in the media where shareholders have got together and effected change in their investee companies. Mr Grieve ended his presentation by asking the ACRU attendees whether their companies have disclosed policies on how they handle shareholder engagement issues with their investee companies. Do they know, for example, whether votes are cast, and how votes are cast, at the shareholder meetings of their investee companies? 'My guess is that most haven't got a clue', said Mr Grieve, but he added that 'if you don't know the answer to that question you are failing in your duty to uphold corporate governance.' CSj

This year's Annual Corporate and Regulatory Update seminar was held on 31 May at the Hong Kong Convention and Exhibition Centre. More photos of the event are available in the Institute News section (page 38) and at the Institute's website (www.hkics.org.hk).

More information relating to the compliance issues discussed at this year's ACRU is on the websites of the participating regulators: The Companies Registry: www.cr.gov.hk; Hong Kong Exchanges and Clearing: www.hkex.com.hk; The Securities and Futures Commission: www.sfc.hk; The Hong Kong Monetary Authority: www.hkma.gov.hk.

The Institute's Annual Corporate and Regulatory Update seminar is designed to provide practitioners with first-hand information from regulators about the latest corporate and regulatory developments. It was launched in 2000 and has grown to become one of the most successful forums of the Institute's CPD calendar. More information on the Institute's CPD events is available on the HKICS website (www.hkics.org.hk). For enquires, please contact the Institute by email: ecpd@hkics.org.hk, or by phone: (852) 2881 6177.

ACRU 2013 review

Getting the FAQs right

Rules, conceded Charles Grieve, Senior Director of Corporate Finance, Securities and Futures Commission, at this year's Annual Corporate and Regulatory Update (ACRU) seminar, will always be a fairly blunt instrument with which to encourage better corporate governance. However subtly they are framed, compliance with the rules will rarely be a simple question of following instructions. Fortunately, the Institute's latest ACRU forum, held on 31 May 2013, provided valuable advice from regulators on the interpretation of Hong Kong's ever-changing rulebook.

It is a challenging time to be a compliance professional in Hong Kong. Firstly, there is the tricky question of dealing with the new inside information disclosure regime in the Securities and Futures Ordinance. Then there is the new code provision on board diversity to consider, along with the Exchange's proposed changes to Hong Kong's connected transaction rules, and, to cap it all, the major overhaul of Hong Kong's companies legislation about to be implemented when the new Companies Ordinance comes on stream.

The Institute's latest Annual Corporate and Regulatory Update (ACRU) seminar highlighted the many questions company secretaries have about ensuring compliance with Hong Kong's revised rulebook. Can a listed company delay disclosure of inside information pending board approval of its relevant announcement? Is it permissible to disclose inside information to an auditor before disclosing publicly? Will this or that person be caught under the new definition of 'connected person' in Hong Kong's connected transaction rules?

Speakers from the Securities and Futures Commission, Hong Kong Exchanges and Clearing, the Companies Registry and the Hong Kong Monetary Authority were on hand to guide practitioners through these compliance challenges.

Inside information disclosure

In January this year the Securities and Futures (Amendment) Ordinance brought in a new statutory regime for the disclosure of price-sensitive information by companies listed in Hong Kong. In session one of this year's ACRU seminar, Jennifer Lee, Director of Corporate Finance, Securities and Futures Commission (SFC), highlighted some of the common problems encountered by companies in complying with the new regime.

She started by saying that the new regime has significantly raised the number of inside information announcements by listed companies (such announcements increased by 43% during the four-month period ending 30 April 2013 compared with the same period last year). Moreover, the SFC has also seen an increase in listed companies' profit alerts and profit warnings. Ms Lee believes that these increases clearly indicate that the new inside information regime has 'raised disclosure awareness'.

Confidentiality

There has been a degree of misconception about the confidentiality requirements of the new regime, Ms Lee said. 'Some companies believe that if they keep inside information confidential they will be excused the obligation to disclose – this is not the case.' She clarified that this is only true where the inside information is covered by one of the safe harbours listed in the Securities and Futures Ordinance (SFO). These safe harbours are void once confidentiality is breached, but if the inside information is not covered by the safe harbours then companies must disclose whether or not confidentiality has been maintained.

Another area of confusion in the new confidentiality requirements relates to which parties can be entrusted with the inside information before it is disclosed publicly. Can companies, for example, disclose such information to auditors or to controlling shareholders? What if, for example, a parent company requests inside information from a subsidiary for filing its accounts? Ms Lee stressed that in these cases, unless the inside information is covered by one of the safe harbours, it must be disclosed publicly at the same time as it is disclosed to the other parties mentioned.

If the inside information is covered by one of the safe harbours, it can be selectively disclosed to certain parties as long as confidentiality agreements are put in place. If a company is negotiating with a counter-party, for example, there should be contractual confidentiality agreements in place for everyone involved – including the counter-party's advisers. Ms Lee added that where lawyers are bound by adequate professional confidentiality obligations then separate contractual confidentiality agreements for them are not necessary.

What is inside information?

Companies have also had some difficulty in defining inside information. Charles Grieve, Senior Director of Corporate Finance, SFC, said that the key consideration is whether the market will be surprised by the information. 'Ask yourself how the market will react,' he said, 'if investors are going to yawn you don't have to make an announcement.'

The timing of disclosure

The SFO requires companies to disclose inside information 'as soon as reasonably practicable', but there has been some confusion about what this means in practice. Many questions were raised during the Q&A session at the end of session one about the timing of disclosures. One question from the floor asked whether companies can try to remedy the problem before disclosure. 'This is a dangerous misconception,' Ms Lee said. 'Companies need to disclose

> “Some companies believe that if they keep inside information confidential they will be excused the obligation to disclose – this is not the case”
>
> Jennifer Lee, Director of Corporate Finance, Securities and Futures Commission

when they become aware of the problem before working out rectification – seeking mitigation does not justify delay.'

Another attendee asked whether a delay is permissible for the figures in an inside information announcement to be confirmed. Ms Lee clarified that so long as the figures are reasonably accurate, they should be disclosed. The announcement should not be delayed in order to get an exact figure.

Another question related to whether disclosure can await board approval of an inside information announcement. Mr Grieve cited a case where a company delayed publication of an inside information announcement because it was waiting for its board to approve the announcement at its next monthly board meeting. If a company wants its board to approve an inside information announcement, it should call an extraordinary meeting, he said. Edith Shih, HKICS President and chair of session one, pointed out that in such cases a written resolution can be sought.

Preparing for the new Companies Ordinance

The new Companies Ordinance was passed by LegCo on 12 July 2012 and is expected to come into operation in 2014 after the enactment of subsidiary legislation. Three speakers from the Companies Registry addressed the compliance requirements of the new ordinance in session two of the ACRU seminar.

Phyllis McKenna, Deputy Principal Solicitor (Company Law Reform), Companies Registry, gave an introduction to the new ordinance, which she pointed out is the longest piece of legislation ever enacted in Hong Kong. Its sheer size and complexity is no doubt somewhat daunting, but Ms McKenna focused on the main changes of interest to company secretaries.

The new definition of 'responsible person'

The question on many company secretaries' minds will be whether they are more likely to be prosecuted for summary offences of the ordinance when the new definition of 'responsible person' in the new Companies Ordinance becomes effective. Ms McKenna's presentation indicated that the new ordinance will lower the prosecution threshold for 'responsible persons' who have breached such offences.

Ms McKenna explained that the old Companies Ordinance attributed criminal liability to officers who breached various summary offences if they 'knowingly and wilfully' authorised or permitted the breach. The evidential burden was therefore set very high because of the requirement to prove 'wilfulness' and the government was seeking more accountability in this area. A 'responsible person' is defined in the new Companies Ordinance as an officer of a company who authorises or permits, or participates in, the contravention or failure. The effect of the new formulation is to lower the prosecution threshold to remove the 'wilful' element.

The abolition of memorandums of association and 'par value'

Do company secretaries need to take

action ahead of the abolition of memorandums of association and the concept of 'par value' in the new Companies Ordinance? Ms McKenna explained that both of these changes do not require compliance action from companies since deeming provisions ensure that any reference to a memorandum of association is a reference to Articles of Association, and that contractual rights defined by reference to par value and related concepts will not by affected by the abolition of par.

However, she added that companies may wish to take this opportunity to review their constitutional documents to see if there are any changes that they wish to make as a result of the new Companies Ordinance. 'We are advising companies to look at this and decide whether they want to change their articles,' she said.

Empowering the Companies Registrar

The new Companies Ordinance empowers the Companies Registrar to compound specified offences so as to encourage compliance with the provisions of the new ordinance and optimise the use of judicial resources. The specified offences include the failure to file annual returns. The Registrar is empowered to give companies a notice in writing setting out particulars of the suspected offence and the conditions upon which no prosecution action will be taken. These will include the amount of the compounding fee to be paid (set at HK$600) and the period within which conditions must be complied with. If either the fee is not paid or the conditions are not complied with, the Registrar may proceed with prosecution action. The payment of compounding fee is not an admission of liability.

Highlights

Q: Can a listed company delay disclosure of inside information pending board approval of its relevant announcement?

A: No. If a company wants its board to approve an inside information announcement it should call an extraordinary meeting or get a written resolution.

Q: Is it permissible to disclose inside information to an auditor before disclosing it publicly?

A: No. Unless the inside information is covered by one of the safe harbours, it must be disclosed publicly at the same time as it is disclosed to any other parties, including auditors.

Q: Does the new definition of 'responsible person' in the new Companies Ordinance include company secretaries?

A: Yes. The new definition relates to officers of the company who breach various summary offences of the ordinance. Company secretaries should be aware that the new definition lowers the prosecution threshold for such breaches.

Q: Do company secretaries need to take action ahead of the abolition of memorandums of association and the concept of 'par value' in the new Companies Ordinance?

A: No. Deeming provisions ensure that any reference to a memorandum of association is a reference to articles of association and that contractual rights defined by reference to par value and related concepts will not be affected by the abolition of par. However, the Companies Registry recomends companies review their constitutional documents in case they want to change their articles.

Q: Will company secretaries still need to file their residential addresses with the Registrar of Companies once the new Companies Ordinance becomes effective?

A: No. Company secretaries will only be required to file a correspondence address with the Registrar. This was the only proposal in the 'Companies (Residential Addresses and Identification Numbers) Regulation' which was not shelved following public objections earlier this year.

Q: When do companies need to comply with the latest amendment to the Corporate Governance Code regarding board diversity?

A: The amendment becomes effective on 1 September 2013. This means that annual and interim reports for the period after 1 September 2013 must contain a statement of compliance or an explanation for deviation.

Restriction of corporate directorships

Section 457 of the new Companies Ordinance requires a private company (other than one within the same group as a listed company) to have at least one director who is a natural person. Corporate directorships remain prohibited for public companies, companies limited by guarantee and private companies which are members of a group of companies of which a listed company is a member (Section 456). Kitty Tsui, Acting Assistant Principal Solicitor of Legal Services Division, Companies Registry, explained in her session two presentation that existing private companies with no natural person director will be given a grace period of six months after commencement of new Companies Ordinance to comply with the new requirement (Schedule 11, Section 89).

Directors' duty of care, skill and diligence

Section 465(1) and (2) of the new Companies Ordinance states that a director of a company must exercise reasonable care, skill and diligence. This means the care, skill and diligence that would be exercised by a reasonably diligent person with:

- the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director in relation to the company, and
- the general knowledge, skill and experience that the director has.

Section 466 of the new ordinance preserves the existing civil consequences of breach (or threatened breach) of the duty.

Withholding personal information from public inspection

Will company secretaries still need to file their residential addresses with the Registrar of Companies once the new Companies Ordinance becomes effective? Ms Tsui explained that company secretaries will only be required to file a correspondence address with the Registrar. This was in fact the only element of the government's proposals regarding the withholding of personal information from public inspection which survived the government's U-turn earlier this year.

The new Companies Ordinance sought to change the arrangements for the disclosure of directors' identity card numbers on the public register. The plan was to have directors' partial identity card numbers on the public register (say, A123xxx). Moreover, only directors' correspondence addresses would be disclosed on the public register. There were many objections to these proposed arrangements and in order to expedite implementation of the new Companies Ordinance, the government has decided to shelve these plans but will revisit the disclosure of directors' ID card numbers after the implementation of the Companies Ordinance.

Registrar's directions to appoint company secretaries

The old Companies Ordinance required every company to have a company secretary but there was no offence provision for a failure to appoint one. The new Companies Ordinance empowers the Registrar to issue directions to companies to appoint company secretaries (sections 458 and 476). Non-compliance with the direction is an offence and the company and every responsible person of the company will be liable to a fine. This also applies to the appointment of directors.

Filing requirements of the new Companies Ordinance

The changes to the filing requirements of the Companies Ordinance have received less attention than some of the headline topics discussed above, but Marianna Yu, Deputy Registry Manager of Registration Division, Companies Registry, pointed out that 'filing requirements are likely to affect the daily work of your company

> “It’s what *you* suspect that counts. If there is a possibility, which is more than fanciful, that the relevant facts exist then you have an obligation to make a suspicious transaction report.”
>
> Stewart McGlynn, Senior Manager of Anti-Money Laundering, Banking Supervision Department, Hong Kong Monetary Authority

secretarial team'. Her ACRU presentation highlighted the new definition of 'unsatisfactory document' in Section 31 of the new ordinance.

A document is deemed 'unsatisfactory' if:

- it is not accompanied by the fee payable for the registration the document
- any signature on the document is incomplete or incorrect or is altered without proper authority, or
- the information contained in the document is internally inconsistent or is inconsistent with other information on the Companies Register or other information contained in another document delivered to the Registrar.

Moreover, under Section 35 of the new ordinance, if the Registrar of Companies is of the opinion that a document delivered for registration under an ordinance is unsatisfactory, the Registrar may refuse to accept the document, or refuse to register the document and return the document to the person who delivered it for registration. Section 41(2) also expressly gives the Registrar powers to rectify a typographical or clerical error contained in any information relating to a company on the Companies Register on an application by the company.

Corporate Governance Code changes

Grace Hui, Senior Vice-President and Chief Operating Officer of Listing Department, Hong Kong Exchanges and Clearing, highlighted the latest amendments to the Corporate Governance Code regarding board diversity. The existing principle regarding board composition has been revised to add the need for a 'diversity of perspectives' on the board. Moreover, a new code provision has been added stating that the nomination committee (or board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the company's Corporate Governance Report. The Code changes will become effective on 1 September 2013. This means that annual and interim reports for the period after 1 September 2013 must contain a statement of compliance or an explanation for deviation.

Ms Hui highlighted the implications of these code changes for listed companies. She said the board now needs to consider diversity when reviewing its balance of skills, experience and knowledge. She stressed that diversity includes, but is not limited to, gender, age, cultural/educational background, or professional experience. Ms Hui pointed out that compliance does not require the board to achieve diversity, but companies need to have a diversity policy and should ideally set measurable objectives to achieve better diversity and monitor any progress on achieving those objectives.

She stressed that this should not be a 'box-ticking' exercise and the approach to board diversity will differ according to the circumstances of each issuer.

Connected transaction rule proposals

The Exchange is currently consulting on its connected transaction rule proposals. The consultation paper issued on 26 April 2013 sets out proposals to simplify the rules and deal with anomalies.
A second consultation paper seeks a better alignment of the definitions of 'connected person' and 'associate' in the listing rules. In her session three presentation, Christine Kan, Senior Vice-President of Listing Department, Hong Kong Exchanges and Clearing, pointed out that the majority of Hong Kong companies have controlling shareholders and have subsidiaries and this makes Hong Kong's connected transaction regime highly important. 'This will be the last revision of our connected transaction rules for a while so we really want your views,' she added.

Financial reporting recommendations

Every year the Exchange conducts a review, on a sample basis, of listed

> "You have a strong influence on the board and finance team – you do have an important role to play"
>
> Steve Ong, Vice-President of Listing Department, Hong Kong Exchanges and Clearing

companies' financial reports. Steve Ong, Vice-President of Listing Department, Hong Kong Exchanges and Clearing, recommended that preparers of financial statements in listed companies (including company secretaries) should read the Exchange's Financial Statements Review Programme reports since they are a useful means to avoid the common pitfalls.

He started by stressing that company secretaries have an important role to play in alerting boards to the need to continuously improve the quality of financial statements. 'You have a strong influence on the board and finance team – you do have an important role to play,' he said.

While the latest Financial Statements Review Programme Report (Issued on 25 January 2013 and covering 2012 financial statements) found no significant breaches of the listing rules or accounting standards, it did highlight a number of problem areas. Issuers are generally still not forthcoming in their explanation of significant events and transactions in their annual and interim reports, he said. Additional information should be presented in financial reports to provide a better understanding of the nature and impact of significant events or material balances and transactions. Lastly, Mr Ong urged company secretaries to plan early to ensure that their 2013 annual reports are a success and an improvement on 2012.

Anti-money laundering update

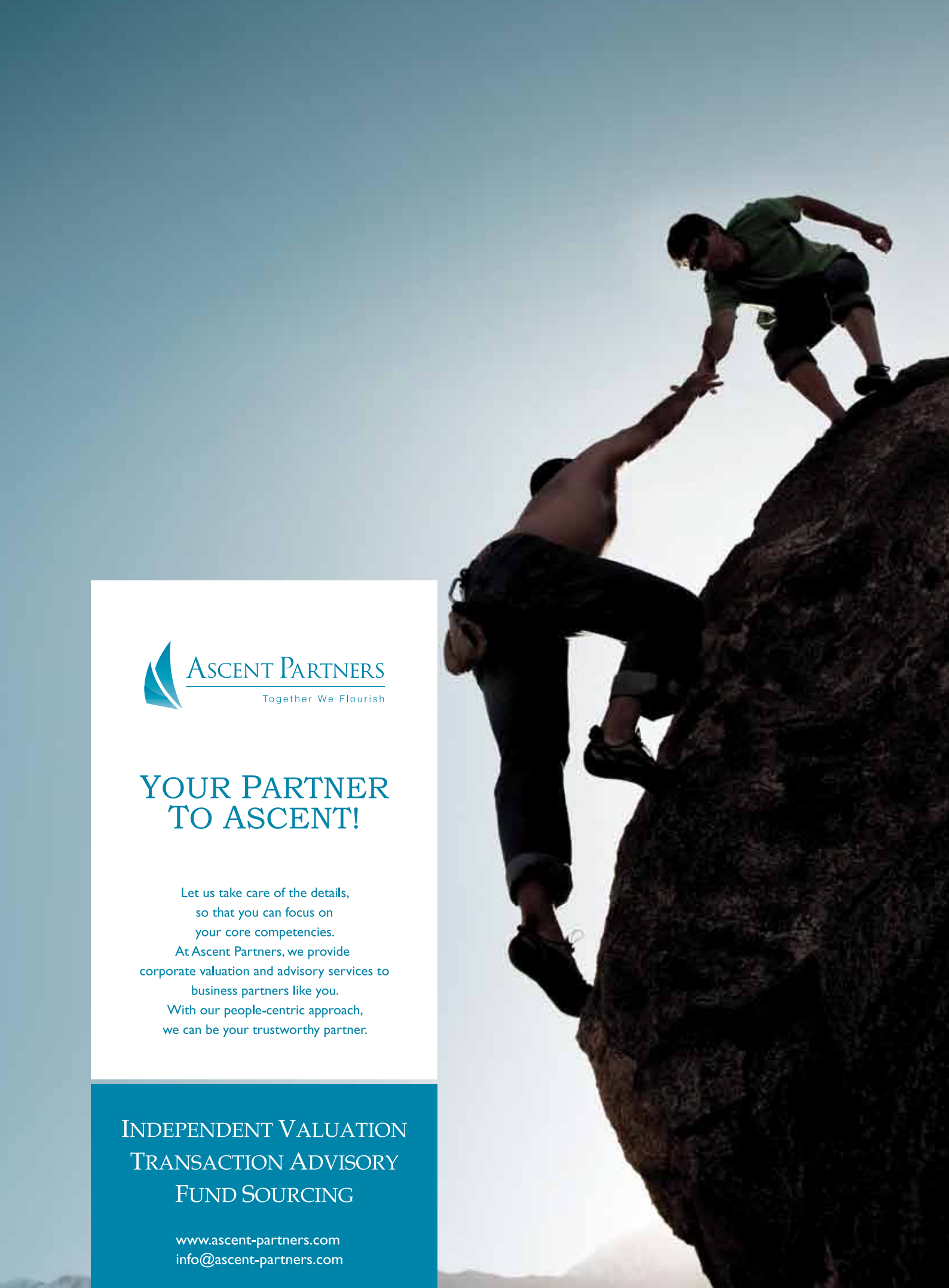
In the final session of the ACRU seminar, Stewart McGlynn, Senior Manager of Anti-Money Laundering, Banking Supervision Department, Hong Kong Monetary Authority (HKMA), gave attendees an update on anti-money laundering compliance in Hong Kong. He started his presentation by saying that company secretaries are an increasingly important sector for anti-money laundering (AML) regulators since globally the focus of AML work has now turned from financial institutions to corporates and corporate services providers. The Financial Action Task Force on money laundering (FATF), for example, is putting pressure on jurisdictions to ensure that effective AML regulations are extended from banks to 'designated non-financial businesses and professions' (DNFBPs).

Mr McGlynn also cited other global developments which are impacting AML compliance. For example, there has been a renewed focus on tax evasion. It is well recognised that complex, multi-jurisdictional legal structures which have caused concern among regulators for their use in money laundering, can also facilitate the evasion of taxes. He pointed out that tax evasion is already a predicate offence in Hong Kong and under the revised FATF Recommendations.

He urged company secretaries to build effective AML in-house controls. 'Have a strategy on AML – be proactive!' he said.

This will become an increasingly important compliance area for practitioners since the HKMA is significantly raising its oversight of AML risks and the legal framework for trust and company service providers (TCSPs) will be the focus of its next AML guidelines and recommendations. 'The ease and availability of corporate services is a particular risk in Hong Kong,' he said.

Mr McGlynn also addressed the issue of suspicious transaction reports (STRs). He said STRs are 'a fundamental pillar of the AML regime', but currently the vast majority of STRs are made by financial institutions. He urged company secretaries to be mentally prepared to make STRs. He stressed that STRs are only subjective statements of suspicion. 'If *you* are in doubt - report,' he said. 'It's what you suspect that counts. If there is a possibility, which is more than fanciful, that the relevant facts exist then you have an obligation to make an STR.'



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CFA confirms SFC's broad powers

Securities and Futures Commission v Tiger Asia Management LLC

The Court of Final Appeal has confirmed that the Securities and Futures Commission can obtain wide-ranging relief under Section 213 of the Securities & Futures Ordinance (Cap 571) before and independent of any Market Misconduct Tribunal or criminal proceedings.

On 10 May 2013, the Court of Final Appeal (CFA) handed down its Reasons for Judgment in *Securities and Futures Commission v Tiger Asia Management LLC and Others* (FACV Nos 10, 11, 12 and 13 of 2012). The appeal by Tiger Asia Management LLC, a hedge fund, and three of its officers (the Tiger Asia parties) was unanimously dismissed by the CFA. Hong Kong's highest court held that the Court of First Instance has jurisdiction to make expedited final orders under Section 213 of the Securities & Futures Ordinance (SFO) on the basis of a contravention of the insider dealing provision under the SFO, without a prior determination by the Market Misconduct Tribunal (MMT) or a criminal court.

Background to the Tiger Asia case

In August 2009, the Securities and Futures Commission (SFC) applied to the Court of First Instance seeking relief under Section 213 of the SFO. Section 213(2) of the SFO gives the Court of First Instance the power to make various orders, including: injunctions (which includes freezing injunctions); orders to direct a person to take steps to restore the positions of the parties to any transaction; orders to appoint an administrator of property; and/or orders to declare contracts void.

In this case, the SFC alleged that in December 2008 and January 2009, the Tiger Asia parties entered into transactions which contravened the insider dealing provision under the SFO. However, before the Court of First Instance determined the allegations by the SFC, the Tiger Asia parties applied to strike out the SFC's case. They did so on the basis that, in the absence of a prior determination by the MMT or a criminal court of there having been a contravention of the insider dealing provision, the Court of First Instance did not have jurisdiction in an application under Section 213 of the SFO to determine whether there is such contravention and make final orders.

At first instance, the Court of First Instance agreed with the argument of the Tiger Asia parties and struck out the SFC's application. However, in March 2012 the Court of First Instance's decision was reversed by the Court of Appeal. The Court of Appeal held that the Court of First Instance has the jurisdiction to determine whether there has been a contravention of market misconduct and make orders pursuant to Section 213 in the absence of a criminal conviction or adverse finding by the MMT.

The Court of Appeal found the purpose of the MMT and the criminal courts was to deal with the conduct of the wrongdoer. On the other hand, Section 213 was remedial in nature and more concerned with handling the consequences of wrongdoing. In contrast to the mutually exclusive jurisdictions of the MMT and criminal courts, the Court of Appeal held that Section 213 are stand alone proceedings and intended to assist the SFC to protect investors and provide remedies for contraventions of market misconduct.

Decision of the Court of Final Appeal

Lord Hoffmannn, who delivered the judgment of the CFA, entirely agreed with the reasoning and conclusion of the Court of Appeal. The CFA held that the words 'where a person has contravened any of the relevant provisions' in Section 213(1) of the SFO, which is the pre-

Highlights

- the Securities and Futures Commission can obtain wide-ranging relief under section 213 of the Securities & Futures Ordinance before and independent of any Market Misconduct Tribunal or criminal proceedings
- the judgment of the Court of Final Appeal in the Tiger Asia case strengthens the Securities and Futures Commission's ability to provide protection for investors in the market
- the decision bolsters the Securities and Futures Commission's weaponry in pursuing those found to have been involved in market misconduct, particularly where the parties, as in this case, are based overseas

> “the judgment of the CFA removes any doubt that the SFC has an additional and separate power under Section 213 of the SFO which strengthens its ability to provide protection for investors in the market”

condition for the Court of First Instance to make the orders in Section 213(2) of the SFO, should not be construed to mean 'where a person has been found by a criminal court or the MMT to have contravened any of the relevant provisions'. Criminal proceedings and the MMT are not jointly exhaustive of the procedures by which market misconduct may be determined. The CFA also held that Section 213 of the SFO serves to provide remedies for the benefit of parties involved in the impugned transactions and in proceedings under Section 213 of the SFO, the SFC acts as a protector of the collective interests of the persons dealing in the market who have been injured by market misconduct.

In addition, in response to the arguments raised by the Tiger Asia parties, Lord Hoffmannn stated that if a court has found that there is a contravention of the provisions under the SFO, it may make a declaration to that effect if it would be appropriate and useful to do so.

Conclusion

The SFC often commences proceedings pursuant to Section 213 of the SFO to obtain, among other things, freezing injunctions, before prosecuting through the criminal court or proceedings in the MMT. This preserves the assets of the persons suspected of having contravened the provisions under the SFO for the purpose of unwinding and providing relief to those who have suffered loss as a result of the impugned transactions.

The judgment of the CFA removes any doubt that the SFC has an additional and separate power under Section 213 of the SFO which strengthens its ability to provide protection for investors in the market. This is especially important to the SFC in cases where the persons alleged to have contravened the provisions under the SFO are outside Hong Kong, and may therefore be difficult or impossible to prosecute. However, there are limitations to which such orders against foreign parties may be possible.

As the question before the CFA was on jurisdiction only, the CFA did not consider the circumstances in which the Court of First Instance should make the orders listed in Section 213(2) of the SFO. Further clarification on the scope and application of SFC claims under Section 213 of the SFO can be expected.

Susanne J Harris and Wilson YW Fung
Mayer Brown JSM

The Court of Final Appeal decision is available on the Judiciary's website (www.judiciary.gov.hk).

And the tiger roars!

A further analysis that the SFC will not tolerate market misconduct

Mohan Datwani, the Institute's Director of Technical and Research, gives his views of the Court of Final Appeal's landmark decision in the Tiger Asia case. He argues that the practical outcome of the CFA decision is satisfying in that the market manipulator, Tiger Asia, obtained what it deserved and that the case sends a clear message that SFC will not tolerate market misconduct in Hong Kong and will zealously guard its reputation as an international financial centre.

30 April 2013 was no doubt an important day for the Securities and Futures Commission (SFC) at the Hong Kong courts. It was the day of the hearing by the Court of Final Appeal (CFA) in the Tiger Asia case. This related to the regulatory powers of the SFC under Section 213 of the Securities and Futures Ordinance (SFO). In legal and compliance circles this was perhaps one of the most anticipated cases for some time. After hearing counsels for Tiger Asia, the CFA, comprising Chief Justice Ma, Justices Chan, Ribeiro, Bokhary, and Lord Hoffmannn, ruled in favour of the SFC without a need to even hear counsels for the SFC. This was an outright win for the SFC.

Tiger Asia Management LLC (Tiger Asia) is a New York hedge fund whose strategy includes shorting stocks for profit. But it overstepped the bounds, at least in Hong Kong, when it engaged in insider dealing and other market misconduct. It agreed to take placements of shares of the Bank of China and China Construction Bank on various occasions. It then shorted the stocks before the market had knowledge of the placements. The expectation was that the price of the stocks would go down and by squaring the shorts, Tiger Asia would profit. The actual trades occurred between December 2008 and January 2009 and Tiger Asia profited on all occasions except on the last trade. In all, it made a notional profit of over USD$3.5m.

Testing Section 213

An apparent problem for the SFC was that Tiger Asia did not have any presence in Hong Kong. It did not have an office or

any employees in Hong Kong. It would therefore be a daunting, if not impossible, task to pursue the traditional routes of pursuing market misconduct – namely, a civil claim with the Market Misconduct Tribunal (MMT) under Part XIII of the SFO, or a criminal case at the courts, after coordinating with the Department of Justice (DOJ), under Part XIV of the SFO, which are the mutually exclusive civil and criminal remedies. This was because there were various procedures and protections afforded to Tiger Asia that needed to be complied with and the lack of presence was an issue.

The SFC chose to invoke Section 213 of the SFO. The section is a general one and was on the statute books before the creation of the mutually exclusive civil and criminal regimes (Parts XIII and XIV respectively) on 1 April 2003. This section says that, where a person has 'contravened' any of the relevant provisions of the SFO, the High Court, on the application of the SFC, can make wide-ranging orders including requiring parties to cease-and-desist their conduct and unwind the relevant transactions. The High Court can also order such ancillary orders as it considers necessary. These orders can be granted on an interim basis prior to final determination of the contravention of the relevant provisions of the SFO. In many cases, the interim orders will facilitate settlement of the contravention of the provisions of the SFO.

However in the Tiger Asia case the SFC chose, instead of *interim* orders, *final* orders under the Section 213 application to the High Court. Further, the application itself was made under an 'Originating Summons', which is a procedure more appropriate for determining an issue of law as against facts. The SFC also sought other orders, including for Tiger Asia to account for its profits made or losses avoided under the SFO. Later, the SFC asked for a redistribution of the profits made to the counterparties to Tiger Asia's trades.

The case history

At the High Court the SFC lost the Tiger Asia case. Mr Justice Harris was perplexed by the use of an Originating Summons, including the lack of particulars as to what the SFC was asking for. Rather, in his view, a 'Writ of Summon' with full argument of the facts and supporting affidavits was appropriate. The SFC then made it clear before the hearing that it was seeking to allege a contravention of Part XIV of the SFO, meaning a criminal contravention of market misconduct which carries with it a higher standard of proof than a civil case (criminal cases require the facts to be proved 'beyond reasonable doubt', whereas civil cases are decided on a 'balance of probabilities'). Specifically, in its Section 213 application, the SFC sought to establish that Tiger Asia had contravened Sections 291 and 295 of Part XIV the SFO relating to criminal insider dealing and other market misconduct.

Mr Justice Harris ruled that Section 213 provides a mechanism for the SFC to obtain interim relief prior to the determination of civil proceedings with the MMT or criminal proceedings by the courts under Parts XIII and XIV, or final relief after such proceedings. It does not provide a 'third route'. That is, the SFC should have pursued Part XIII and XIV proceedings before going under Section 213 if it desired any final orders as against interim orders.

After losing the High Court case, the SFC appealed to the Court of Appeal. Mr Justice Tang VP for the Court of Appeal allowed the SFC's appeal and wrote the unanimous decision for the court. The Court of Appeal identified that the issue relating to the appeal was whether Section 213 of the SFO, which can apply on an interim basis, can also be applied on a final basis to determine a contravention of the criminal provisions under Part XIV of the SFO, specifically Sections 291 and 295 of Part XIV of the SFO. However, instead of determining the entirety of the question, the Court of Appeal felt it was sufficient for it to determine whether the High Court had powers under Section 213

Highlights

- remedies under Section 213 of the SFO can be awarded by the courts before the facts of the case are determined by a criminal court or the Market Misconduct Tribunal
- a Section 213 application, however, remains a civil one and for remedies only, despite the fact that this case involved alleged criminal contravention of the SFO
- The CFA did not address what evidence relating to a criminal contravention has to be proffered in the context of a civil Section 213 application

to determine whether there was market misconduct. This was because Section 213 was remedial in nature.

The Court of Appeal's decision left open the issue as to how Section 213 can be used in an abridged manner, under an Originating Summons, to determine whether there was a criminal breach under Part XIV of the SFO which carried with it a higher standard of proof. The CFA has now determined the issue, and clarified that there is no abridged determination of a criminal matter.

> "A jury acquitted OJ Simpson of the murder of his girlfriend but he was found liable in civil proceedings for wrongfully causing her death. Inconsistency is always a possibility when different tribunals have jurisdiction to decide the same issue."
>
> Lord Hoffmann, Non-Permanent Judge of the Court of Final Appeal

The CFA decision

The CFA's decision is that when the SFC makes an application under Section 213, even where it alleges a criminal breach, the application is still a civil one and for remedies only. Lord Hoffmann stated that 'Section 213 serves a different purpose from the penalties which can be imposed by a criminal court or the MMT. The latter are imposed in the general public interest, avowedly to punish in the case of criminal sanctions and, in the case of the MMT, as near as one can get to punishments without running the risk of the proceedings being categorised as criminal'.

He further stated that 'Section 213... provides remedies for the benefit of parties involved in the impugned transactions... In these proceedings the SFC acts not as a prosecutor in the general public interest but as protector of the collective interests of the persons dealing in the market who have been injured by market misconduct'.

Lord Hoffmann then went on to explain in the Tiger Asia case that: '... the SFC is not seeking a declaration that Tiger has committed a criminal offence. It is seeking a declaration that it has done acts which found jurisdiction under Section 213 but which also happen to be criminal offences. The question of whether Tiger has committed a criminal offence remains entirely a matter for the criminal court. There is no question of the civil court's declaration being admitted or in any way influencing a criminal trial. If there were a prospect of such a trial, the court would have jurisdiction to put in place protective measures to ensure that publication of materials arising in the civil proceedings did not prejudice the accused'.

It follows that for a case where there is a clear contravention of the SFO, as with Tiger Asia, the quoted passages will not present difficulties. The difficulty is presented where the SFC alleges, under a Section 213 application, a criminal contravention involving a less clear case. What evidence relating to a criminal contravention has to be proffered in the context of a civil determination? This remains an area of concern that the CFA has not addressed. In practice, the issue will be easily avoided where the SFC, under a Section 213 application, alleges a criminal contravention for the clearest of cases or a civil contravention of provisions of the SFO with a lesser standard of proof.

But the situation can still be confounded and Lord Hoffmann's mention illustrates the point: 'The Court of First Instance may find a contravention under Section 213 but the criminal court, or even the MMT, might find no such contravention proved. That is true. These things happen. A jury acquitted OJ Simpson of the murder of his girlfriend but he was found liable in civil proceedings for wrongfully causing her death. Inconsistency is always a possibility when different tribunals have jurisdiction to decide the same issue. But that is no reason to say, in the face of plain contrary language, that the legislature must have intended to confer jurisdiction upon only one tribunal'.

The law is as stated by the CFA and the practical outcome of the CFA decision is satisfying in that the market manipulator, Tiger Asia, obtained what it deserved. It also sends a clear message that SFC will not tolerate market misconduct in Hong Kong and will zealously guard its reputation as an international financial centre.

Mohan Datwani
Director, Technical and Research, HKICS

Psychometric testing in the selection process

Statistics show that approximately one-third of hiring decisions are regretted. Alarmingly, these hiring mistakes can cost a company up to three times that employee's annual salary. Therefore, it is no surprise that in addition to the traditional methods of selection (such as the interview and résumé checks), employers are now looking for alternative means of increasing their knowledge about potential employees before making final hiring decisions. Annika Demasi, Managing Consultant, Beilby Consulting, looks at one such method – psychometric testing.

Psychometric assessments are objective and standardised tools that measure some psychological construct through the use of behaviour samples. These tests provide employers with unique information about an applicant's job-relevant strengths and weaknesses that are otherwise unobtainable via traditional methods of recruitment. Psychometric tests may reveal information such as:

- how well suited an applicant is to the position or the organisation
- a candidate's cognitive ability and personality
- the candidate's ability to work in a team or work autonomously
- how well an applicant handles stress
- how sociable and enthusiastic a candidate is, and
- how motivated an applicant is.

This information can then be used in the recruitment process to:

- screen out unqualified applicants at the initial stages of selection (to reduce costs)
- categorise prospective employees according to probability of success on the job, or
- rank a group of candidates according to merit.

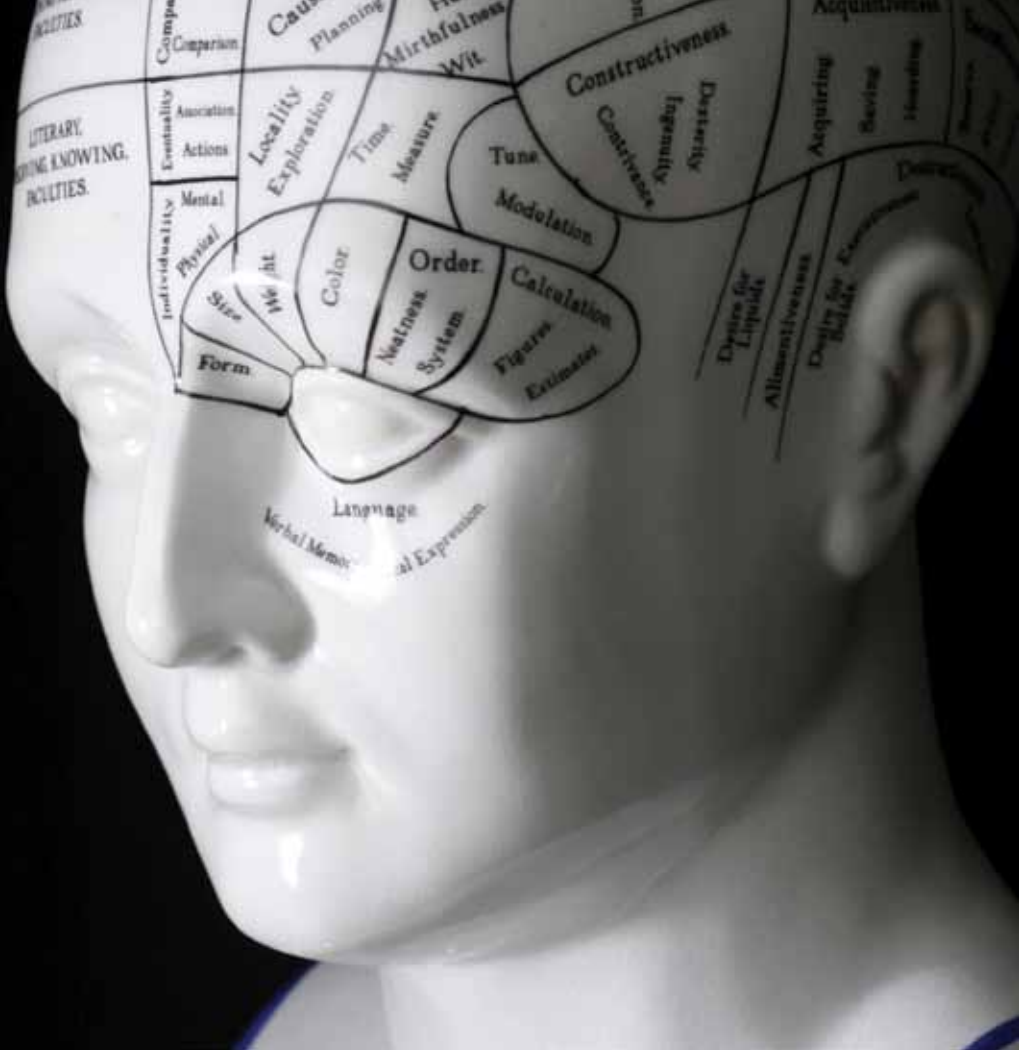
What do psychometric tests assess?

Generally, there are two broad areas that psychometric tests assess:

1. personality tests are used to measure an applicant's relatively stable behavioural tendencies and preferences within an organisational setting, and
2. cognitive ability or aptitude tests are used to measure intelligence and ability, to determine if an applicant is capable of doing the job.

Using both personality and cognitive ability tests is often recommended as they complement one another and increase the validity of the assessment process. The following section will briefly describe these broad areas in more detail.

However, before proceeding, it is important to note that within each of these two broad areas, many different types of psychometric tests are available. Each type of psychometric test is specifically designed to assess and measure a specific construct (for example, personality or verbal reasoning or critical thinking). Taking this into account, you must also keep in mind that each job vacancy is characterised by different key competencies necessary for job success.



Therefore, in order to tap into the relevant job-related competencies, psychometric tests must be selected appropriately (for example, those related to key skills and abilities necessary for a particular job). As a result, psychometric testing should only ever be used as one component of the entire selection process; it should be used in conjunction with other selection tools to generate a comprehensive profile of each applicant.

Personality tests

Personality refers to a person's distinct set of characteristics (way of thinking, feelings and behaviours) that determine how they generally act. In terms of selection, personality will inevitably influence one's job performance as it determines how a person will interact within the work environment.

Personality tests are systematic procedures that are designed to assess these intricacies. These tests are often untimed, and are based on one's own opinions, actions, reactions, behaviours, thoughts and feelings; of how they perceive their self to be. Therefore, there are no correct or incorrect answers.

Many personality tests are designed to measure the five-factor model of personality. This model dictates that there are five broad dimensions of personality to which all individuals exhibit in differing degrees. Moreover, individuals have a tendency to exhibit one of these dimensions more strongly than the others. These dimensions include:

- conscientiousness – careful, thorough, dependable, achievement oriented and hard-working
- neuroticism – prone to embarrassment, emotional and shows signs of anxiety, anger and insecurity
- agreeableness – courteous, forgiving, tolerant and trusting
- extroversion – sociable, assertive, talkative and active
- openness to experience – imaginative, cultured, original and intelligent.

Personality and the selection process

So, how does knowing someone's personality improve the selection decisions?

It can do so in three main ways. First, it can reveal whether the candidates personality type is a good fit for the job and to the company culture.

Second, research indicates that specific personality traits can predict job success

Highlights

- psychometric tests are standard tools to identify the cognitive abilities and personality traits of job candidates
- conducting psychometric tests as part of recruitment process can help predict the suitability of candidates for jobs and their future job performance
- conditions apply to their effective operation and they should not be used in isolation

as indicated by job performance. Particularly, conscientiousness dictates how hard-working, persistent and achievement-oriented one is; and neuroticism indicates one's ability to cope with stress of hazardous conditions or emotionally demanding work.

Finally, for each job, an 'ideal' personality profile can be generated based on key competencies for that job. For example, in occupations whereby constant interactions are required, candidates who are high on extroversion and agreeableness are most suited.

Cognitive ability or aptitude tests

Cognitive tests are used to assess a person's intelligence and ability. According to one of the most widely accepted theories of intelligence in psychology, a person's overall general intelligence ('g') is determined by two different types of abilities.

1. Fluid intelligence is the ability to think and reason abstractly and solve problems. This ability is not learnt, but intuitive. Fluid intelligence is used in jobs where employees must come up with problem-solving strategies, are required to learn new skills quickly, must integrate new information quickly, and must be able to think strategically.

2. Crystallised intelligence is the ability to learn from past experiences and relevant learning, and to apply this to new situations. This ability is based on facts and rooted in past experiences and thus is learnt. Crystallised intelligence is required on jobs that need comprehending of written reports and instructions, production of reports, and the use of numbers as a tool to make effective decisions.

Once again, there are many different types of test that tap into each of these abilities – and again, job analyses will dictate which abilities are most important to job success. For example:

- for fluid intelligence, abstract reasoning, and problem solving tests

- for crystallised intelligence, verbal reasoning, numerical reasoning, spatial reasoning, mechanical reasoning and comprehension tests.

Unlike personality tests cognitive tests have a right or wrong answer and are often timed. These tests assume that everyone is able to get the answer correct; the difference between people is how quickly they can correctly answer a question.

Benefits of psychometric tests

There are many benefits of incorporating psychometric tests in the recruitment process. This includes benefits for both the organisation and for the candidate.

Benefits for the organisation

- They are fairly accurate as most tests contain inbuilt measures and checks that identify when candidates are dishonest.

- They provide information which may have been difficult to infer or obtain from other selection tools such as the interview.

- They provide objective data and are free from bias; thus selection decisions are legally defensible.

- They generally have strong predictive validity (in terms of job performance). The better that applicants do on these tests, the better their performance is on the job.

- They are fairly cost-effective. Psychometric tests are fairly inexpensive and thus are ideal long-term solutions.

- They are often perceived to be fair methods of assessing performance.

Benefits for the candidate

Candidates are selected if they're right for the job and the organisation thus they are often:

- happier and satisfied with their job

- more motivated and committed to the organisation, and

- more willing to stay with the company.

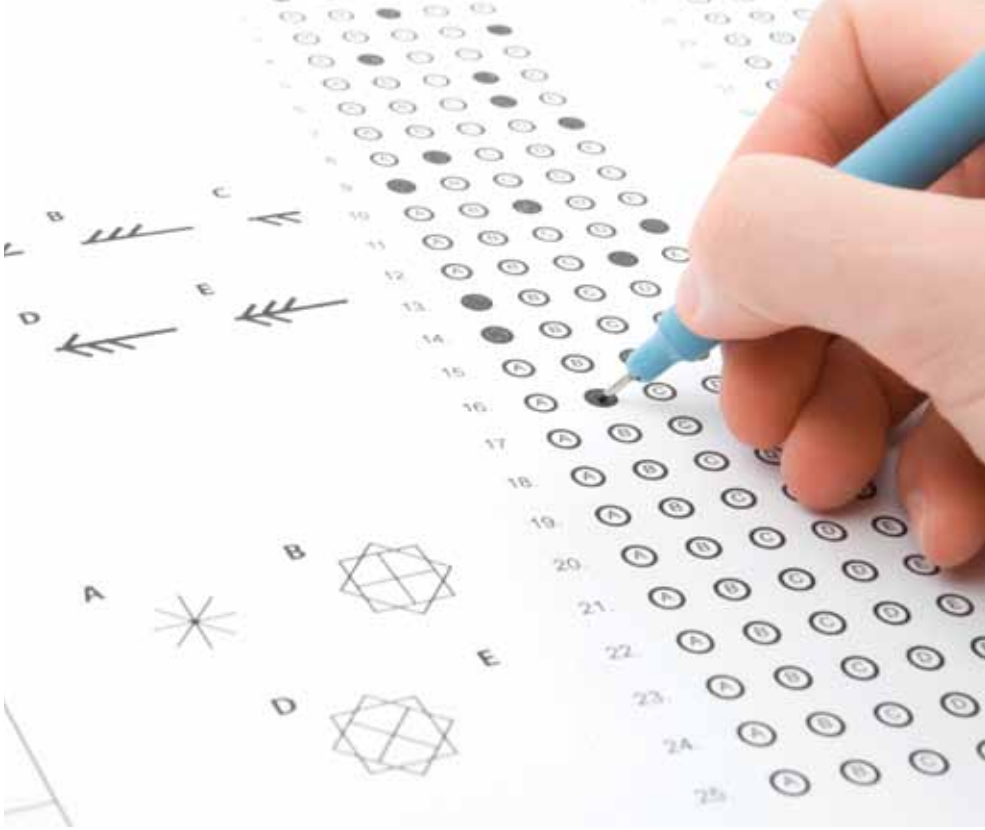
Do psychometric tests actually work?

In short, yes, psychometric tests do work. However, with that said, it will only work if the assessments used are psychometrically sound. In order for this to happen, five conditions must be satisfied.

1. ***Standardised*** – tests should be administered and scored using standardised procedures and standards.

2. ***Objective*** – the test must be objective so that it is not influenced by the administrator's personal preference.

3. ***Valid*** – the test must be validated



> psychometric testing should be used in conjunction with other selection tools to generate a comprehensive profile of each applicant

to ensure that it measures the characteristic which it sets out to measure.

4. ***Reliable*** – the test must be reliable and consistent to ensure minimal error.

5. ***Discriminating*** – the test must be discriminating such that it can clearly show differences between individuals on behaviours that are tested.

Research shows that, when psychometric assessments meet these five conditions, they are often one of the best predictors of job performance in the workplace – beating traditional methods such as assessment centres, unstructured interviews, reference checking and years of job experience and education.

In addition, combining numerous selection methods increases how well we can predict future job performance. Specifically, research shows that the best methods of predicting job performance is to either administer cognitive ability and structured interviews together; or administer cognitive ability and work samples together.

Therefore, in order to gain as much information as possible about a candidate; it would be most useful to combine psychometric assessments with a variety of other selection procedures such as interviews, reference checking.

Concluding remarks

To conclude, psychometric assessments are valuable tools in the recruitment process. When tests are *standardised, objective, valid, reliable* and *discriminating,* they provide employers with unique information about an applicant's job-relevant knowledge, skills and abilities; that otherwise cannot be obtained via traditional methods of selection. Furthermore, as these tests are fair and objective, it ensures a legally defensible approach to selection.

In this article, two main types of psychometric assessments were discussed – cognitive ability tests and personality tests. It is important to emphasise that each job position has different key competencies that are necessary for job success (as defined by job analyses). Therefore, different combinations of psychometric tests are needed in order to tap into the corresponding abilities.

Even so, psychometric tests do not reveal information about all the job-relevant knowledge, skills and abilities out there. Therefore, it is important to remember that psychometric testing should only ever be used as one component of the whole selection process. Further, rather than basing selection decisions purely on one form of assessment; decisions should be made after an assessment of all relevant modes of assessments.

With all this done, psychometric testing adds value to the recruitment process – it will increase the chances that you will hire the correct person for the job, first time.

Annika Demasi

Managing Consultant, Beilby Consulting

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This article was first published in the February 2013 issue of 'Keeping good companies', the journal of Chartered Secretaries Australia. Reprinted with kind permission of the publisher.

Corporate insolvency consultation

The government is currently consulting on its latest proposals to reform Hong Kong's corporate insolvency and winding-up regime. *CSj* interviewed the Financial Services and Treasury Bureau about the aims of these reform proposals.

What are the aims of the new legislative proposals set out in corporate insolvency consultation?

'The underlying objectives of the corporate insolvency law improvement exercise are to facilitate more efficient administration of the winding-up process and increase protection of creditors through streamlining and rationalising the company winding-up procedures and enhancing regulation of the winding-up process having regard to international experience. An effective company winding-up process with due regard to the protection of creditors will facilitate the development of Hong Kong as a global major business centre and reinforce our position as an international financial centre.'

Why does the current consultation not include proposals for a statutory corporate rescue procedure and insolvent trading provisions?

'The government included legislative proposals on corporate rescue and insolvent trading as part of the Companies (Amendment) Bill 2000. However, due to time constraints and the complexity of the issues involved, the relevant provisions on corporate rescue and insolvent trading were removed from the Bill.

The government then introduced the Companies (Corporate Rescue) Bill into the Legislative Council in 2001 with a view to introducing a statutory corporate rescue procedure into our corporate insolvency regime. However, due to concerns of Legislative Council members at that time on a number of issues including, for example, how to deal with employees' outstanding entitlements under the proposed corporate rescue procedure, the Bill was not enacted.

Having critically reviewed the previous proposals, the government conducted a public consultation in late 2009 on the conceptual framework and a number of specific issues relating to the corporate rescue procedure and insolvent trading provisions. Since the publication of the consultation conclusions on the review in July 2010, the government has been studying the various other key issues and is working further on detailed proposals. We plan to take forward the proposals of a new corporate rescue procedure and insolvent trading provisions as part of the corporate insolvency law improvement exercise. We will further consult stakeholders on the detailed proposals in 2013/ 2014.'

Can you explain the thinking behind the new provisions regarding 'transactions at an undervalue'?

'At present, there is no provision in the Companies Ordinance which is specifically designed to enable the court, on application by the liquidator, to avoid 'transactions at an undervalue'. Such provisions can be found in legislation in the UK and Australia. There are also similar provisions in the Bankruptcy Ordinance of Hong Kong.

For the better protection of creditors against depletion of the assets of an insolvent company, we propose to introduce in our corporate insolvency law new provisions regarding transactions at an undervalue, that is, an outright gift given by the company or transactions entered into by the company on terms that provide for the company to receive no consideration or for a consideration the value of which is significantly less than the value of the consideration provided by the company. This proposal will make up for the deficiency that currently exists in our law.'

Can you discuss the proposals concerning the appointment, powers etc, of provisional liquidators and liquidators?

'There is currently no express provision in the Companies Ordinance disqualifying a person for appointment as a liquidator or a provisional liquidator where his relation with the company could constitute a conflict of interest or where he is mentally incapable of doing so. There is also no express provision in the Companies Ordinance stating that a person subject to a disqualification order made by the court is not qualified to be appointed, and the effect or consequence of an appointment of such person. Therefore, we propose to expand the provisions on disqualification

Highlights

The new proposals include provisions:

- regarding 'transactions at an undervalue' to protect creditors against the depletion of the assets of an insolvent company
- on the disqualification of persons for appointment as a provisional liquidator or liquidator to avoid conflicts of interest or where such persons are unfit for the role.

However, the much-needed corporate rescue procedure and insolvent trading provisions are not part of the current proposals – the government is working on new detailed proposals and will further consult stakeholders on them in 2013/ 2014.

Cap 32

At present, the statutory provisions relating to Hong Kong's corporate insolvency and winding-up regime are principally contained in the old Companies Ordinance (Cap 32). The Companies Bill, which is the result of a comprehensive review of the provisions concerning the operation of live companies in the Companies Ordinance, was enacted on 12 July 2012 as the new Companies Ordinance. When the new Companies Ordinance comes into operation, currently planned for the first quarter of 2014, most of the provisions concerning the operation of live companies in the old Companies Ordinance will be repealed and the remaining provisions, including the insolvency and winding-up provisions, will be retitled as the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The old Companies Ordinance will therefore become the repository for the two major areas excluded from new ordinance – the prospectus regime and the winding-up and insolvency provisions. However, both these areas are currently under re-examination and are unlikely to stay in their current form. The Securities and Futures Commission plans to move the provisions relevant to the prospectus regime into the Securities and Futures Ordinance and the government has now put up for public consultation new proposals on how to reform Hong Kong's winding-up and insolvency provisions.

> "an effective company winding-up process with due regard to the protection of creditors will facilitate the development of Hong Kong as a global major business centre and reinforce our position as an international financial centre"

of persons for appointment as a provisional liquidator or liquidator to cater for the above.

Further, in order to enhance transparency in the appointment process and to enable the appointing parties to make an informed decision on the appointment of provisional liquidators or liquidators, we propose to introduce a new statutory disclosure system whereby prospective provisional liquidators or liquidators are required to disclose information on potential conflicts of interest.

As regards powers of provisional liquidators and liquidators, we propose to set out the powers now found in sections 199(1) and (2) of the Companies Ordinance in tabulated form in a Schedule in order to improve the clarity of the provisions. In addition, as it is very common for a liquidator to engage a solicitor to assist him in the performance of his duties, and sanction is usually given for the liquidator to exercise the power to appoint one in a normal court winding-up case, we propose to remove the current requirement for the liquidator to apply to the court or the committee of inspection for exercising the power to appoint a solicitor in order to streamline the process and reduce costs. However, the liquidator must give notice of his exercise of this power to the committee of inspection or, where there is no committee of inspection, to the creditors.'

What is the purpose of the introduction of self-contained provisions on 'unfair preference' in the Companies Ordinance?

'At present, the Companies Ordinance does not have self-contained provisions on unfair preferences concerning companies being wound-up. Instead, the Companies Ordinance applies the provisions on unfair preferences in the Bankruptcy Ordinance. When these Bankruptcy Ordinance provisions are applied in the company winding-up context, a number of problems arise. For example, while the expression "debtor" refers to the bankrupt in the bankruptcy context, the same expression can only mean the debtor company but not a director of the debtor company in the context of company winding-up. As a result, the term "associate", which

covers the spouse and relatives of the debtor (the bankrupt) when applied in bankruptcy context, does not cover the spouse and relatives of a director of the debtor company when applied in company winding-up context. This is clearly not desirable as the spouse and relatives of a director of the debtor company are likely recipients of unfair preferences.

New self-contained provisions on "unfair preference" are proposed to address the anomalies relating to the application of the bankruptcy provisions in the winding-up context. The new provisions would make reference to a "person connected with the company" which includes an "associate" and we also propose a separate definition of "associate" which would also cover associated companies.'

Can you discuss the provisions for a prescribed form for a statutory demand by a creditor?

'At present, there is no prescribed form in the Companies Ordinance for a statutory demand, so a company may be tempted to challenge the validity and effect of a purported statutory demand it is served with. Further, companies which fail to appreciate the serious consequence of a statutory demand could be caught up in winding-up proceedings. Therefore, we propose to adopt a prescribed form of statutory demand, which should contain a statement of the consequences of ignoring the demand, so that a debtor company would be alerted to the consequence of ignoring the demand and also unnecessary and costly dispute over the validity and effect of any purported statutory demand could be avoided.'

What legislative timetable is the government hoping to achieve for the current consultation proposals?

'Subject to the outcome of the consultation, the government plans to introduce an amendment bill into LegCo in 2014/ 2015.'

Is Hong Kong lagging behind other major jurisdictions in terms of its corporate insolvency legislation?

'The corporate insolvency and winding-up provisions in Hong Kong were first introduced in 1865 and those in the Companies Ordinance now are broadly based on the Companies Act 1929 and the Companies Act 1948 of the UK. The last major review of these provisions was conducted back in 1984. While a number of amendments have been made to various insolvency and winding-up provisions in the Companies Ordinance since then with focus on specific issues, some common law jurisdictions have embarked upon more extensive exercises to reform their corporate insolvency and winding-up laws. For example, in the UK, the Insolvency Act 1986 was enacted and substantial amendments were made to the Australian corporations law in 1993.

Hence, there is a need to conduct a comprehensive review of the corporate insolvency and winding-up provisions in the Companies Ordinance in Hong Kong to ensure that our legislation provides an effective process of liquidation in Hong Kong and does not lag behind other major jurisdictions.'

> ***The consultation paper, available on the Financial Services and Treasury Bureau website (www.fstb.gov.hk), closes 15 July 2013.***

A review of seminars: April – May 2013

29 April 2013

Y T Soon (Chair) and Samuel Li

From Y T Soon FCIS FCS, Director, Corporate Services, Tricor Services Ltd, and chair of the seminar delivered by Samuel Li, Samuel Li & Co, Solicitors & Notaries, on ***'Employers' liability insurance – what company secretaries should know (re-run)'.***

'Samuel is a very experienced legal practitioner and adviser in this area. He concisely explained the main features and key statutory provisions relating to employers' liability insurance and highlighted the matters that employers and employees should pay attention to. Samuel's in-depth knowledge on the topic was demonstrated by his many case studies. This enabled the attendees to have a better understanding of the issues. The presentation was well received and there was a good interaction between the presenter and the audience.'

3 May 2013

From left: Susan Lo (Chair), Roy Lo and Gloria So

From Susan Lo FCIS FCS, Executive Director, Head of Learning & Development Department, Tricor Services Ltd, and chair of the seminar delivered by Roy Lo, Deputy Managing Partner, and Gloria So, Risk Manager, Shinewing Risk Services Ltd, on ***'Environmental, social and governance factors for listed companies in Hong Kong'.***

'Our speakers Roy and Gloria impressed the audience with their expertise in the subject, giving us extensive practical guidance in the writing of an ESG report covering environmental, social and governance issues. Among other materials, they included an outline of the Hong Kong Exchanges and Clearing draft ESG Reporting Guide and explained the key areas to be covered. The case sharing was particularly interesting and useful. Well done, both!'

7 May 2013

From left: Gillian Meller, Rosie Halfhead and Dr Davy Lee (Chair)

From Dr Davy Lee FCIS FCS(PE), Group Corporate Secretary, The Lippo Group and HKICS Past President, and chair of the seminar delivered by Rosie Halfhead, Programme Director, Community Business and Gillian Meller, Legal Director & Secretary, MTR Corporation Ltd, on ***'Developing a meaningful and relevant board diversity policy'.***

'We listened to an excellent topic delivered by two excellent speakers. The seminar was informative and useful in developing a meaningful and relevant board diversity policy. There was nearly a full-house attendance.'

9 May 2013

Dr David Ng (Chair) and Dr Eva Chan

From Dr David Ng FCIS FCS, Director, Lippo Asia Ltd, and chair of the seminar delivered by Dr Eva Chan, FCIS FCS(PE), Head of Investor Relations, C C Land Holdings Ltd, HKICS Council Member and Chairman of Hong Kong Investor Relations Association, on ***'Building investor relations under the new Listing Rules and statutory regulations'.***

'Dr Chan briefly introduced the Listing Rules and SFO on disclosure of Inside Information and then continued the discussion on Investor Relations (IR); the growing importance of the profession; and how to build an IR program. The seminar focused on how IR can enhance transparency, lower risk and increase corporate and shareholder value. Dr Chan illustrated the key points by using practical examples. The seminar was well delivered and received by the attendees.'

10 June 2013

From left: Mohan Datwani (Chair), Susie Cheung (HKICS Council Member), Stefan Lo, Ted Tyler and Edwin Ing (HKICS Interim Chief Executive)

From Mohan Datwani, LLB LLM MBA (Distinction) (Iowa) Solicitor (Hong Kong, England and Wales) & Accredited Mediator (HKIAC), Director, Technical and Research, HKICS, and chair of the seminar delivered by Ted Tyler and Stefan Lo on ***'The new Companies Ordinance (Cap 622) – an overview'.***

'The seminar contained a wealth of information from true experts both of whom have been involved in the Companies Ordinance (CO) rewrite exercise and the preparation of the new CO. Ted Tyler, the guru, who wrote the three volume loose-leaf Companies Ordinance Annotation for Butterworth, with his teammate, Stefan Lo went through 21 parts of the Ordinance, showing the need for us to play catch-up to the Companies Ordinance coming into force in Q1 of 2014.'

HKICS appoints new Chief Executive

The Council of HKICS is pleased to announce the appointment of Samantha Suen *FCIS FCS* as Chief Executive to oversee the Institute's Secretariat. Ms Suen, whose appointment began on 1 July 2013, is a senior Fellow of the HKICS, with which she has a long association, and has extensive experience as a Chartered Secretary. The Council of HKICS is confident that Ms Suen will contribute positively to ensuring that the highest level of services possible continue to be provided to members and students, and will help enhance the profession of the Chartered Secretary as governance professionals.

An interview with Samantha will be published in a forthcoming editon of *CSj*.

The Council would also like to take this opportunity to express its most sincere gratitude and appreciation to Interim Chief Executive Edwin Ing for his leadership and contribution during the past few months. Wishing Edwin all the best in his future endeavours.

The Council, HKICS

ACRU 2013 photo gallery

The Institute's 14th Annual Corporate and Regulatory Update (ACRU) was held on 31 May 2013 at the Hong Kong Convention and Exhibition Centre. There were four sessions this year with presentations by speakers from the Companies Registry (CR), Hong Kong Exchanges and Clearing Ltd (HKEx), the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC). This month's *CSj* brings you full coverage of the event in our articles on pages 8-20.

The Institute would like to thank the speakers, sponsors, supporting organisations, chairpersons, the HKICS Secretariat and the full house of 1,400 attendees for their support of this event.

(From left to right) Charles Grieve, Senior Director of Corporate Finance, SFC; Edith Shih, President, HKICS; and Jennifer Lee, Director of Corporate Finance, SFC

(From left to right) Steve Ong, Vice-President, Listing Department, HKEx; Natalia Seng, Past President, HKICS; Christine Kan, Senior Vice-President, Listing Department, HKEx; Mohan Datwani, Director, Technical & Research, HKICS; Stephen Jamieson, Vice-President, Listing Department, HKEx; Grace Hui, Senior Vice-President and Chief Operating Officer, Listing Department, HKEx; and Dr Maurice Ngai, Vice-President, HKICS

(From left to right) Edith Shih, President, HKICS; Marianna Yu, Deputy Registry Manager (Registration), Registration Division, CR; Kitty Tsui, Acting Assistant Principal Solicitor, Legal Services Division, CR; Phyllis McKenna, Deputy Principal Solicitor (Company Law Reform), CR; and Natalia Seng, Past President, HKICS

(From left to right) Polly Wong, Chairman, Professional Development Committee, HKICS; Stewart McGlynn, Senior Manager, Anti-Money Laundering, Banking Supervision Department, HKMA; and Edith Shih, President, HKICS

New Graduates

Lai Pui Ying	Lau Sze Nga	Tsang Wai Yee

Newly appointed company secretaries

The Institute would like to congratulate the following members on their appointments as company secretaries of listed companies:

Company secretary	Listed company	Date of appointment
Cheng Wai Hei *ACIS ACS*	Inno-Tech Holdings Ltd (stock code: 8202)	7 May 2013
Tai Kar Lei *FCIS FCS*	Li Ning Company Ltd (stock code: 2331)	13 May 2013
Yu Miu Yee, Iris *ACIS ACS*	Sino-Tech International Holdings Ltd (stock code: 724)	15 May 2013
Yue Pui Kwan *ACIS ACS*	Gemini Investments (Holdings) Ltd (stock code:174)	24 May 2013
Wu Tai Cheung *ACIS ACS*	Shenyang Public Utility Holdings Company Ltd (stock code: 747)	27 May 2013
Wong Mei Ling, Marina *FCIS FCS*	Langham Hospitality Investments and Langham Hospitality Investments Ltd (stock code: 1270)	30 May 2013
Pak Wai Keung, Martin *ACIS ACS*	China Kingstone Mining Holdings Ltd (stock code:1380)	1 June 2013

New Fellows

The following new Fellows were elected between March and May 2013.

Jiang Guo Liang, Kenneth *FCIS FCS*
Mr Jiang is currently the Chief Representative of the Institute's Beijing Representative Office (BRO). He is responsible for: liaison with the Mainland's regulators, governmental departments and tertiary institutions in promoting our profession and HKICS qualification; raising members' awareness of the Chinese business and regulatory environment; and supporting the development of HKICS professional training and educational programmes in the Mainland. Mr Jiang holds a master's degree in Engineering Business Management from The Jiangsu University, a certificate from the Advanced Executive Development Program on Public and Business Administration from University of Maryland (USA) and a post-experience certificate in Engineering Management from The University of Warwick (UK). He is a Senior Engineer of the Ministry of Machinery & Electronics Industry.

Nip Kwok Wai *FCIS FCS* was also newly appointed as a Fellow.

Fellows-only benefits

Fellows are leaders of the profession. These highly qualified and respected role models are crucial in maintaining the growth of the Institute and the Chartered Secretary profession.

As per Council's direction, the promotional campaign to increase the number of Fellows continues. Act now and enjoy a special fee rate for the Fellowship election fee of HK$1,000 and the exclusive Fellowship benefits below:

- Invitation to attend two Institute annual events following your Fellowship election – annual dinner and convocation
- Eligibility to attend Fellows-only events
- Priority enrolment for Institute events with seat guarantee, and
- Speaker or Chairperson invitations at ECPD seminars (extra CPD points are awarded for these roles).

Application requirements:

- At least one year of Associateship
- At least eight years' relevant work experience, and
- Engagement in company secretary, assistant company secretary or senior executive positions for at least three of the past 10 years.

For enquiries, please contact Adrian Wong or Cherry Chan at the Membership section at 2881 6177, or member@hkics.org.hk.

Membership activities

Grooming for Leadership series – preparing an impressive CV for successful interviews

The Institute has launched a new series of workshops called 'Grooming for Leadership'. Targeting new Associates elected since January 2011, participants can learn practical tips from experts on a variety of work-oriented topics to prepare for their career development.

The inaugural workshop was held on 20 May 2013 with over 80 attendees. The content of the seminar was broad with experts from a recruitment consultancy, a listed company, a professional firm and an image consultancy sharing practical tips on CV preparation and interview technique:

- Consultants from Robert Walters shared the latest recruitment trends and salary updates for Chartered Secretaries
- Edith Shih *FCIS FCS(PE)*, HKICS President and Head Group General Counsel and Company Secretary of Hutchison Whampoa Ltd, gave advice on covering letters and CV preparation with examples
- Natalia Seng *FCIS FCS(PE)*, HKICS Past President and Chief Executive Officer – China & Hong Kong of Tricor Group/ Tricor Services Ltd, shared tips on how to impress interviewers, and
- Certified Image Architect Allan Lee *FCIS FCS* highlighted tips for dressing smartly at interviews and the magic of colour.

Ascent Partners and Lippo Group were the sponsors of this event. More photos taken at the workshop are available at the gallery section on the Institute's website.

Watch out for more upcoming workshops in the 'Grooming for Leadership' series.

(Second from the left) Estefania Altuve and Ricky Mui, Robert Walters; Natalia Seng; Dr Eva Chan FCIS FCS(PE), Council Member and Membership Committee Vice-Chairman; Allan Lee; and Eric Chan FCIS FCS(PE), Membership Committee Member

Ricky Mui presenting at the workshop

Allan Lee explaining guidelines on professional dress codes

Edith Shih and Natalia Seng sharing insights from the employers' perspective

At the workshop

Happy Friday for Chartered Secretaries

Join us for networking and view sharing at these warm and friendly members' gatherings after work on Fridays.

Chinese ethics in business

The latest Happy Friday was held on 21 June 2013 and gave participants a chance to learn from Dr Davy Lee *FCIS FCS*, HKICS Past President and Group Corporate Secretary, Lippo Group on 'Chinese ethics in business' (应用于商业之中式道德观念). Details with photos will be reported in the next issue of *CSj*.

Eye care for professionals

Chartered Secretaries subject their eyes to heavy and prolonged use in fulfilling their workday tasks. Have you suffered from eye strain, blurred vision or eye pain, or even dry eyes which lead to trouble with wearing contact lenses? Can this simply be treated by a few drops of artificial tears? What are some of the best ways to improve and maintain good eyesight? Come and join this Happy Friday on 19 July 2013 to learn more about eye care.

For details, please refer to the flyer on page 43, the Institute's website or contact the Membership section at 2881 6177.

Members' luncheon

A Members' luncheon will be held on 5 September 2013 with Anna Wu *GBS, JP*, Chairman, Mandatory Provident Fund Schemes Authority and Chairperson, the Competition Commission as the guest speaker.

For more information, please visit the Institute's website or contact the Membership section at 2881 6177.

Affiliated Persons ECPD seminars in Xian

The Institute organised the 29th Affiliated Persons (AP) ECPD seminars in Xian on 22 to 24 May. The seminars were on the theme 'Insider information, insider dealing control and effective corporate regulation and governance' and attracted over 110 participants, including 36 from A+H-share companies, 37 from H-share companies, 11 from Red-chip companies, eight from to-be-listed companies and four from A-share companies.

At the seminar, three members of the HKICS Affiliated Persons Research Group responsible for the *Guidelines for Insider Information Practice of A+H-Share Companies* (the Guidelines) spoke about the Guidelines and shared their thoughts and experience respectively. The Guidelines were further discussed and received positive feedback from attendees at the discussion session. Dr Gao Li of the Acquisition and Reorganization Committee of the China Securities Regulatory Commission (CSRC), together with other senior professionals and senior board secretaries also shared their views and experiences with the attendees.

A dinner gathering was held after the seminars on 22 May for networking and mingling. The Institute would like to express its sincere thanks to the associate organiser, Shinewing CPA Ltd, and the sponsor Wonderfulsky Financial Group for supporting and sponsoring the seminars and the dinner gathering.

At the seminar

Mandatory CPD

MCPD programme in-house training policy update

With effect from 1 January 2013, course providers applying to contribute to in-house mandatory CPD training courses should send in their application form signed by a Fellow who is also a holder of the HKICS Practitioner's Endorsement (PE).

Mandatory CPD requirements

Members who qualified between 1 January 2005 and 31 July 2012 are required to accumulate at least 15 mandatory continuing professional development (MCPD) or enhanced continuing professional development (ECPD) points by 31 July in each CPD year.

Members are reminded to fill in the MCPD Form I - Declaration Form and submit it to the secretariat by fax (2881 5755), or by email (mcpd@hkics.org.hk) by 15 August 2013, to ensure compliance for the 2012/13 MCPD year.

Members who work in the corporate secretarial (CS) sector and/ or for trust and company service providers (TCSPs) have to obtain at least three points out of the 15 required points from the Institute's own ECPD activities.

Members who do not work in the CS sector and/ or for TCSPs have the discretion to select the format and areas of MCPD learning activities that best suits them. These members are *not* required to obtain ECPD points from HKICS (but are encouraged to do so) nevertheless they must obtain 15 MCPD points from suitable providers.

Submission of declaration form

Once the MCPD requirement of 15 CPD points has been fulfilled during the 2012/13 CPD year (that is, 1 August 2012 to 31 July 2013), please fill in the MCPD Form I - Declaration Form and submit it to the secretariat by fax (2881 5755) or by email (mcpd@hkics.org.hk) by 15 August 2013.

Exemption from mandatory CPD requirements

Exemption from MCPD requirements is available to retired members and honorary members. Members in distress or with special grounds (such as suffering from long-term illness or where it is impractical to attend or access CPD events) may also apply for exemption from MCPD to the Professional Development Committee and are subject to approval by the committee at its sole discretion.

Enhanced CPD programme

The Institute cordially invites you to take part in our ECPD Programme, a professional training programme that best suits the needs of company secretaries of Hong Kong listed issuers who need to comply with the mandatory requirement of 15 CPD hours every year. The Institute launched its MCPD programme in August 2011 and, from January 2012, its requirement for Chartered Secretaries to accumulate at least 15 CPD points each year has been backed up by a similar requirement in Hong Kong's listing rules.

More information on the Hong Kong Exchanges and Clearing requirements can be found in the consultation conclusions to the 'Review of the Corporate Governance Code and Associated Listing Rules' on the Exchange's website (www.hkex.com.hk). To learn more about Institute's ECPD Programme, please visit the Institute's website (www.hkics.org.hk).

Membership application deadlines

Members and Graduates are encouraged to advance their membership status once they have obtained sufficient relevant working experience. Fellowship and Associateship applications will be approved by the Membership Committee on a regular basis. If you plan to apply, please note the following submission deadlines and the respective approval dates (subject to receipt of application and supporting documentation).

Submission deadlines	Approval dates
Saturday 7 September 2013	Tuesday 8 October 2013
Tuesday 5 November 2013	Late November 2013

For details, please contact the Membership section at 2881 6177.

CHARTERED SECRETARIES
特許秘書

Happy Friday for Chartered Secretaries

Eye Care for Professionals

Chartered Secretaries use their eyes for heavy and prolonged periods to fulfill their tasks. Have you suffered from eye strain, blurred vision or eye pain, or even dry eyes which lead to trouble in wearing contact lenses? Can this simply be treated by a few drops of artificial tears? What are some of the best ways to improve and to maintain good eyesight?

Come and join the next gathering on 19 July 2013 with chilled wine, drinks and snacks and learn from experts practical tips on eye care and the ways Ophthalmology of Traditional Chinese Medicine (中醫眼科) can help to overcome eye problems.

Guest speakers

Mr Vincent Chui

- Registered Optometrist (Part I)
- Former Associate Consultant Optometrist, School of Optometry, The Hong Kong Polytechnic University

Mr Edwin Wong

- Registered Chinese medicine practitioner

Details

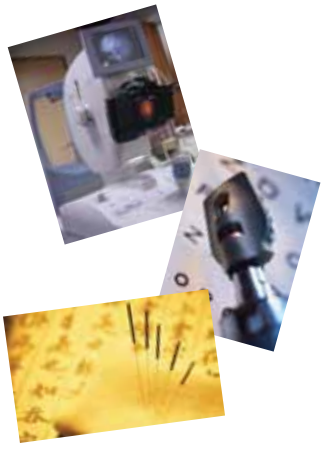
MCPD Point: (TBC)

Date	:	19 July 2013 (Friday)
Time	:	6.45 p.m. – 8.00 p.m. (Networking starts at 6.30 p.m.)
Venue	:	27/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong (TBC)
Fee	:	HK$100 (With chilled wine, drinks & snacks)
Language	:	Cantonese

Fellows-only benefit

- Priority enrolment with seat guarantee if registered on or before 28 June 2013

Programme



6.30 p.m. – 6.45 p.m. Registration and networking

6.45 p.m. – 7.30 p.m. Opening remarks

Sharing by Vincent on:

- Common vision problems for professionals from:
  - Long term use of computers
  - Use of smart phone & tablet under dim environment
  - Aging; mishandling of contact lenses
- Ways to correct vision and optimise quality of life
  - Tips for relief from dry eye symptoms
  - Posture in the workplace, and more...

Sharing by Edwin on:

- Key features of Ophthalmology of Traditional Chinese Medicine (TCM)
- TCM eye treatments for common vision problems
- TCM practical tips on eye health care - Chinese herbs, soups, exercises

7.30 p.m. – 7.50 p.m. Sharing of views

7.50 p.m. – 8.00 p.m. Wrap up and closing

For more information, please visit the Institute's website at www.hkics.org.hk or contact the Secretariat at 2881 6177.

Scan to share with other HKICS members!

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IQS examination timetable (December 2013)

	Tuesday 3 December 2013	Wednesday 4 December 2013	Thursday 5 December 2013	Friday 6 December 2013
09:30–12:30	Hong Kong Financial Accounting	Hong Kong Corporate Law	Strategic and Operations Management	Corporate Financial Management
14:00–17:00	Hong Kong Taxation	Corporate Governance	Corporate Administration	Corporate Secretaryship

The enrolment period will be from 1 to 30 September 2013. The enrolment form can be downloaded at the Institute website from 1 September onwards.

Seminar for Collaborative Course students – Insider dealing and corporate governance

On 1 June 2013, the Institute organised a seminar at The Hong Kong Polytechnic University for collaborative courses students. The guest speaker, Dr Brian Lo *FCIS FCS*, Vice-President and Company Secretary of APT Satellite Holdings Ltd, gave a presentation on 'Insider dealing and corporate governance'. The seminar was well received by over 80 attendees.

Ms Anna Sum FCIS, FCS (left), PolyU presenting a souvenir to Dr Brian Lo FCIS FCS (right)

Student Ambassadors Programme (SAP) – Annual General Meeting

The secretariat arranged for its student ambassadors to attend the annual general meeting of China Mobile Ltd on 30 May 2013.

The Institute would like to thank China Mobile Ltd for its support.

At the China Mobile Ltd annual general meeting

Lingnan University award presentation ceremony 2013

Francis Yuen *FCIS FCS*, Education Committee member, attended the award presentation ceremony at Lingnan University on 15 April 2013.

Mr Francis Yuen and recipients

Hong Kong Baptist University scholarship and bursary donors' tea reception 2012-2013

Bernard Wu *FCIS FCS*, Education Committee member, attended the scholarship and bursary donors' tea reception at the Hong Kong Baptist University on 30 April 2013.

Mr Bernard Wu and the recipients

HKU SPACE open day (增值空间开放日)

Dr Davy Lee *FCIS FCS(PE)*, Group Corporate Secretary, Lippo Group and HKICS Past President, was invited to give a presentation on the topic " '企业面对市场竞争、环境改变、金价大跌、楼市高企、货币贬值' 探讨将中华文化融入企业管理哲学是否可以解决以上问题?" at the HKU SPACE open day forum on 8 June 2013. Over 80 participants attended the forum.

Dr Davy Lee presenting at the forum

Upcoming Activities

IQS information session

This free seminar will include information on the International Qualifying Scheme (IQS). A member of the Institute will share their valuable experience and discuss career prospects after acquiring the Chartered Secretarial qualification

Members and students are encouraged to recommend this information session to any friends or colleagues who may be interested to learn more about IQS and the Chartered Secretarial profession.

For enquiries, please contact the Education & Examinations section at 2881 6177.

Date	Monday 22 July 2013
Time	19:00 – 20:30
Speaker	Ho Wing Yan, Queenie *ACIS, ACS(PE)*
Venue	Joint Professional Centre (JPC), Unit 1, G/F, The Center, 99 Queen's Road, Central
Enrolment Deadline	Monday 15 July 2013 [on a first-come-first-served basis. Participants will receive an email confirmation]

Important Notice – IQS Hong Kong Corporate Law study pack

In order to facilitate students with their preparations for the International Qualifying Scheme (IQS) examination, the Institute is developing a study pack for the subject of Hong Kong Corporate Law which will be released in about two months' time. This study pack will be mandatory for all students who enrol for the Hong Kong Corporate Law examination (with effect from the December 2013 examination). Detailed arrangements regarding purchasing the study pack will be announced in due course via email.

Executive Diploma in PRC Corporate Administration/ PRC Corporate Governance by HKU SPACE

The Executive Diploma in PRC Corporate Administration/ PRC Corporate Governance has been launched in collaboration with the College of Business & Finance, HKU SPACE. This advanced training programme is designed to strengthen professionals' understanding of corporate administration and governance in the PRC. The course will be conducted in Putonghua and Cantonese.

Students who attain at least 75% attendance for each module (that is, at least 18 hours out of a total of 24 hours) will be awarded up to 18 Enhanced Continuing Professional Development (ECPD) points.

Students have to complete four required modules to acquire the Executive Diploma (in either Corporate Administration or Corporate Governance).

There will be two modules offered in August as follows:

1. Corporate Governance (date: 24 August 2013)

2. Corporate Administration (date: 25 August 2013)

Applicants must provide their member/ student numbers for the purposes of entry requirement verification and ECPD registration. Applicants will receive notification emails regarding the payment of the tuition fees and submission of completed enrolment forms to HKU SPACE.

For enquiries, please call Ms Wong (2867 8481) or Ms Lee (2867 8473) of HKU SPACE. For details of the ECPD points arrangement, please contact the Institute at 2881 6177.

Third batch of Companies Ordinance subsidiary legislation gazetted

The third batch of subsidiary legislation for the implementation of the new Companies Ordinance was gazetted in May. The new Companies Ordinance was passed by the Legislative Council on 12 July 2012 but its implementation awaits the passing of 12 pieces of subsidiary legislation which provide for various administrative, technical and procedural matters.

This third batch comprises four pieces of subsidiary legislation as outlined below.

1. ***The Companies (Model Articles) Notice*** – The new Companies Ordinance abolishes memorandums of association for all companies in Hong Kong. Deeming provisions ensure that any reference to a memorandum of association is a reference to articles of association. All companies incorporated in Hong Kong are required to have articles of association to regulate their internal management, and The Companies (Model Articles) Notice sets out three sets of model articles for companies to adopt at their volition.

2. ***The Company Records (Inspection and Provision of Copies) Regulation*** – The Companies Ordinance provides the rights to inspect certain records required to be kept by companies. The provisions concerning the rights to inspect and obtain copies of records are contained in the principal ordinance, but the proposed subsidiary legislation will deal with the detailed provisions concerning the arrangements for inspection and provision of copies and related matters.

3. ***The Companies (Non-Hong Kong Companies) Regulation*** – Non-Hong Kong companies are required to apply for registration within one month of the establishment of a place of business in Hong Kong. In addition, they must deliver to the Companies Registry certified copies of their certificate of incorporation, constitution, latest accounts as well as annual returns. The proposed subsidiary legislation details these requirements applicable to non-Hong Kong companies.

4. ***The Companies (Fees) Regulation*** – This regulation sets out the fees payable to the Registrar of Companies and miscellaneous fees.

Two amendment regulations, namely the Companies (Revision of Financial Statements and Reports) (Amendment) Regulation 2013 and the Companies (Disclosure of Information about Benefits of Directors) (Amendment) Regulation 2013, were also gazetted alongside the third batch of subsidiary legislation. The two amendment regulations give effect to several changes to the corresponding subsidiary legislation in the second batch (gazetted in April this year). Such changes were considered by the relevant subcommittee of the Legislative Council in April.

The third batch of four pieces of subsidiary legislation and the two amendment regulations were tabled in the Legislative Council on 29 May and will be subject to negative vetting procedures. The subsidiary legislation is scheduled to come into operation together with the new Companies Ordinance in the first quarter of 2014.

More information is available on the websites of the Financial Services and Treasury Bureau and Companies Registry (www.fstb.gov.hk and www.cr.gov.hk).

The Essential Company Secretary

A new edition of *The Essential Company Secretary* will be available later this month. This guideline is an excellent one-stop guide to the essential responsibilities and duties expected of a company secretary of a listed company. It highlights the provisions of legislation and regulation in Hong Kong relating to the role and responsibilities of company secretaries; the standards of professional conduct expected of members of the Hong Kong Institute of Chartered Secretaries; and provides guidance on best practice for the key functions of company secretaries such as the provision of board support and corporate governance advice.

The revised guide will be available later this month on the HKICS website (www.hkics.org.hk) under 'publications/ guidelines'. A review of the guide will be published in a forthcoming edition of CSj.

GRI G4 launched

The latest generation of reporting guidelines from the Global Reporting Initiative (GRI) were launched in May this year. GRI, an international not-for-profit organisation, has been developing its free reporting guidelines since the late 1990s, and they have grown to become the most widely-used and comprehensive sustainability reporting guidelines globally. The guidelines are designed to help all companies and organisations report on their economic, environmental, social and governance performance.

G4 has been significantly revised and enhanced in order to reflect important current and future trends in the sustainability reporting landscape. The new G4 guidelines focus on the disclosure of material issues. This is intended to encourage reporting organisations to provide only disclosures and indicators that are material to their business, on the basis of a dialogue with their stakeholders. 'This will allow reporting organisations and report users alike to concentrate on the economic, environmental, and social impacts that really matter, resulting in reports that are more strategic, more focused and more credible, as well as easier for stakeholders to navigate,' a GRI press release stated.

Other key enhancements in G4 include increased user-friendliness and greater accessibility for those new to reporting, and harmonisation with other important global frameworks, including the OECD MNE Guidelines, the United Nations Global Compact Principles, and the UN Guiding Principles on Business and Human Rights.

This latest revision of the guidelines marks the culmination of two years of extensive stakeholder consultation and dialogue. Working Groups from across the world, comprising 120 members from diverse constituencies including labour, business and civil society specialists, have contributed. Two public consultations in 2011 and 2012 generated a total of more than 2,500 responses.

The G4 GRI guidelines were launched at the Amsterdam Stock Exchange on Wednesday 22 May. More information is available at the GRI website: www.globalreporting.org.

Rewarding the Extraordinary

CHARTERED SECRETARIES
特許秘書
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The Hong Kong Institute of Chartered Secretaries Prize 2013

Call for Nominations

The Hong Kong Institute of Chartered Secretaries (HKICS) Prize is open for nominations. Now in its fourth year, the Prize will be awarded to a member or members who have made significant contributions to the Institute and the Chartered Secretary profession over a substantial period.

Awardees are bestowed with the highest honour – recognition by their professional peers. We urge you to submit your nominations now!

The nomination deadline is Monday, 30 September 2013. Please visit www.hkics.org.hk or contact the Secretariat at 2881 6177 for more details.

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