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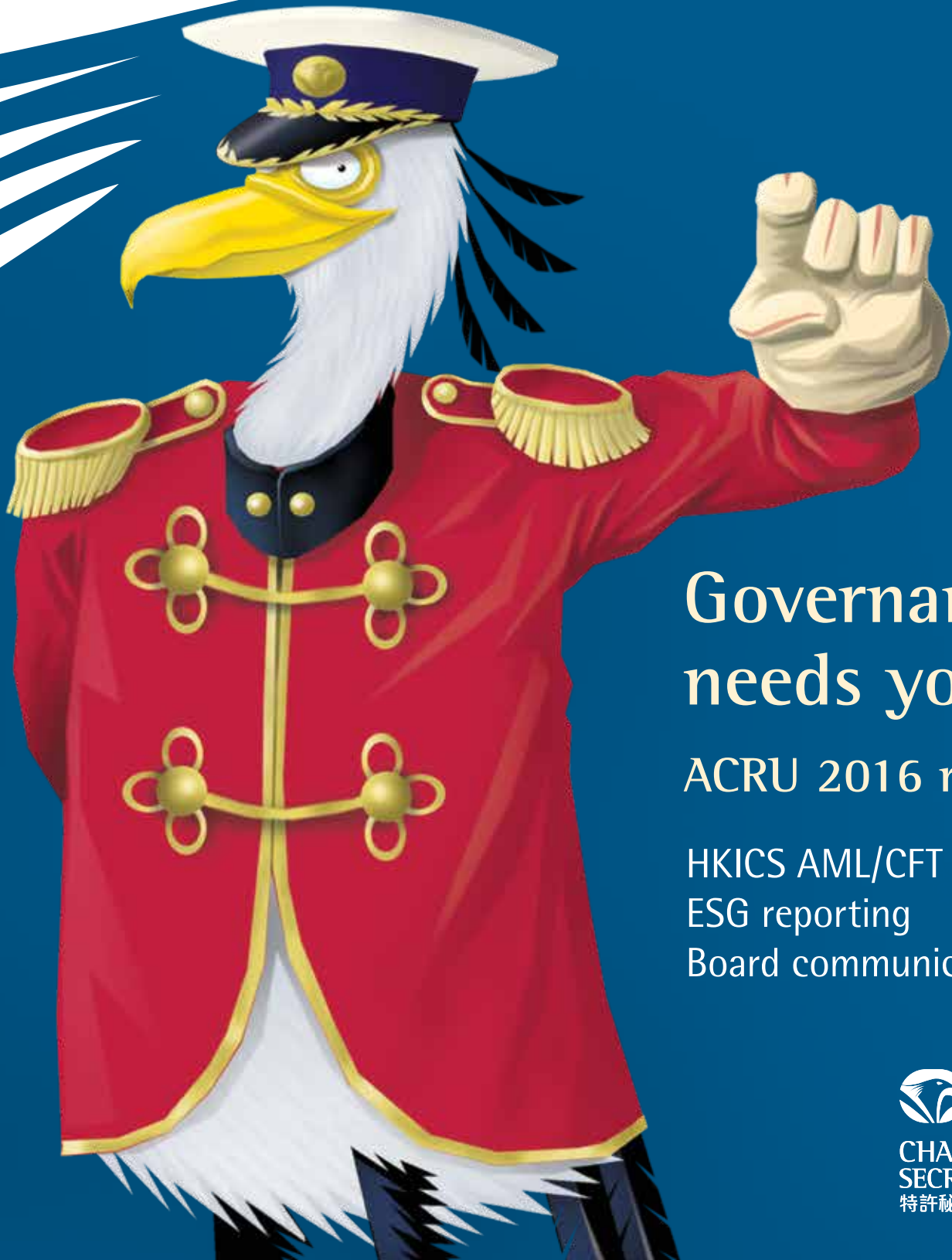
June 2016

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The journal of The Hong Kong  
Institute of Chartered Secretaries

香港特許秘書公會會刊



## Governance needs you

ACRU 2016 review

HKICS AML/CFT Charter  
ESG reporting

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# HKICS ACRU 2016

Annual Corporate and Regulatory Update

## ~Thank You~

The Hong Kong Institute of Chartered Secretaries (HKICS) proudly announces that over 1,700 Chartered Secretaries and governance professionals attended the 17th Annual Corporate and Regulatory Update conference on May 20 2016.

Our sincere gratitude to the Companies Registry, Financial Services and the Treasury Bureau, Hong Kong Exchanges and Clearing Limited, Securities and Futures Commission, the Official Receiver's Office, all sponsors, supporting organisations and the participants in making HKICS's largest annual conference a success.

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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 over 5,800 members and 3,200 students.

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## Join us in the AML/CFT fight

First of all, I would like to thank everyone involved in last month's Annual Corporate and Regulatory Update (ACRU). We have seen ACRU go from being a small-scale seminar to the major conference it is today and this latest ACRU, the 17th in the series, attracted a record attendance of 1,700 people. I would like to take this opportunity to express our special thanks to the speakers; the sponsors and supporting organisations; the secretariat for the hard work in putting the event together; but also to the attendees who ensured a lively debate with their questions. It is, after all, this direct dialogue between regulators and market practitioners which has been the crucial ingredient of ACRU's success.

This month's CSj brings you a review of ACRU 2016 (see pages 6-17), but it also covers another highly significant event held by our Institute last month – the launch of a new initiative to strengthen Hong Kong's anti-money laundering and counter-financing of terrorism (AML/CFT) defences. As noted in the review of this initiative (see pages 22-25) in this month's journal, our Institute has played a key role in the AML/CFT fight over the years. We launched our first guideline in this area in 2008. It has become increasingly clear, however, that we need to go further than providing guidelines,

and it is in this context that our Institute has now unveiled its HKICS AML/CFT Charter.

Under the self-regulatory model permitted by the Financial Action Task Force (FATF), the Charter requires subscribing organisations to demonstrate that they meet the Charter's standards on AML/CFT. These standards are set out in the HKICS AML/CFT Guideline, which was launched in tandem with the Charter. The Guideline is freely available on our website and we hope that it will be useful to all corporate service providers (CSPs), irrespective of whether they are our members. The Charter goes further, however, and confers a mark of quality on those organisations who publicly sign up to abide by the Guideline's standards and apply to become an HKICS AML/CFT Organisation.

As you might expect, this initiative has been a major undertaking by our Institute and has been over two years in the making. I would like to thank our two former Presidents, Natalia Seng and Samantha Suen, now HKICS Chief Executive, for the original idea of establishing a self-regulatory option for CSPs in Hong Kong. This was then championed by Paul Moyes, HKICS Council Member and Chair of the HKICS Professional Services Panel, and given shape by Mohan Datwani, HKICS Senior Director and Head of Technical & Research, who drafted the materials and took in comments from the government and the founding subscribers.

I would also like to express gratitude for all the support extended by the members of our AML/CFT Charter Advisory Board on standard setting and disciplinary related matters. The Advisory Board comprises: Edith Shih, our former President and Senior Vice-President of the UK's Institute of Chartered Secretaries and Administrators (ICSA); Anthony Rogers, former Vice-President of the Court of Appeal; and Dr PM Kam, former Chief Executive Officer of the Financial Reporting Council. The Institute will continue to update members on the progress of this initiative, as well the developing regulatory regime relating to AML/CFT issues.

Finally, before I go, I would like to mention the forthcoming corporate governance conference which we will be holding on 23-24 September 2016. Like ACRU, our biennial corporate conferences have been highly successful events which have grown in scale as well as reputation over the years. This year's forum will be on the theme: 'Corporate governance: inside and out – forces shaping the corporate governance landscape' and has already attracted an impressive line-up of speakers. Further details are on the conference website: [www.hkics.org.hk/CGC2016](http://www.hkics.org.hk/CGC2016). Discounts are available until 15 July 2016 – sign up now to avoid disappointment!

Ivan Tam FCIS FCS

# 攜手打擊洗黑錢與恐 怖分子籌資活動

首先，我衷心感谢所有参与上月公司规管最新发展研讨会(ACRU)的人士。ACRU从起初的小型讲座渐渐发展成目前的大型研讨会，今年第17届ACRU共吸引了1,700多人参加，出席人次再创新高。我藉此机会向讲者、赞助及支持机构致以由衷的谢意，并感谢秘书处辛劳工作，使研讨会得以顺利举行；同时亦感谢出席的与会人士积极提问，为研讨会带来热烈的讨论气氛。事实上，ACRU的成功要素，正是监管者与市场从业员之间的这种直接沟通。

除报道ACRU 2016的讨论内容（见第6至17页）外，本期月刊亦介绍会上月进行的另一项重要工作，就是推出加强在香港打击洗黑钱与反恐怖分子筹资活动的新举措。正如本期的相关文章（见第22至25页）所述，公会于2008年发出首份相关指引，在打击洗黑钱与反恐怖分子筹资活动方面一直担当积极角色。然而，我们愈发注意到，除了提供指引外，有必要进一步加强这方面的工作。因此，公会推出了《打击洗黑钱与反恐怖分子筹资活动约章》（《约章》）。

在财务行动特别组织容许的自我规管模式下，《约章》要求签署机构


显示其能符合《约章》内有关打击洗黑钱与反恐怖分子筹资活动的标准；这些标准载列于与《约章》同时发布的《打击洗黑钱与反恐怖分子筹资活动指引》（下称《指引》）内。《指引》可于公会网站免费下载，我们希望此《指引》对公司秘书服务机构的从业员有所启发，无论他们是否公会会员。《约章》亦藉此表扬于此范畴的优质机构，凡公开签署《约章》，承诺遵守《指引》所载的标准，并申请成为公会认可的打击洗黑钱与反恐怖分子筹资活动机构，均可获发优质标志。

如你所料，这是公会的一项重大行动，前后经过两年多筹备才得以落实推行。我谨感谢两位前会长，即沈施加美和现任公会总裁孙佩仪，她们率先构思为香港的公司秘书服务机构设立自我规管机制，其后得到公会理事兼专业服务小组主席梅思博和应支持，并由公会高级总监兼专业知识及研究部主管高朗负责草拟相关文件，向政府与创始签署机构谘询意见。

此外，我谨感谢打击洗黑钱与反恐怖分子筹资活动谘询委员会的成员，就制定标准与纪律事宜提供意见。谘询委员会成员包括公会前会长、英国特

许秘书及行政人员公会资深副会长施熙德律师；高等法院上诉庭前副庭长罗杰志御用大律师；及财务汇报局前行政总裁甘博文博士。公会将继续为会员报告这方面的工作进展，以及有关打击洗黑钱与反恐怖分子筹资活动规管制度的发展更新。

最后，我顺带一提，公司治理研讨会(CGC)将于2016年9月23至24日举行。一如ACRU，这个研讨会历来相当成功，规模及声誉与日俱增。今年主题为「影响公司治理实务发展的内外力量」，多位讲者已应允出席，详情可浏览研讨会网页：[www.hkics.org.hk/CGC2016](http://www.hkics.org.hk/CGC2016)。2016年7月15日前报名享折扣优惠。为免向隅，报名从速。



谭国荣先生 FCIS FCS



# Governance needs you: ACRU 2016 review







Regulators at the Hong Kong Institute of Chartered Secretaries' latest Annual Corporate and Regulatory Update (ACRU) conference highlighted the roles directors, professional practitioners and regulators need to play to ensure good governance standards are maintained in Hong Kong.

While the ultimate responsibility for the corporate governance of a company lies with its board of directors, for good governance standards to be maintained many different players, including shareholders, corporate managers, professional practitioners and regulators, need to work together to achieve that common goal. The Institute's 17th ACRU conference, held on 20 May 2016 at the Hong Kong Convention and Exhibition Centre, focused on the responsibilities of directors, professional practitioners and regulators in upholding good governance and effective compliance.

#### The role of directors

Carlson Tong, Chairman of the Securities and Futures Commission (SFC), pointed out in his congratulatory address to ACRU 2016 that directors and senior management are responsible for creating the right corporate culture. 'When it comes to raising the bar for corporate

governance, I cannot stress enough how critical it is that boards of directors and senior management take the lead. At the end of the day, these are the only people who can set the tone for the right corporate culture,' he said.

#### 1. Directors duties

Karen Ho, Consultant (Company Law), Companies Registry, emphasised in her ACRU presentation that the law surrounding directors' duties of care, skill and diligence was clarified in the rewrite of the Companies Ordinance (Cap 622). Under Section 465 of the law, directors are subject to mixed objective and subjective tests of their duties of care, skill and diligence. Directors will be expected to exercise the care, skill and diligence that would be expected of someone carrying out their role (this is the objective test), and based on the general knowledge, skill and experience that the director has (this is the subjective test). The subjective test means



## Highlights

- directors and senior management are responsible for creating the right corporate culture which is conducive to good governance
- a failure of directors to fulfill their duties continues to be a relatively common factor behind breaches of the listing rules
- this year's ACRU confirmed that regulators in Hong Kong are keen to ensure that the role of the company secretary is utilised to its full potential – particularly as the officer responsible for compliance and advising directors on corporate governance

that a director – and this applies to non-executive as well as executive directors – with a higher degree of expertise or experience can be held to a higher standard of care, skill and diligence.

Stephen Jamieson, Senior Vice-President and Head of Enforcement, Listing Division, Hong Kong Exchanges and Clearing Ltd (the Exchange), made the point that directors in Hong Kong are also subject to common law fiduciary duties. Moreover, the listing rules make explicit directors' duties to:

- act honestly and in good faith in the interests of the issuer as a whole
- act for proper purpose
- be answerable to the issuer for the application or misapplication of its assets
- avoid conflicts of interest and duty, and
- disclose fully and fairly their interests.

Mr Jamieson pointed out that a failure of directors to fulfill their duties continues to be a relatively common factor behind breaches of the listing rules – this is one of the top five themes that the Exchange focuses on in its enforcement work. In fact, 71% of investigations in 2015 included one or more of these themes:

1. directors' duties
2. companies delinquent in publishing accounts resulting from internal control deficiencies
3. heavily qualified accounts

4. failure to address the Exchange's concerns in a timely manner after trading resumption, and
5. failure to cooperate with the Exchange's investigation.

He added that this is not only a message for directors, but also for company secretaries who are responsible for ensuring that directors are aware of their duties and responsibilities – in particular their duty to ensure full compliance with the listing rules and their responsibility for ensuring internal controls.

## 2. Internal controls

Regulators in Hong Kong have paid increasing attention to the role of good internal controls in ensuring compliance with the listing rules. Mr Jamieson stressed that deficient internal controls are often an underlying factor in many disciplinary cases handled by the Exchange. He reminded ACRU attendees that the requirements on internal controls in Hong Kong have been tightened. For example, the Corporate Governance Code requires listed companies to establish and maintain appropriate and effective internal control systems, and requires:

- management to provide a confirmation to the board on the effectiveness of the internal control system, and
- the board to review the effectiveness of the internal control system at least annually and report to shareholders that it has done so in its Corporate Governance Report.

Mr Jamieson cited a recent disciplinary case as an example of the risks to

“  
**Company secretaries' support for the board is essential because it is often imperfect internal controls and lack of knowledge of directors' duties that lead to breaches of the rules**  
 ”

Stephen Jamieson, Senior Vice-President and Head of Enforcement, Listing Division, Hong Kong Exchanges and Clearing Ltd

companies of poor internal controls. In March 2013, Interest-free and unsecured financial assistance was provided to the executive director and chairman of Huazhong In-Vehicle Holdings Company Ltd, together with some of his associates. The assistance was provided without any written agreements and no announcement was made regarding the matter until September 2013. A statement was then issued that the transactions were ratified on the basis that the financial assistance was provided on 'normal commercial terms'.

The directors of Huazhong In-Vehicle Holdings failed to:

- disclose the transactions in a timely manner
- seek shareholders' approval of the connected transactions



- ensure accurate disclosure (the financial assistance was not provided on 'normal commercial terms')
- act in the interest of the company, and
- act for a proper purpose.

However, the underlying issue highlighted by Mr Jamieson was the failure of the directors to ensure that the company had adequate and effective internal controls in place to respond to such a misapplication of the company's assets. 'Underpinning all of this is the deficiencies in internal controls,' he said. 'Poor internal controls, or the failure to enforce internal control procedures, can lead to rule breaches and disciplinary action.'

His advice, therefore, to companies is to ensure that directors, senior management

and operation-level staff who are involved in compliance matters have experience and proper training. Moreover, internal control procedures should be reviewed regularly and communicated to everyone in the organisation.

In the case of Huazhong In-Vehicle Holdings, in addition to a public censure the company had to comply with a number of measures designed to ensure that the underlying internal control deficiencies were addressed. These included:

- an internal control review
- the appointment of a compliance adviser for two years, and
- training for all directors on listing rule compliance, including director's duties, and notifiable and connected transactions.

#### The role of regulators

This year's ACRU conference confirmed the recent trend for regulators in Hong Kong to maintain both 'hard' and soft' approaches to regulating the market. 'Soft' regulation, explained Michael Duignan, Senior Director, Corporate Finance Division, SFC, is about helping companies to change behaviour. Mr Duignan heads the Corporate Regulation Team at the SFC which was set up in December 2013 to, among other things, encourage a compliance culture among listed companies. Enforcement actions give a regulatory system its credibility, but regulators can also help to identify and prevent problems before they escalate into major compliance failures.

Michael Duignan commented in his ACRU presentation that regulators, in their disciplinary work, tend to focus on the more egregious cases of poor governance, but should bear that the majority of

companies abide by the rules. 'I'm usually deep down in the lake where the sharks swim, but I try to remember that there are many good companies in the market,' he said.

In his congratulatory address to the ACRU 2016 conference, SFC Chairman Carlson Tong reaffirmed the desire of the SFC to seek a constructive dialogue with companies in Hong Kong. 'Every year, we at the SFC look forward to ACRU as a valuable opportunity to communicate with those of you who have direct influence on corporate governance and compliance practices in the markets we regulate. ACRU

allows us to explain our work and the rationale behind it. We thank the HKICS for its efforts to put together this important industry event,' he said.

Another key function of regulators is to monitor the effectiveness of the current regulatory regime, particularly as new market trends emerge. Megan Tang, Senior Director, Corporate Finance Division, SFC, discussed some of the trends the SFC has been monitoring over the last year. She noted that 2015 was a turbulent year for the market, and not only because volatility in the PRC stock market. The SFC is concerned about the

level of share price volatility, particularly of newly listed GEM companies. On average, the price of shares newly listed on the GEM market last year increased seven times in the first day of trading (see 'Most volatile newly listed GEM companies in 2015' below). This is one of the reasons, Ms Tang added, that the SFC is conducting a thorough review of the GEM board.

Similar increases in some stocks has been observed on the Main Board (see 'Market snapshot: 2013–2015' below). Ms Tang pointed out that this trend might be connected with the large number of companies with concentrated

## Compliance update

*The Institute's ACRU conference is one of the few forums in Hong Kong where regulators and market participants can engage in a direct dialogue about regulatory compliance. CSj highlights the major compliance issues raised at this year's ACRU.*

### Trading halts and delisting policy

Christine Kan, Managing Director, Head of Compliance and Monitoring, Hong Kong Exchanges and Clearing Ltd, addressed both the issue of minimising trading halts and the possibility of a policy change on delisting procedures in her ACRU presentation. She emphasised that avoiding unnecessary trading halts comes down to good planning. Companies should seek early consultation with the Exchange on complex or controversial issues and should get any necessary announcements ready well in advance. She added that the Exchange turns

down many requests for trading halts which are deemed to be unnecessary. For example where a company requests a trading halt to make an announcement relating to the signing of an agreement. The Exchange urges companies to enter agreements outside of trading hours, where possible.

This issue also came up in the presentation by Pinky Tse, Director, Corporate Finance Division, SFC. She recommended ACRU attendees look up the latest *Takeovers Bulletin* (available on the SFC website: [www.sfc.hk](http://www.sfc.hk)) which addresses the issue of trading suspensions. Ms Tse heads the Takeovers Executive – the team at the SFC monitoring compliance with the Codes on Takeovers and Mergers and Share Buy-Backs. Suspensions of trading are often requested in takeover situations, but the *Takeovers Bulletin* makes it clear that trading suspensions designed to

facilitate negotiations between parties are not acceptable.

### Backdoor listing and shell activities

Christine Kan also addressed the issue of backdoor listings and shell activities. There is currently a significant demand for shell companies in Hong Kong as potential vehicles for backdoor listings. 'Backdoor listings damage the quality of market,' Ms Kan said. She confirmed that the Exchange is reviewing the adequacy of the existing rules (such as the rules on reverse takeovers, cash companies and sufficiency of operations) in this area.

### ESG reporting

Katherine Ng, Senior Vice-President, Head of Policy, Listing Division, the Exchange, addressed the issue of ESG disclosure in Hong Kong. This issue is covered in the second cover story,



“  
I’m usually deep down  
in the lake where the  
sharks swim, but I  
try to remember that  
there are many good  
companies in the market  
”

Michael Duignan, Senior Director,  
Corporate Finance Division, Securities  
and Futures Commission

authored by Ms Ng, in this edition of *CSj* (see pages 14–17).

#### New Companies Ordinance

Just over two years ago, the new Companies Ordinance (Cap 622) was implemented. Transition to the new regime has been largely smooth, but Karen Ho of the Companies Registry addressed some of the common legal issues encountered since the new law was implemented in 2014. Her colleague, Hilda Chang, Deputy Registry Manager (Registration), Companies Registry, tackled the new rules under the new Companies Ordinance relating to the delivery of annual returns. She also discussed common errors in documents filed with the Companies Registry.

#### Electronic filing

The Companies Registry has been transitioning from paper-based

services to electronic services and last year it launched its full-scale electronic filing service. Wendy Ma, Deputy Registry Manager, Companies Registry, gave ACRU participants an update on the latest developments in this area. She focused on the new ‘Company Search Mobile Service’ which enables users to conduct company searches using smartphone and mobile devices (available at: [www.mobile-cr.gov.hk](http://www.mobile-cr.gov.hk)).

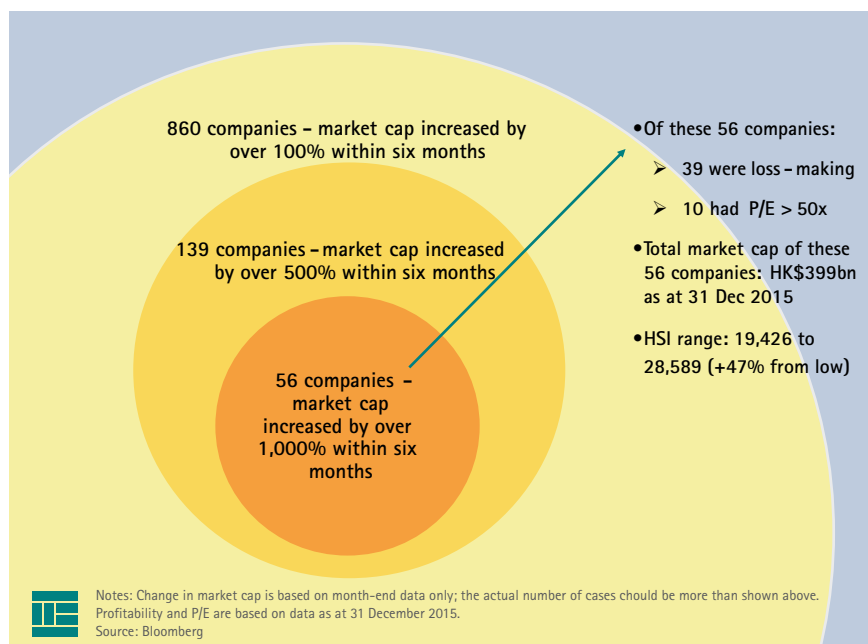
#### Hong Kong’s proposed new OFC regime

Salina Yan JP, Deputy Secretary for Financial Services and the Treasury (Financial Services), FSTB; and Joyce Ho, Principal Assistant Secretary for Financial Services and the Treasury (Financial Services), FSTB; discussed the new open-ended fund company structure in Hong Kong. This issue is covered in further detail on pages 30–33 of this edition of *CSj*.

#### Insolvency reform

Hong Kong’s insolvency regime is set out in the old Companies Ordinance (Cap 32) which has been renamed the Companies (Winding up and Miscellaneous Provisions) Ordinance. This legislation is currently under review and Alvin Sin, Senior Solicitor, and Coleman Wong, Senior Solicitor, Official Receiver’s Office, devoted their ACRU presentations to an overview of the major amendments to Hong Kong’s insolvency regime contained in the Companies (Winding Up and Miscellaneous Provisions) (Amendment) Bill 2015. This Bill, the speakers explained, is currently under review by Hong Kong’s Legislative Council and is expected to be passed within this legislative term.

## Market snapshot: 2013–2015



shareholdings. 'When a stock is held by a small number of insiders it is easier for them to increase the share price,' she said. This can create more interest from other investors to buy the shares and the upward pressure continues. The SFC will continue to issue high share concentration warnings and monitor this issue.

### The role of company secretaries

This year's ACRU confirmed that regulators in Hong Kong are keen to ensure that the role of the company secretary is utilised to its full potential – particularly as the officer responsible for compliance and advising directors on corporate governance. 'The company secretary does have an important role to play', said Mr Jamieson in his ACRU presentation. He acknowledged that the role can be different for different companies, but stressed that company secretaries need to ensure that directors are aware of their duties and that good corporate governance standards are maintained.

## Volatility of newly-listed GEM companies

- Highly volatile post-IPO share price performance in 2015
- Average first-day increase from offer price: **seven times**

### Most volatile newly-listed GEM companies in 2015\*

Company	Business sector	First day price change from IPO price	Highest price vs IPO price	Peak market cap (HK\$'bn)	Decrease from peak (%)
Company A	Software development	+21 times	+21 times	8.8	-98%
Company B	Construction	+17 times	+17 times	5.0	-97%
Company C	Magazine publishing	+10 times	+17 times	4.7	-97%
Company D	Video conferencing/multimedia audio-visual solutions	+14 times	+15 times	5.9	-97%
Company E	Construction	+12 times	+17 times	4.6	-97%

\*In terms of price change from offer price to peak closing price  
 Note: Datas of 31 Jan 2016  
 Source: Bloomberg

He also warned that company secretaries, as members of senior management, are subject to the sanctions regulators may impose for breaches of the rules. 'Actions against company secretaries themselves are rare, but their support for the board is essential because it is often imperfect internal controls and lack of knowledge of directors' duties that lead to breaches of the rules,' he said.

Mr Jamieson added that the regulatory framework in Hong Kong recognises the importance of the company secretarial role. For example Section F of the Corporate Governance Code states that, among other things, the company secretary is responsible for:



- supporting the board by ensuring good information flow within the board, and that board policy and procedures are followed, and
- advising the board through the chairman and/or the chief executive on governance matters, and facilitating induction and professional development of directors.

The listing rules require that all directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed. Listed companies are required

under the listing rules to appoint a company secretary with the requisite knowledge and experience, and who is capable of discharging the functions of a company secretary (Main Board Rule 8.17; GEM Rule 5.14).

The Exchange works closely with company secretaries since they are usually the contacts for listing rule compliance. Mr Jamieson discussed a recent case which demonstrates the importance of this function. The Exchange made enquiries via the company secretary, who was the authorised person for regulatory enquiries, but found that the company did not respond. This resulted in the

Exchange launching an investigation into whether the issuer and its directors were failing to respond in a timely manner to the Exchange's enquiries. 'It turned out,' Mr Jamieson said, 'that the company secretary had not informed the directors about the Exchange's enquiries.'

*The Institute's 17th Annual Corporate and Regulatory Update was held on 20 May at the Hong Kong Convention and Exhibition Centre. The event attracted a record attendance of 1,700 participants.*

*More photos of the event are available on the HKICS website: [www.hkics.org.hk](http://www.hkics.org.hk).*

# New guidance on ESG reporting

Katherine Ng, Senior Vice-President, Hong Kong Exchanges and Clearing Ltd, highlights the new guidance materials on the Exchange's website relating to environmental, social and governance (ESG) reporting.

Businesses are facing increasing demands to recognise their obligations to stakeholders and the broader society. Managing and disclosing ESG performance and practices makes perfect business sense from multiple perspectives. Studies, such as Grant Thornton's 2014 report *Corporate social responsibility: beyond financials*, have shown that cost management, investor and customer demand, brand building and staff retention are some of the top business drivers for ESG reporting. It is also widely recognised that ESG disclosure strengthens a company's risk management and control.

A high level of ESG performance and disclosure also makes sense for Hong Kong's financial market. Investors increasingly treat ESG as a part of their investment strategies. The UN Principles for Responsible Investment (UNPRI – see [www.unpri.org](http://www.unpri.org)) has over 1,500 signatories, from over 50 countries, representing US\$60 trillion of assets under management. The first three of the six principles are:

1. we will incorporate ESG issues into investment analysis and decision-making processes

2. we will be active owners and incorporate ESG issues into our ownership policies and practices, and
3. we will seek appropriate disclosure on ESG issues by the entities in which we invest.

We would like to have as much of that US\$60 trillion invested in our market as possible. UNPRI represents just one of many groups of investors seeking to invest in responsible companies.

## Role of the Exchange

The role of the Hong Kong Exchanges and Clearing Ltd (the Exchange) is to ensure an orderly, fair and informed market. It is increasingly recognised that an 'informed market' calls for both non-financial and financial information.

## Highlights

- managing and disclosing ESG performance and practices makes perfect business sense from multiple perspectives
- all companies listed on the Exchange are required to publish an ESG report annually
- to assist issuers with their ESG reporting, the Exchange has launched various initiatives including a revamped ESG webpage and 12 issuer seminars in March 2016
- the board should set a clear vision and key strategies for the company and monitor management to ensure proper ESG reporting measures or systems are in place







“  
ESG is a relatively new concept to Hong Kong and some of our business leaders may not be familiar with ESG reporting yet  
”

Katherine Ng, Senior Vice-President,  
Hong Kong Exchanges and Clearing Ltd

Investors are becoming more aware that corporate financial statements alone are not necessarily sufficient in determining the company's access to capital, cost of capital, the likely environmental and social risks that it may face, and the way in which these risks are managed. Whilst in the past investors may have made decisions based largely on a company's track record, they are increasingly looking to the future. ESG reporting reflects management strength and the long-term prospects of the company.

#### Revised ESG Reporting Guide

The Exchange introduced its revised *ESG Reporting Guide* and other amendments to the listing rules as a result of the consultation on the review of the guide conducted in 2015. The listing rule amendments and the upgrade

of the disclosure obligations, except those relating to environmental key performance indicators (KPIs), to comply or explain under the revised guide, have been implemented for issuers' financial years commencing on or after 1 January 2016. The upgrade in relation to the environmental KPIs will be implemented for issuers' financial years commencing on or after 1 January 2017.

An issuer must publish an ESG report on an annual basis (covering the same period as its annual report) stating whether it has complied with the 'comply or explain' provisions of the *ESG Reporting Guide* for the relevant financial year. Where the issuer deviates from the 'comply or explain' provisions, it must give considered reasons in its ESG report. Issuers are encouraged,

but not required, to report on the recommended disclosures of the *ESG Reporting Guide*.

#### How should companies get started?

##### Board commitment and role

For the company to fulfil its ESG responsibilities, the board should set a clear vision and key strategies for the company and monitor management to ensure proper ESG reporting measures or systems are in place. Although companies are expected to comply with all applicable laws, it is up to the board to decide the extent to which a company will undertake additional voluntary ESG measures.

The board's role in the context of ESG reporting is evolving but is largely defined by its general responsibilities. The board's specific roles may include the following.

- The board can provide inspiration and leadership for ESG projects.
- The board and senior management should set the strategic direction, including ensuring that the ESG strategy reflects the company's values and core business.
- Directors should ensure that appropriate structures are in place for successful ESG reporting, for instance, establishing a committee that oversees ESG reporting within the company. The committee may monitor any conflicts that arise between the company's short-term and long-term goals and ESG strategies. However, the board as a whole is responsible for evaluating and determining the company's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.
- Directors can guide management in communication of the company's ESG stance.
- The board is accountable to shareholders for information that is provided. The board or its delegated committee will oversee the integrity of information communicated to shareholders and stakeholders regarding ESG reporting.

#### Training, education and capacity-building programmes

Training and education on ESG reporting across the company may raise the awareness of management and employees regarding the company's ESG reporting responsibilities and thereby improve the quality of the company's

ESG reporting. A capacity-building programme enables the employees of the company to understand the potential issues of ESG reporting, and enhances their ability to conduct appropriate ESG reporting, thereby avoiding conflicting messages within the company regarding ESG.

#### Communications and engagement with stakeholders

Effective communications and engagement with stakeholders regarding ESG encourages stakeholders' support to the company's ESG reporting.

#### The Exchange's initiatives

To assist issuers with their ESG reporting, the Exchange has launched various initiatives since the publication of the revised guide. Firstly, it launched a revamped ESG webpage which includes three main documents:

## How to prepare an ESG report

The Exchange has made a step-by-step guide to preparing an ESG report available on its website. The guide – *How to Prepare an ESG Report* – sets out seven practical steps for ESG reporting.

**Step 1: Set up an ESG working group.** Issuers should establish an ESG working group, comprising members of senior management and other members of staff who have sufficient ESG knowledge to conduct internal and external materiality assessments (see Step 5) and to write the ESG report, which reports to the board.

**Step 2: Understand the requirements.** The ESG working group should first understand the reporting requirements of the Exchange's *ESG Reporting Guide*, the issuer's ESG risks determined by the board and the board's ESG strategy.

**Step 3: Set the reporting boundary.** Issuers need to determine the scope of the ESG report (that is what parts of the business the issuer intends to report on) based on the ESG risks determined by the board. If there is a change in the scope from previous years, the ESG report should explain the difference and reasons for the change.

**Step 4: Engage stakeholders.** Stakeholder engagement is the process by which an issuer involves parties who may be affected by the decisions it makes, or can influence the implementation of its decisions.

**Step 5: Make a materiality assessment.** In deciding whether to disclose the information under a 'comply or explain' provision, the ESG working group should take into account the information's materiality (that is its importance and relevance to the issuer's business and operations).

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**It is increasingly recognised that  
 an ‘informed market’ calls for both  
 financial and non-financial information**  
 ”

1. Key Steps for ESG Reporting
2. a Toolkit, and
3. Reporting Guidance on Environmental KPIs.

The first document forms the core of these new guidance materials – it sets out the seven key steps for ESG Reporting. The Toolkit provides a set of practical tools for identifying the appropriate information for disclosure. The Reporting Guidance on Environmental KPIs contains data

collection methodologies and practical guidance on how to collect the information and calculate the data called for under each of the KPIs in the ‘Environmental’ Subject Area of the Guide. For each Environmental KPI, the document sets out ‘what to report’ and ‘how to report.’

Secondly, the Exchange conducted 12 ‘How to report on ESG’ seminars in March 2016, where over 2,400 listed company representatives and market practitioners registered to attend. During each training session, the Exchange’s trainers explained

the new listing rules and the requirements of the Exchange’s revised *ESG Reporting Guide*. This was followed by an ESG expert’s advice on the preparation of an ESG report. Along with the training materials mentioned in the main article, ESG seminars in English, Cantonese and Putonghua have been uploaded onto the Exchange’s website (see the end text for the webpage address).

**Katherine Ng**

*Senior Vice-President, Hong Kong Exchanges and Clearing Ltd*

*The guidance materials mentioned in this article are available on the Exchange’s website ([www.hkex.com.hk](http://www.hkex.com.hk) – Rules & Regulations/ Rules and Guidance on Listing Matters/ Special Topics/ ESG rules).*

**Step 6: Collect information for general disclosures and KPIs.** The ESG working group is now ready to start collecting information for the general disclosures and the KPIs that the issuer intends to report on. The ESG working group may need to work with other members of staff to compile data from diverse sources, or to help develop a process by which such data could be collected in future.

**Step 7: Write the ESG report.**

Finally, the ESG working group can start writing the ESG report. The ESG report should include contents such as the information called for under the provisions of the Exchange’s

*ESG Reporting Guide*; and be written in a way that is balanced and easily understood.

Appendix I to the Exchange’s *How to Prepare an ESG Report* provides a toolkit on materiality assessment and other templates to help the issuers decide whether to comply with a provision in the *ESG Reporting Guide*. Appendix II, ‘Reporting Guidance on Environmental KPIs’, contains data collection methodologies, practical guidance on how to calculate the data, and advice on how to collect the information called for under each of the KPIs in the environmental subject area of the *ESG Reporting Guide*. It also provides the

emissions factors for various types of fuel and electricity consumed.

In addition, the Exchange has also published FAQs on ESG reporting on its website. Other online resources such as international guidelines and references on ESG reporting and calculation methods for environmental KPIs can also be found on the Exchange’s website.

*The guide ‘How to Prepare an ESG Report’ is available on the Exchange’s website ([www.hkex.com.hk](http://www.hkex.com.hk) – Rules & Regulations/ Rules and Guidance on Listing Matters/ Special Topics/ ESG rules).*



# Asking the right questions

## The Sun Tzu Art of War for engagement

Christine Chow, Associate Director, Hermes EOS, Hermes Investment Management, is practised in the art of engaging companies on their approach to environmental, social and governance issues. In this interview with *CSj*, she discusses her career and shares some tips on how to get the most out of the engagement process.

*Thanks for giving us this interview. Can we start with your personal and professional background?*

'Certainly. I attended a convent school in Hong Kong from an early age. Early childhood experience has the most profound impact on one's personality. As Echo Chan or Sanmao, a famous female Chinese author has said before, 'characters determine your fate.' At Maryknoll Convent School, we were encouraged to explore our interests freely, whilst sharing a common mission to serve society. Teachers were our guides as well as our friends. We didn't spend all our time at private tuition classes. We went into communities to experience life. We visited hospitals and old people's homes. These experiences gave me a wider understanding of society and the challenges facing it – why do people live differently? Why are we where we are? Why are they where they are? Is there a meaningful way to live and to create a better world?

My work in environmental, social and governance (ESG) issues, in ethics and sustainable investment, are part of a life principle that has guided me throughout my career. I am very proud of the school and am grateful for the education and upbringing that it offered.

I then went to the UK to finish my education, and joined Schroders, an established international fund management company. I was lucky enough to have had very good mentors and colleagues. Many of them remain as lifelong friends.

Then I got married and my career took a different course. As a woman, there are many choices you have to make in life and when you make them, you don't know whether they are right or wrong, or whether you will be happy or not. I left Schroders and moved to Abu Dhabi in the Middle East. My husband had an international career and his career took priority for a period of time. This was a very difficult choice to make for a career woman. In the following years, we lived in different parts of the world – mostly places where I couldn't work.

That was when I decided to do a PhD on shareholder engagement and responsible investment. That way I could look after my newborn son but also deepen my understanding of an emerging investment topic. That was back in 2004!

*When you started your PhD, there wasn't much of a focus on shareholder engagement – what got you interested in that topic?*

'There were growing numbers of retail investors in the market, mainly through retirement funds. This was especially true in Hong

Kong when the Mandatory Provident Fund (MPF) was introduced. People work hard for a living and save for retirement. When we invest, it should be about making money work for us, not the other way around, so generating a good financial return was not enough for me – we should expect a good financial return and good purpose with positive impact. It was a new and weird concept at the time – and now of course everyone knows that this is in line with the idea of responsible or impact investment.

At that time, shareholder engagement was mostly constrained to a niche type of investment, commonly referred to as ethical or socially responsible investment (SRI). In 2001, I remember attending a meeting on ESG at the National Association of Pension Funds (NAPF) in London. There were only about 20 people in the room – and that was the whole industry for ESG. Our discussion topic was about drafting a questionnaire for trustees so that they could ask fund managers questions about ESG issues. We have come a long way since then. Now we have a lot of focus on how to quantify ESG information and how to integrate that data for company valuations. At Hermes, we have been engaging with companies on ESG issues for many years. Through constructive and purposeful engagement discussions, we continue to drive positive change in the investment industry and in companies!

*Do you think the current ESG disclosure requirements in Hong Kong are adequate? I recently did an interview with Jonathan Labrey, Head of Asia Pacific at the International Integrated Reporting Council, and he argued that simply*

## Highlights

- in addition to knowing about emissions and emissions targets, investors want to know how ESG issues impact the company's business model
- as growing numbers of retail investors enter the market through retirement funds, questions need to be asked about whether fund managers' investment strategies are aligned with their values
- increasingly, socially-minded businesses are the only ones attracting the new generation, so more and more businesses will have to have that kind of approach if they want to attract talent

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there are many different ways  
to ask questions without being  
unnecessarily confrontational  
”

*reporting on ESG metrics does not necessarily help investors understand how ESG factors affect company strategy.*

'I think that is absolutely where we need to be going. At the moment, there is a disclosure-based approach to ESG. We tend to ask questions such as – what are your emissions and what are your emissions targets? These are closed questions. We need to be asking open questions. For example, in integrated reporting, we have a framework that gets companies to think about the capitals they have. We are not just talking about financial capital here, we are talking about human capital, natural capital and social capital as well – and how they can harness these capitals by integrating them into the business model. This is not a disclosure-based approach, this is a strategic approach.'

*Do you favour a principles-based approach to corporate governance?*

'Yes. This is both the house view, as in the Hermes' view, and my personal view. This is how we ask questions in an engagement meeting as well. If you ask a company whether it has a grievance system or an environmental management system, the representatives will say 'yes' – but what does that tell you? At Hermes, we have seven key steps to effective engagement – from objective setting and preparation, to meetings and follow up. We have a strategic approach that focuses on positive change and milestones that take us forward. We use different techniques and styles to engage depending on the culture and policy framework. Some people consider engagement as a battle between shareholders and companies. It could be, but I remember the teachings of Sun Tzu in the Art of War, 'the greatest victory is that which requires no battle.'

There are many different ways to ask questions without being unnecessarily confrontational. If you are asking about a company's whistleblowing system, you can ask which departments get the data and how they use it. When an issue has been identified, how long will it take to escalate the information to the person who

makes decisions? What if there is a difference of opinion? Has that happened before? How did you deal with the situation? Who has the authority or ability to close a case and why? If you ask these types of questions, it helps you to understand the company and it helps the company to improve too.'

*This is very relevant for company secretaries since part of their remit is to ensure that the right questions are asked in board meetings.*

'Yes. If you can find different ways of asking questions, you will get different insights into the subject. It's like the story of the blind scholars trying to understand an elephant [see 'The parable of the blind scholars' below].'

*Your career has straddled both the academic and the business worlds, do you think that has helped you juggle work and personal commitments? It sounds like the PhD gave you something that you could fit with your other commitments?*

'Yes, exposure to both the academic and business worlds has allowed me to become flexible in my problem-solving approach and in my ability to communicate complex and sensitive issues. When I started my part-time PhD, I had no idea how it would contribute to my career, but when I finished – that was six years later in 2010 – I received a call from the PRI [Principles for Responsible Investment – an investor initiative supported by the United Nations, see [www.unpri.org](http://www.unpri.org)]. They had shortlisted my thesis for an award in Sweden. My PhD examiner, Professor Gordon Clark from the University of Oxford, highly recommended that I should publish my results, and five years later, I have found fulfillment in both academia and business.'

## The parable of the blind scholars

This story originated in India but has since been adopted by many different cultures. There are different versions of the story but essentially it concerns a group of blind scholars debating the nature of an elephant. One by one the scholars touch the elephant and base their conception of the animal on whichever part of its anatomy they encounter. One of them touches its trunk and argues that the elephant is like a snake. Another one, feeling its leg, insists that the elephant resembles a large column. A heated argument breaks out since they all hold such wildly different views.



*You mentioned earlier that we have come a long way in our attitudes to ESG over the years – do you think the social contract for businesses is being rewritten?*

'This is the type of question that attracted me to my study. What is the role of a business? Is it there to make money or is it there to serve a social need? I think these are great questions which have baffled people over decades. One of the first books on this subject is *The Social Responsibilities of the Businessman*, written by Howard Bowen in 1953.

Sixty years on, we have experienced different versions of capitalism. I think attitudes are changing. The millennials, for example, have a much stronger sense of the importance of the mission of a business and the impact it can have. I get that from teaching as well as from being in the start-up space. Increasingly, socially-minded businesses are the only ones attracting the new generation, so more and more businesses will have to have that kind of approach if they want to attract talent.'

*You have travelled a lot... what role do you think our cultural assumptions play in our attitudes to issues like ESG, ethical investment and sustainability?*

'The more I travel, the more I realise that far too often people focus on the differences and a lot of those differences are just on the surface. We need to look a lot deeper at what makes people who they are, our values and our world view. On that level, people are remarkably similar. We care about our families; we want to have a work/life balance and we want to be happy. We educate our children to be honest, diligent and responsible!'

“  
I think attitudes are changing. The millennials, for example, have a much stronger sense of the importance of the mission of a business and the impact it can have.  
”

*Do you think we will eventually have a globalised standard of corporate governance?*

'That would be hampered by legal practices, but in terms of best practices, yes. We should bear in mind, though, that it takes a long time to negotiate what is the norm and what is achievable and acceptable. Look at climate change, for example, or look at board practices. Interpretations of acceptable practices amongst companies are different. A lot of companies here have directors who sit on multiple boards. The argument is usually that it is very difficult to find good non-executives, but in Hong Kong we have good access to talent. Is it really that difficult to find a diverse pool of board talent? I have reservations.'

*What are your personal plans for the future?*

'In March this year I was elected governor of the London School of Economics, my *alma mater*. As one of the first governors of Chinese origin, this will be a great opportunity to contribute to education and the opportunities it represents. In the years ahead, I hope to work hard, play hard, make change and enjoy life. I will try to continue with my dressage training (a type of equestrian sport) as well. Continuous learning in multiple disciplines is good for the brain.'

*Christine Chow was interviewed by Kieran Colvert, Editor, CSj*

*Christine Chow is also Adjunct Associate Professor, Department of Finance, Hong Kong University of Science and Technology. Her article on responsible ownership was published in the April 2016 edition of CSj.*

# AML/CFT compliance: a new HKICS initiative

CSj takes a look at a new initiative launched by the Hong Kong Institute of Chartered Secretaries (HKICS) to promote anti-money laundering and counter-financing of terrorism (AML/CFT) in the corporate service provider(s) sector in Hong Kong.



In 2008 the HKICS issued guidelines that explained the different stages of money laundering and noted that corporate service providers (CSPs) need to do their part in the AML/CFT fight. The services they provide, such as company formation, provision of directors and registered office, and other corporate-related services, put them at money laundering and terrorist financing (ML/FT) risks. The role of the HKICS was to point to these risks and develop best practices, including a checklist for HKICS members. This put HKICS members ahead of the curve in the AML/CFT fight.

In 2012, aside from general laws and regulations relating to the AML/CFT fight, a specific law for financial institutions, including banks, was enacted. This was the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (AMLO). While it is specific to financial institutions, there is currently, four years on, talk to expand the coverage of the AMLO to CSPs as part of the designated non-financial businesses and professions (DNFBP) sector.

Such an expansion would be in accordance with the standards set by the Financial Action Task Force (FATF) – the source of the laws and

regulations relating to the international AML/CFT fight. Hong Kong is an active member of FATF and therefore subject to FATF Recommendation 22 requiring jurisdictions to regulate CSPs as part of the DNFBP sector.

If we backtrack a moment, during the rewrite of the Companies Ordinance, the HKICS put forward the idea that Hong Kong should regulate CSPs. The HKICS saw this as relevant to financial institutions in their AML/CFT fight. This is because CSPs are often the first line of defence for financial institutions in the AML/CFT fight. Certainly, it is CSPs business to know their clients, and this knowledge is often more intimate than that of financial institutions, like banks, where the relationship is on a more *ad hoc* or transactional basis.

Hong Kong passed on the opportunity to regulate this area when the new Companies Ordinance was enacted in 2012. In all fairness, the timing was probably not right, as centre stage at the time was the regulation of financial institutions which must come first. However, CSP regulation needed to be revisited. For example, as recently as May 2016, Singapore passed regulations to regulate CSPs. Hong Kong can and should consider having similar regulations. The

HKICS remains committed to do its part should there eventually be regulation for 'registered agents' in Hong Kong. The current situation where any unqualified person over 18 may designate themselves as a 'registered agent' is untenable. The necessary regulations could be added to the Companies Ordinance or the AMLO.

Paul Moyes FCIS FCS, HKICS Council Member and Professional Services Panel Chair, believes that legislation equivalent to that in Singapore will be brought in in Hong Kong. 'At the moment anyone can set themselves up as a CSP in Hong Kong and we have heard of some appalling practices in the market. I expect a licensing requirement to be brought in to ensure that intermediaries are licensed and accountable for their activities,' he says.

Pending regulation of 'registered agents', a more imminent problem for Hong Kong is that financial institutions, especially banks, are becoming increasingly, and rightfully, worried about AML/CFT regulations. In accordance with FATF and AMLO requirements, financial institutions need to conduct due diligence as part of 'know your client' (KYC) requirements, along with other matters like record keeping, continuous monitoring and





*HKICS AML/CFT Charter founding members with Salina Yan, JP, Deputy Secretary for Financial Services and the Treasury (Financial Services), HKSAR Government (front row, fourth from left), AML/CFT Advisory Board member Dr PM Kam (front row, fourth from right), and HKICS Council members and secretariat staff*

training for senior management and staff. In view of the resources that are required to be committed on these topics, banks are becoming selective as to who they do business with. Revenue has to justify the resources they need to put in when establishing new, or maintaining existing, client relationships.

The issue is compounded by the increasingly complex global environment out of which banks operate. This means that the fallout of not getting AML/CFT concerns right results not only in business loss, but could lead to much larger global fines and unquantifiable reputational damages. Banks are thus increasingly nervous and resorting to wholesale de-risking of their client relationships by not establishing new relationships or terminating existing ones, at least in

perceived AML/CFT risk areas. When the butterfly effect is multiplied, the ease of doing business is affected. This is happening in Hong Kong, especially where the ability to open a bank account is not regarded as a basic right as with certain other jurisdictions.

It is in this context that the HKICS seeks to help. FATF Recommendation 17 states that '[c]ountries [which includes Hong Kong] may permit financial institutions to rely on third parties to perform elements [of] the [customer due diligence] CDD ... to introduce business...'. As to the first

## Highlights

- the new HKICS AML/CFT Guideline is open to all corporate service providers, irrespective of whether they are HKICS members
- the new HKICS AML/CFT Charter creates a self-regulatory accreditation programme enabling corporate service providers to demonstrate compliance with global standards
- the initiative will mean that accredited corporate service providers can become a first line of defence for financial institutions in maintaining AML/CFT standards

“  
the current situation  
where any unqualified  
person over 18 may  
designate themselves  
as a ‘registered agent’  
is untenable  
”



part of FATF Recommendation 17, that is the use of intermediaries for customer due diligence, under Part 2, Division 2, Section 18 of AMLO, it is expressly stated that ‘... a financial institution may carry out customer due diligence measure by means of an intermediary specified...’ which includes HKICS members. The pre-conditions are that the intermediary consents in writing to be the financial institution’s intermediary, and that the information would be delivered up where requested by the financial institution to do so. This means the financial institutions, including banks, should consider using HKICS members for their customer due diligence. They are well justified to do so as CSPs, as discussed, have more intimate knowledge of their clients on a continuing basis and the AMLO provides the necessary statutory backing.

As to the second part of FATF Recommendation 17, in fact financial

institutions can take business referrals from CSPs. The pre-condition, is that the CSPs should have processes in place for customer due diligence and other matters approximating those of the financial institutions, including banks.

#### The HKICS Guideline and Charter

The new HKICS initiative has two aspects.

##### 1. The AML/CFT Guideline

The HKICS AML/CFT Guideline, which is freely available on the HKICS website: [www.hkics.org.hk](http://www.hkics.org.hk), provides practical recommendations on areas such as customer due diligence, record-keeping requirements, and management and staff training. Paul Moyes points out that AML/CFT compliance can be quite a complex area of practice and it isn’t always entirely clear what best practice is. ‘We have drafted the Guideline in a way that makes it easy to use and it makes explicit what best practice is,’ he says.

The HKICS hopes that the Guideline will be used as widely as possible. ‘The Guideline is open to all CSPs, irrespective of whether they are our members,’ points out Ivan Tam FCIS FCS, HKICS President. ‘This is our gift to the profession,’ adds Mr Moyes, ‘it is there on the HKICS website for anyone to download.’

##### 2. The AML/CFT Charter

The HKICS AML/CFT Charter is the first AML/CFT self-regulatory initiative in Hong Kong. The Charter requires subscribing organisations to demonstrate that they meet the Charter’s standards on AML/CFT – as set out in the HKICS AML/CFT Guideline – and those standards are equivalent to those imposed on financial institutions. The Guideline is based on the SFC AML/CFT Guideline applicable to financial institutions, including banks. Thus, any CSPs that adopt the Guideline should be within the scope of FATF 17 because they follow the rules for financial institutions.

Paul Moyes explains that any organisation that wants to subscribe to the Charter will need to employ, as a member of its senior management, a 'fit and proper' person as a named Responsible Person who bears ultimate responsibility for ensuring compliance with the Charter. He adds that the Responsible Person does not need to be a member of the HKICS. 'We define 'fit and proper' as it is defined in the Companies Ordinance. That is, the Responsible Person has to be a member of the HKICS, the Law Society, the Hong Kong Institute of Certified Public Accountants (HKICPA) or equivalent body,' he says.

Organisations found to be involved in a material breach of the Charter or its related obligations will be removed from the list of HKICS AML/CTF Organisations. The HKICS is also permitted to share any adverse findings, and the basis therefore, with regulators and/or other professional bodies for which the Responsible Person may be subject to discipline.



Subscribers will, upon acceptance, be certified to use the HKICS AML/CFT Logo and be listed on the HKICS website as an accredited HKICS AML/CFT Organisation. Moreover, they and their 'fit and proper' responsible person, who are subject to HKICS discipline, would be placed on a public list on HKICS's website at [www.hkics.org.hk](http://www.hkics.org.hk), for public search purposes. The assurance required for accreditation involves identification of the CSP's AML/CFT risks and an audit of the test of controls in the context of the HKICS AML/CFT Guideline.

#### What impact will this initiative have?

It is hoped that this initiative will put Hong Kong ahead of the curve again in the AML/CFT fight. For accredited HKICS AML/CFT Organisations it will be a source of reliance on customer due diligence issues and for business referrals. As mentioned above, the initiative also aims to improve the ease of doing business in Hong Kong.

Six Hong Kong and international CSPs have signed up for the Charter, namely:

1. Ernst & Young Company Secretarial Services Ltd
2. McCabe Secretarial Services Ltd
3. Reanda EFA Secretarial Ltd
4. SW Corporate Services Group Ltd
5. Tricor Services Ltd, and
6. Vistra Corporate Services (HK) Ltd.

The Charter also has the support of the HKSAR government. The press launch of the Charter was attended by Salina Yan JP, Deputy Secretary for Financial

Services and the Treasury (Financial Services). 'The HKICS is grateful for the HKSAR Government's support and is pleased that so many leading Hong Kong and international CSPs have publicly demonstrated their commitment in the fight against money laundering, terrorist financing and illegal tax evasion by adopting the HKICS standards which converge with those of financial institutions,' Ivan Tam commented at the press conference.

#### Mohan Datwani

*HKICS Senior Director and Head of Technical & Research*

#### Kieran Colvert

*Editor, CSj*

*The press conference and AML/CFT Charter signing ceremony took place on 17 May at the HKUST Business School Central.*

*More information is available on the AML/CFT Charter section of the HKICS website: [www.hkics.org.hk](http://www.hkics.org.hk). For enquires to join HKICS's AML/CFT Charter, please contact Mohan Datwani via the HKICS website.*

*The HKICS has set up an AML/CFT Charter Advisory Board to advise on standard setting and disciplinary related matters. The Advisory Board comprises: Edith Shih, former HKICS President and Senior Vice-President of the UK Institute of Chartered Secretaries and Administrators (ICSA); Anthony Rogers, former Vice-President of the Court of Appeal; and Dr PM Kam, former Chief Executive Officer of the Financial Reporting Council.*

# Board communication: new CSIA guidance

Having access to the right information plays a major part in boards making the right decisions. A new set of guidelines published last month by the Corporate Secretaries International Association (CSIA) aims to help corporate secretaries fulfill their role supporting the board's information needs.



Keeping directors informed, whether via the director induction process or the preparation of board materials ahead of board meetings, is one of the most critical areas of corporate secretaries' work and arguably the area where they have the greatest influence on ensuring the right outcomes.

This area, however, is also one of the most challenging to get right – how do you ensure directors have all the information they need while avoiding information overload? How should you navigate the politics involved – particularly where management wants to control the information getting to the board, or where information on the performance of a particular individual needs to be passed on in as sensitive a manner as possible?

A new set of guidelines published last month by the Corporate Secretaries International Association (CSIA) aims to answer these and other tough questions regarding board communication. The *Ten Practical Guidelines to Improving Board Communication* (available on the CSIA website: [www.csiorg.com](http://www.csiorg.com)), gives practical advice both at the administrative and at the strategic level to help corporate secretaries in this complex area of practice.

### Highlights

#### Inform directors about the wider context

The first of the 10 guidelines (see 'The CSIA 10 guidelines on board communication' below) relates to the scope of information the corporate secretary needs to provide for the board and urges corporate secretaries not to limit themselves to providing only information relating directly to the board agenda items.

'Many corporate secretaries may feel that it is not their responsibility to source and supply general information to the board,' the guidelines state. The CSIA reminds practitioners, however, that ensuring that directors have all the information they need is part of the remit of the corporate secretary role and starts on day one of the director's term with the induction process facilitated by the corporate secretary. The guidelines urge corporate secretaries not just to look at the 'traditional' sources of information but to include information that could be of value to the board in respect of current decisions, future risks and industry developments.

'This proactive action is probably one of the most meaningful and value-adding steps you can take from a strategic support perspective in enabling and assisting the board,' the guidelines state.

#### Understanding directors' information needs

It may seem a rather obvious point, but it is clearly crucial for corporate secretaries to first understand what are the information needs of the board as a whole and of individual directors. The CSIA guidelines stress the need for corporate secretaries to 'engage with your directors to ensure you understand

the type and quantity of information they would prefer'. The CSIA suggests keeping a register noting any specific or special requirements, and recommends engaging with management and other key stakeholders on the information that they would like to share with the board.

#### Navigate the politics

Playing the informational go-between for the board can be a hazardous occupation. There may be times when management wants to control the information getting to the board, or when the board wishes to control the information reaching stakeholders. The CSIA guidelines provide useful advice on how to navigate the politics involved in information support, highlighting the need for corporate secretaries never to hide information from the board because it would protect or suit management. 'A good cultural test is sometimes whether bad news travels as fast as good news,' the guidelines point out.

The guidelines also stress that corporate secretaries need to consider the best means to impart information – particularly where sensitive matters need to be raised. 'Personally raise matters that would warrant the attention of the board if not done by others – but

### Highlights

- corporate secretaries should take accountability for all aspects of board communication – ensuring that directors have all the information they need is part of the remit of the corporate secretary role
- corporate secretaries should inform directors about the wider context, including future risks and industry developments
- corporate secretaries should never hide information from the board to protect or suit management

determine the best means to do so, a private conversation with the chairman might be a better option in certain instances than a blanket email to all; the guidelines state.

#### Take accountability for board communication

Another key point made by the CSIA guidelines is that the corporate secretary is 'not just a post box' when it comes to board communication. While it may be tempting to see the role as essentially receiving and passing on information without the need to make judgements about its adequacy, appropriateness or means of dissemination – the CSIA stresses that corporate secretaries need to take accountability for all aspects of board communication.

The guidelines remind practitioners that they need to make judgements about what information the board needs and the best format and process for board communication. 'Be proactive,' the guidelines suggest, 'reach out to those responsible for preparing submissions – the corporate secretary can help to materially improve the quality of board papers using their unique knowledge of the board's vantage point and information needs. This also greatly assists in ensuring your colleagues perceive you as a value adding partner.'

On a related point, Guideline 4 points out the advantages of the corporate secretary becoming the custodian of all communication to the board. This helps to ensure that the right information goes to

the right recipients, that confidential and sensitive information is protected and that there is a central repository of information in case of any litigation or queries in future.

#### How much is enough?

Surprisingly, the tricky question of judging how much information is appropriate, is only addressed in the last of the 10 guidelines – 'rather communicate more than less'. The principle, the guidelines state, should be 'if in doubt, put it out'. However, this issue is addressed at greater length, and from a different perspective, in the introduction to the guidelines.

'Management prefers bombarding directors with as much information as possible to avoid being accused of opacity, whilst directors often complain that they are receiving too much information and it is being presented to them in ways that don't highlight the key issues in order to stimulate the requisite discussion and debate, leading to less transparency and neither party's objectives really being achieved,' the guidelines state.

Clearly, the danger of information overload is very real and practitioners do need to consider whether the proposed information provided to directors will actually assist them to perform their fiduciary duties, oversight role and to comply with legislative and regulatory requirements.

#### Embrace technology


The guidelines note that the usage of board portals has become relatively common and urges corporate secretaries to consider utilising such a solution, 'if affordable for your organisation'. They also list some of the more prominent advantages of using board portals, including those listed below.

## The CSIA 10 guidelines on board communication

1. Become a gatherer of broad-based information.
2. Be an honest broker of information and communication between the board and the executive/senior management team and avoid playing politics.
3. Engage with your directors to ensure you understand the type and quantity of information they would prefer.
4. Ideally all information to the board should always be processed and distributed through the office of the corporate secretary.
5. Always remember what the purpose of specific information is, when determining its appropriateness, as well as the required format and process.
6. Develop a standard template to be used by management for all board submissions.
7. You are not just a post box.
8. Consider the most appropriate means for communication.
9. Ensure you have a proper records management process and all communicated documents are properly filed.
10. Rather communicate more than less.

“  
 keeping directors informed... is  
 one of the most critical areas  
 of corporate secretaries' work and  
 arguably the area where they have  
 the greatest influence on ensuring  
 the right outcomes  
 ”



- Using digital board packs reduces paper and printing.
- Use of a board portal increases security, some examples include:
  - o In most instances more than one password is required to access the device, thus eliminating the risk of unauthorised access of information.
  - o Devices can be wiped easily and remotely, if stolen or misplaced. The risk of hard copy documents being left to lie around and accessed is eliminated.
  - o The ability to email or forward documents can generally be limited or eliminated completely, thus again reducing the risk of unauthorised distribution of information.
- Materials can be distributed quickly and easily accessed from remote locations.
- Virtual assembly is possible over a period of time, thus allowing the corporate secretary to commence with portions of the board pack on receipt, whilst other documents are still awaited.
- Changes in the order of documentation, late additions or replacements can easily be made, whilst the main portions of the board pack can be made available, allowing directors to commence with preparation, whilst further additions can follow.
- The board pack is immediately accessible once 'live'. This greatly assists when directors are travelling and eliminates courier costs, additional time requirements to courier and other logistical and delivery annoyances.
- Improved management of conflicts of interest is possible as access can be restricted for those directors not entitled to view documents (if so required by local legislation or governance practices).
- Board portals enable easy access to archives of past minutes, meeting materials, charters and other general information.
- Effective and efficient management of written resolutions, as voting is generally possible by a click of a button.
- Reduced costs when compared to printing.
- Notes and comments can be made electronically on the board documents and, in some of the solutions, shared with other directors or kept private (based on the director's choice in each instance). 

*The 'Ten Practical Guidelines to Improving Board Communication' was launched at the ICSA London office in conjunction with a webinar on 28 April 2016. The webinar, chaired by Carina Wessels, Past President of CSIA, together with the guidelines, are available online via the CSIA website: [www.csiorg.com](http://www.csiorg.com).*



# Hong Kong's new OFC regime

Anne-Marie Godfrey, Partner, Akin Gump, highlights the features and discusses the implications of the government's proposed open-ended fund company (OFC) regime for Hong Kong.



Under the current legal and regulatory regime relating to the establishment of investment funds in Hong Kong, an open-ended investment fund in Hong Kong can only take the form of a unit trust. This is mainly due to the restrictions on capital reductions in the Companies Ordinance (Cap 622) (CO) which do not allow for a Hong Kong company to vary its share capital to meet shareholder subscription and redemption requests. On 15 January 2016, the Hong Kong government published the Securities and Futures (Amendment) Bill 2016 (Amendment Bill), which will amend the Securities and Futures Ordinance (Cap 571) (SFO) and other existing legislation to introduce a framework for the establishment and regulation of open-ended fund companies (OFCs) in Hong Kong.

### Background

Following a public consultation conducted in March 2014, the Financial Services and the Treasury Bureau published the conclusions of the public consultation on 15 January 2016 and the Amendment Bill was gazetted on the same day. The Amendment Bill provides a broad legal, regulatory and tax framework for the proposed OFC regime and will be supplemented by subsidiary legislation containing more detailed provisions as well as guidelines and codes issued by the Securities and Futures Commission (SFC). The aim of the Amendment Bill is to provide additional choice in terms of fund structures and to promote fund product manufacturing in Hong Kong, with the overall goal being to strengthen Hong Kong's position as an international asset management centre.

### Features of the new open-ended fund company regime

The legislation provides for open-

ended collective investment schemes established in company form under the SFO (as opposed to under the CO for a conventional Hong Kong company), with limited liability and variable share capital. OFCs will share many of the same characteristics as conventional Hong Kong companies, including a constitutive document and a board of directors who are subject to fiduciary duties. It is also anticipated that the winding-up rules applicable to OFCs will closely follow the process provided for in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32).

As OFCs are designed to be investment vehicles, they will have greater flexibility than conventional companies. They may:

- vary their share capital to meet investor subscription and redemption requests
- distribute assets out of share capital subject to solvency and disclosure requirements
- be structured using an umbrella fund structure, allowing for subfunds where the assets of each subfund are managed in accordance with the

investment objectives and policies specific to that subfund, and

- take the form of a publicly or privately offered fund.

The launching of OFCs is expected to increase the saleability of Hong Kong-based funds to offshore investors who are more familiar with corporate fund structures as opposed to unit trusts. The fact that such funds may be structured as umbrella funds enhances their flexibility.

The existing profits tax exemption regime for investment funds registered with the SFC will apply equally to publicly offered OFCs. A profits tax exemption will also be extended to privately offered OFCs with their centre of management and control outside of Hong Kong. The request of industry players during the public consultation for the profits tax exemption to also apply to privately offered OFCs with their centre of management and control in Hong Kong will require further consideration and consultation with industry in light of the potential for abuse.

### Requirements and regulation

OFCs will not be required to be licensed corporations under the SFO, but will have

## Highlights

- open-ended investment funds in Hong Kong can currently only take the form of a unit trust
- the new regime provides for open-ended collective investment schemes established in company form under the SFO, with limited liability and variable share capital
- the new OFC regime is expected to increase the variety of structures available for Hong Kong-based funds initially in the public funds arena and most likely thereafter for use as private funds

“  
the overall goal is to  
strengthen Hong Kong’s  
position as an international  
asset management centre  
”



to be registered with the SFC before they can be incorporated by the Companies Registry.

- An OFC’s investment management functions must be delegated to an investment manager approved by its board of directors and licensed by, or registered with, the SFC to carry on Type 9 (asset management) regulated activity.
- An OFC’s assets must be entrusted to an independent custodian and must be segregated from the assets of the investment manager. The independent custodian may be Hong Kong-incorporated or may be an overseas custodian that is acceptable to the SFC and meets the requirements in the SFC Handbook.
- In addition to appointing an investment manager and custodian, each OFC must appoint at least two directors and an auditor.
- The Amendment Bill designates each of a director, investment manager and custodian a ‘specified officer’ and states that any provision in an OFC’s constitutional document purporting to exempt a specified

officer from liability in connection with the specified officer’s misconduct will be void.

- The investment scope of privately offered OFCs is limited to assets that may be managed by Type 9 (asset management) licensed entities, with a 10% *de minimis* limit for investing in other asset classes.
- Publicly offered OFCs will be able to invest in asset classes in accordance with the SFC’s product code requirements and authorisation conditions, consisting mainly of securities, futures and over-the-counter derivatives.

The SFC will be the primary regulator responsible for the registration and regulation of OFCs under the SFO and will be empowered to make subsidiary legislation (the OFC Rules) and to publish related guidelines or codes (the OFC Code) to regulate and provide guidance on the incorporation, management, operation and business of OFCs. The Companies Registry will be responsible for the incorporation and administration of statutory corporate filings of OFCs. As with conventional Hong Kong companies, the Companies Registry will keep

information records on each OFC, and such information will be made available for public access.

**Next steps**

The Amendment Bill was given its first reading by the Legislative Council on 27 January and a Bills Committee was formed on 29 January. The most recent meeting held by the Bills Committee was on 12 April 2016, where drafting issues and concerns regarding the regulatory framework for OFC directors were addressed. The Amendment Bill must still be given a second reading and a third reading before it is enacted by the Legislative Council, after which it will come into operation on a day to be designated by the secretary for financial services and the treasury by notice published in the Gazette.

The making of detailed operational requirements of the OFC regime will follow the establishment of the basic framework by the Amendment Bill. These requirements are expected to be set out in the OFC Rules and the OFC Code, both of which will be subject to separate public consultation by the SFC.

**Anne-Marie Godfrey**  
Partner, Akin Gump



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# Corporate Governance Inside and Out

Forces Shaping the Corporate  
Governance Landscape

23-24 September 2016  
Ballroom, JW Marriott Hotel,  
Hong Kong

*HKICS presents:  
10th Biennial  
Corporate Governance  
Conference 2016*

**Day 1: Friday, 23 September 2016  
(7 ECPD points)**

**Keynote Address**

**Professor KC Chan GBS JP**, Secretary for Financial Services and the Treasury

**Directors and CG – Guard Dogs, Police Dogs or Lap Dogs?**

**Mr Nicholas Charles Allen**, Chairman of the Board, Link REIT

**Ms Ada Chung FCIS FCS FCPA LLB JP**, Registrar of Companies, CR

**Mr Chua Hoi-wai**, Chief Executive, The Hong Kong Council of Social Service

**Management and CG – Hands On or Handcuffed?**

**Mr Lincoln Leong Kwok-ken**, CEO, MTR Corporation

**Ms Edith Shih FCIS FCS(PE)**, Head Group General Counsel & Company Secretary, CK Hutchison Holdings

**Mr William Lo Chi-chung**, Executive Director, Finance, Airport Authority HK

**Mr Andrew Weir**, Regional Senior Partner, Hong Kong; Head of Capital Markets, KPMG China; Global Chairman of Real Estate and Construction

**Shareholders and CG – Players or Spectators?**

**Ms Sau-wing Mak**, Director, Corporate Finance, Securities and Futures Commission

**Ms Pru Bennett**, Director, BlackRock

**Dr Kelvin Wong**, Executive Director & Deputy Managing Director, COSCO Pacific

**Mr David Chase Lopes**, Managing Director, EMEA, D.F. King

**External Stakeholders and CG – At the Table or Just Noisy Neighbours?**

**Mr David Graham**, Chief Regulatory Officer and Head of Listing, HKEX

**Mr Cas Sydorowitz**, CEO, Georgeson

**Ms Melissa Brown**, Partner, Daobridge Capital

**Mr David Simmonds**, Group General Counsel, Chief Administrative Officer and Company Secretary, CLP Holdings

**Day 2: Saturday, 24 September 2016  
(4 ECPD points)**

**Keynote Address**

**Mr Anthony Neoh FCIS FCS QC SC JP**, Senior Counsel & Former Chief Advisor to the CSRC

**The Mainland and CG – Telling it Straight?**

**Mr Edward KF Chow JP**, Chair, HK Chapter, Institute of Chartered Accountants in England & Wales and Past President, HKICPA

**Ms Estella Ng ACIS ACS**, Executive Director and Deputy Chairman, Tse Sui Luen Jewellery

**Mr Paul Chow FCIS FCS GBS SBS JP**

Former Chairman, Hong Kong Cyberport Management Company

**Ms Cimi Leung**, Partner, Risk Assurance Practice, PwC

**The Mainland and Hong Kong – One Country, Two Systems?**

**Mr Yu Tengqun**, Board Secretary, China Railway Group

**Mr Fang Chunfa**, Board Secretary and General Manager of Investor Relations Department, CGN Power

**Professor Christine Chow**, Associate Director, Hermes EOS, Hermes Investment Management

**Event/Panel Chairs**

**Mr Peter Greenwood FCIS FCS**

**Professor CK Low FCIS FCS**, The Chinese University of Hong Kong

*This programme is subject to change without prior notice.*

For enquiries, please call 2830 6070 or 2830 6069 or email to [ecpd@hkics.org.hk](mailto:ecpd@hkics.org.hk).

Register at [www.hkics.org.hk/CGC2016](http://www.hkics.org.hk/CGC2016)

Session	ECPD points	Member of HKICS and supporting organisations		Non-member	
		Early bird	Regular	Early bird	Regular
Day 1	7	HK\$3,100	HK\$3,300	HK\$3,600	HK\$3,800
Day 2	4	HK\$1,450	HK\$1,650	HK\$1,700	HK\$1,900
Days 1+2	11	HK\$4,100	HK\$4,450	HK\$4,750	HK\$5,100

Early bird rates on or before 15 July 2016

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## Professional Development

### Seminars: April to May 2016

6 April

Disclosure of inside information, disclosure of interests and model code (re-run)



*Chair: Ernest Lee FCIS FCS(PE), Institute Council Member, and Partner, Assurance, Professional Practice, Ernst & Young*  
*Speaker: Daniel Wan, Partner, Francis & Co in association with Addleshaw Goddard (Hong Kong) LLP*

11 April

Concept, red flags and sanction of market misconduct under SFO



*Chair: Mohan Datwani FCIS FCS(PE) CAMS, Solicitor, Senior Director and Head of Technical & Research, HKICS*  
*Speaker: Jason Wong, Principal, Risk Advisory Service, BDO Ltd*

20 April

ESG reporting made easy



*Chair: Eric Chan FCIS FCS(PE), Chief Consultant, Reachtop Consulting Ltd*  
*Speakers: Ashley Hegland, Senior Advisor, Sustainability, Ruder Finn Asia; and Mark Harper, Senior Manager, ESG Advisory, Business Environment Council*

7 April

Cross-border insolvency and litigation funding



*Chair: Mohan Datwani FCIS FCS(PE) CAMS, Solicitor, Senior Director and Head of Technical & Research, HKICS*  
*Speaker: Stephen Briscoe, Managing Director, Briscoe Wong Advisory*

14 April

Emerging risks in China's new normal



*Chair: Dr Davy Lee FCIS FCS(PE), Institute Past President, and Group Company Secretary, Lippo Group*  
*Speaker: Brent Carlson, Director, AlixPartners*

25 April

Company secretarial practical training series: how to handle corporate changes – such as, company name, officer, auditor, accounting reference date (re-run)



*Chair: Jenny Choi FCIS FCS(PE), Institute Professional Services Panel Member, and Senior Manager, Ernst & Young Tax Services Ltd*  
*Speaker: Ivy Chow FCIS FCS, Senior Manager, Corporate Services, Tricor Services Ltd*

4 May

From whistleblowing to investigations – what should senior management do when an internal fraud is discovered?



*Chair: Natalia Seng FCIS FCS(PE), Institute Membership Committee Vice-Chairman, and Chief Executive Officer – China & Hong Kong, Tricor Group/Tricor Services Ltd*

*Speaker: Greg Hallahan, Managing Director, Global Risk and Investigations Practice, FTI Consulting*

### 10th Corporate Governance Conference to be held in September

The Institute's 10th biennial Corporate Governance Conference (CGC) under the theme of 'Corporate governance inside and out – forces shaping the corporate governance landscape', will bring together thought leaders from the corporate governance, legal, regulatory, risk and finance, and other fraternities, locally and internationally to share perspectives of corporate governance for navigating the challenges ahead. For details, please refer to the conference website: [www.hkics.org.hk/CGC2016](http://www.hkics.org.hk/CGC2016).

### ECPD forthcoming seminars

Date	Time	Topic	ECPD points
20 Jun 2016	6.45pm – 8.15pm	Ethics and sustainability	1.5
24 Jun 2016	2.00pm – 3.30pm	Stock connect and its mechanisms behind the scene	1.5
6 Jul 2016	4.00pm – 5.30pm	An overview of intellectual property in Hong Kong and topical issues and misconceptions	1.5
11 Jul 2016	6.45pm – 8.45pm	SFC means enforcement business	2
26 Jul 2016	4.00pm – 6.00pm	Tax implications of share awards and share option benefits	2

For details of forthcoming seminars, please visit the ECPD section of the Institute's website: [www.hkics.org.hk](http://www.hkics.org.hk).

### MCPD requirements

Members are reminded to observe the MCPD deadlines set out below. Failing to comply with the MCPD policy may constitute grounds for disciplinary action by the Institute's Disciplinary Tribunal as specified in Article 27 of the Institute's Memorandum of Articles.

CPD year	Members who qualified between	MCPD or ECPD points required	Point accumulation deadline	Declaration deadline
2015/2016	1 January 1995 – 31 July 2015	15 (at least 3 ECPD points)	31 July 2016	31 August 2016
2016/2017	1 January 1995 – 31 July 2016	13.5 (at least 2.5 ECPD points)	30 June 2017	31 July 2017

### MCPD requirement extends to graduates

All graduates are required to comply with the Institute's MCPD requirements from 2015/2016 CPD year and onwards.

## Professional Development (continued)

### 如何做好风险管理与治理管控

香港特许秘书公会4月26至29日在洛阳召开“第四十期联席成员强化持续专业发展讲座”，讲座主题为“风险管理与治理管控”。来自香港联交所、中国上市公司协会、专业机构及上市公司的专家和与会代表就上市公司董事会运作现状和优化建设；环境、社会及管治报告指引；香港上市公司风险管理与内控理论实践；中港两地重大信息披露制度概览和常见误区等大家关心的问题进行了交流。

### 优化上市公司董事会运作

中国上市公司协会副秘书长何龙灿就“上市公司董事会运作现状及优化建设”的议题和参会代表进行了交流。

他介绍，中上协根据上市公司董事履职情况调研完成了董事会履职指引，从调研情况来看，上市公司董事会治理中存在诸多问题。首先，董事会团队决策机制不完善，这表现在一是组织结构趋同，上市公司董事会制度的建设主要是自上而下进行推动，具有较强的规制性特征，不同上市公司董事会的结构趋同。公司治理应结合企业自身特点，与其产品技术、经营规模、生命周期、发展战略、环境保护等各种情景因素相适应，才能充分发挥治理作用。二是团队议事机制没有形成，在中国内地上市公司中，董事通常代表着不同股东的利益。董事长通常作为大股东的代表。应当采取集体和投票方式决策的共管模式。董事每人一票，采用合议的方式进行决策。但基于“股东会中心主义”，目前上市公司董事会成员受控于提名股东，导致董事会成员之间缺乏应有的平等性，团队议事流于形式。

其次，董事会监督功能弱化，一是大股东控制，董事会的决议在经过股东大会审核时需要满足大股东的利益要求，中小股东的利益就会被忽视，董事会在制

定决策时就不能够按照自身和公司发展的方向来进行，导致其独立性难以发挥。二是独立性不足，这主要体现在“股东会中心主义”使得董事会流于形式，而实质上仅为控股股东的代言人。三是党委会与董事会职责分工有待进一步明确，很多国企将党群机构设置以及权力事项写入公司章程中的不同意见，对企业招聘人才原则和权力方面、对干部推选和考察方面的不同意见，党组织参与公司重大问题决策机制尚未完善建立，参与决策的责任有待进一步明确。四是监事会监督功能不到位，监事会和董事会名义上平行并列，实质上大多数公司监事会处于附属地位，“被监督者”领导“监督者”，监督者缺乏实际的权威和控制力。

最后是董事会评价工作不到位，风险管理意识有待进一步提高，董事会评价机制尚未很好建立。

该董事会履职指引对完善董事会治理机制做出了政策建议，主要包括，一是提高董事会专业性，选择适合公司特征的董事会类型，设立、适当授权专业委员会，提高董事会成员的多样性，培养团队文化；二是提高董事会独立性，独立于股东、对公司负责，权力到位、功能到位，处理好党委会和董事会之间的关系，厘清董事会监督和监事会监督之间的关系；三是强化董事会的风险管理职能，设立风险管理部门，构建董事会风险应对体系；四是开展董事会评价工作。

### 剖析痛点难点

安永(中国)企业咨询有限公司风险管理部合伙人杨佳川介绍了香港上市公司风险管理与内部控制理论与实践，对于《香港企业管治守则》就内部监控方面的最新修订，她总结道，香港上市公司必须将内部监控变为风险管理的重要环节，着手建立风险管理体系。她认为企

业在风险管理和内控建设方面通常面临不少工作难点，一是对风险管理与内部控制有误解，二是在风险与控制间取得平衡，三是如何将风险管理、内部控制及其他管理体系进行有机结合，四是如何实现短期及长期风控体系持续有效运行，五是如何充分利用合规工作成果，使风控建设“与时俱进”且“成本最优”，六是集团总部与下属单位风险管理职责界面划分，七是缺乏风险管理的统一方法论、风险管理标准，八是缺乏有经验的风险与内控管理团队。

关于如何建立风险管理与内部控制体系，她建议，首先需要明确体系建设的需求，并基于全面风险与内部控制整合理念，建议公司在进行风控体系建设时，采用“风险与内部控制整合框架”作为建立持续有效的全面风险与内控管理体系的基本框架和方法论指引，即以公司战略目标为出发点，从构建“风险管理体系”，理顺“风险管理流程”两个层次进行体系建设，协助公司实现对重要战略风险、运营风险、财务风险及合规风险的防范及有效管理，促进企业达成运营、财务、资产及合规等目标，规避风险事件，成为更好的企业。

谈及风险管理的未来趋势，她表示，如何依托大数据来感知风险、管理风险成为很多企业的研究方向，越来越多的企业开始用信息系统大数据时代的风险管理讲求全方位、多层面，以最大化地涵盖企业可能涉及到的各个风险领域，开启多元化的风险收集途径，制定多维度的风险应对措施。在进行风险管理时，要从跨部门、外部、行业及历史经验四个视角来审视风险。

两位来自上市公司人士的观点值得关注，其中南方航空董秘谢兵介绍了南航内幕信息管理合规实践与自己的思考，首先，建设内部制度方面应建立重大信



At the seminar



Institute Chief Executive  
Samantha Suen presenting a  
souvenir to He Longcan



Institute Chief Executive  
Samantha Suen presenting a  
souvenir to Ellie Pang

息内部报告制度、内幕信息知情人管理制度，定期报告、重大事项知情人备案等，同时定期业绩窗口期提醒，注意与公司保密纪律的衔接，并培养同事、亲友的日常沟通与意识；其次信息披露方面，注意控股股东和上市公司是信息披露义务人，同事尽快进行信息披露，当不能保密时进行阶段性进展公告，当不能保证公平时进行临时停牌；再次投资者沟通方面，应对市场传闻进行回应，更新公司官网信息，通过调研、反向路演等与分析师进行沟通，通过电话、台

账记录及备案与散户进行沟通，同时组织好业绩发布会；最后做好媒体沟通，注意责任边界和内部纪律，做好对恶意抹黑及失实报道的应对，及时学习市场中典型案例，引以为戒。

“投资者关系管理是公司治理的要求，也是监管要求”，中国石化副总裁及董秘黄文生认为，做好投资者关系必须注重公平性、合规性、互动性等原则，首先需要准确确定受众，包括卖方分析员、机构销售员、买方分析员、零售经

纪商、基金经理机构投资者和散户，此外还得关注投资者如何评价，并明确沟通内容，提高沟通效率等。

关于企业社会责任的重要性，他表示，履行社会责任不仅仅是外部推动，更是企业发展的内生动力。中石化董事会下设社会责任管理委员会来推动及落实企业社会责任的履行，社会责任建设是中石化的内在追求，并已经将社会责任融入公司发展战略。

### The 40th Affiliated Persons ECPD Seminars

The Institute held the 40th Affiliated Persons (AP) ECPD Seminars on 'risk management and governance control' in Luoyang city, Henan province, between 26 and 29 April 2016. The seminars attracted over 130 participants from H-share, A+H share, red-chip, A-share and to-be-listed companies.

Nine speakers shared their views and knowledge around the theme. Institute Vice-President Dr Gao Wei FCIS FCS(PE) introduced the findings of the recent HKICS/KPMG China research report *Risk management – looking in the new normal in Hong Kong*.

Other speakers included: He Longcan, Vice-Secretary-General of the China Association for Public Companies; Ellie Pang, Vice-President, Policy and Secretariat Services Unit, Listing Department, Hong Kong Exchanges and Clearing Ltd; Huang Wensheng, Vice-President and Board Secretary of China Petrochemical Corporation; Xie

Bing, Board Secretary of China Southern Airlines; and other senior professionals. They covered a wide range of topics including: effective board operations; environmental, social and governance (ESG) reporting; the theory and practice of listed companies' risk management and internal control; the major information disclosure regulations in Mainland China and Hong Kong; and investor relations management and corporate social responsibility. A group discussion followed the presentations in which speakers and the audience shared their experience and views.

The Institute would like to thank the speakers, participants, event associate organisers (Shinewing CPA and YTO Group Corporation), and supporting organisations (Computershare Hong Kong Investor Services Ltd and Ping An Property & Casualty Insurance Company of China Ltd), for their support.

## Advocacy

### AML/CFT Charter launch

The Institute launched a new initiative last month designed to assist corporate service providers (CSPs) in their anti-money laundering and counter-financing of terrorism (AML/CFT) fight. The initiative comprises the HKICS AML/CFT Guideline, which is freely available on the HKICS website, setting standards in due diligence, and the HKICS AML/CFT Charter which provides a self-regulatory route for CSPs to demonstrate compliance with AML/CFT best practice.

At the launch ceremony, six leading CSPs, namely: Ernst & Young Company Secretarial Services Ltd; McCabe Secretarial Services Ltd; Reanda EFA Secretarial Ltd; SW Corporate Services Group Ltd; Tricor Services Ltd; and Vistra Corporate Services (HK) Ltd; signed up for the HKICS AML/CFT Charter.

The Guideline and Charter were developed as part of HKICS's broader remit to promote good governance and to assist Hong Kong in its compliance with its international obligations under the Financial Action Task Force (FATF).

The ceremony was attended by Salina Yan JP, Deputy Secretary for Financial Services and the Treasury (Financial Services) of the HKSAR Government, the CSPs mentioned above, as well as HKICS members and guests.

The Institute also hosted a cocktail reception in the evening at the China Club to celebrate the launch of the HKICS AML/CFT Charter, which was attended by the Charter's founding members, government officials, regulatory bodies and peer associations.

*The Guideline and Charter are reviewed in the 'In Focus' section of this month's journal (see pages 22–25). For further details, please refer to the dedicated 'HKICS AML/CFT Charter' section on the Institute website: [www.hkics.org.hk](http://www.hkics.org.hk).*



Ivan Tam and Salina Yan at the launch ceremony



Ivan Tam and six founding members of the HKICS AML/CFT Charter



At the HKICS AML/CFT Charter cocktail reception



### Institute joins luncheon with Commissioner of Ministry of Foreign Affairs of PRC in HKSAR

The Commissioner of the Ministry of Foreign Affairs of the PRC in HKSAR, Song Zhe invited the Hong Kong Coalition of Professional Services (HKCPS) to attend a luncheon at the Commissioner's office on 20 May 2016. Institute President Ivan Tam FCIS FCS; Past President April Chan FCIS FCS(PE); Council member Bernard Wu FCIS FCS; Membership Committee member Bill Wang FCIS FCS; Young Group member Eric Fung ACIS ACS; together with seven mentors and mentees of the 2016 Chartered Secretary Mentorship Programme attended the luncheon, as well as other member bodies of HKCPS.

### New scholarship established under CSFL

On 4 May 2016, Institute Past President and Senior Vice-President of ICSA Edith Shih FCIS FCS(PE) donated HK\$240,000 to The Chartered Secretaries Foundation Ltd (CSFL) for the establishment of a five-year scholarship scheme dedicated to students of the Open University of Hong Kong's Shanghai Postgraduate Programme in Corporate Governance. The scholarship is named 'HKICS Edith Shih Corporate Governance Scholarship'. The Institute and CSFL thanks Ms Shih for her generosity.



A donation presentation ceremony was held after the CSFL Executive Committee meeting with Edith Shih (middle) and the CSFL Executive Committee members

### Institute promotes the profession to the younger generation

The Institute participated in the Joint Professional Career Day organised by the Education Bureau and the Young Coalition Professional Group (YCPG) of the Hong Kong Coalition of Professional Services (HKCPS). Jerry Tong FCIS FCS was the Institute's representative on this project's taskforce. Under the project, nearly 180 Form 4 and 5 students participated in the first career day in Tsuen Wan on 30 April 2016. The Institute took the opportunity to introduce the Chartered Secretarial profession to the young students and will join the other two career days arranged by YCPG in July 2016 to be held in Wan Chai and Tai Kok Tsui.

### ASEAN Corporate Secretaries Network

The HKICS has joined with four Asian professional and industry bodies to form the ASEAN Corporate Secretaries Network (ACSN). This new grouping will explore areas of collaboration and organise joint conferences and research projects in the corporate secretarial and governance fields.

The four bodies joining the HKICS in this venture are:

1. Chartered Secretaries Institute of Singapore (CSIS)
2. Indonesian Corporate Secretary Association (INCSA)

3. The Malaysian Institute of Chartered Secretaries and administrators (MAICSA), and
4. Thai Listed Companies Association (TLCA).

Institute Chief Executive Samantha Suen FCS FCIS(PE) attended a meeting with representatives from these bodies on 22 April 2016 in Singapore. Dr Tan Wee Liang FCIS and Grace Tan FCIS both of CSIS were elected as Chairman and Secretary of ACSN respectively for 2016/2017.



Inaugural meeting of the ASEAN Corporate Secretaries Network

## Advocacy (continued)

### 'Passing the Torch' project with HKUST

The 'Passing the Torch' project 2016, funded by the Chartered Secretaries Foundation Ltd (CSFL), and sponsored by the Hong Kong Companies Registry, passed into its second stage. Four groups of selected students from the Hong Kong University of Science and Technology (HKUST), guided by Institute representatives, delivered interactive workshops on ethics and governance to students of the following schools and educational institutes in April 2016 respectively.



At Tsing Yi IVE



At Po Leung Kuk Wu Chung College



At Po Leung Kuk Choi Kai Yau School

Date	Name of school/ institute	HKICS representative
19 April 2016	Po Leung Kuk Choi Kai Yau School (保良局蔡继有学校)	Angus Pang ACIS ACS
20 April 2016	Vocational Training Council (VTC) Tsing Yi IVE	Alex Wong FCIS FCS
21 April 2016	Po Leung Kuk Wu Chung College (保良局胡忠中学)	Hammond Luk FCIS FCS
28 April 2016	Po Leung Kuk Ngan Po Ling College (保良局颜宝铃书院)	Michelle Ho FCIS FCS



At Po Leung Kuk Ngan Po Ling College

### External appointments

Institute President Ivan Tam FCIS FCS has been re-appointed a member of the Departmental Advisory Committee of the Department of Accountancy of the City University of Hong Kong from 1 September 2016 to 31 August 2019.

Vice-Chairman of the Institute's Education Committee Polly Wong FCIS FCS(PE) has been re-appointed a member of the Advisory Peers Group of The Open University of Hong Kong from 1 September 2016 to 31 August 2019.



### Co-option of Stella Lo as a Council member

At the Council meeting held on 31 May 2016, Stella Lo Sze Man FCIS FCS was co-opted as a Council member of HKICS with effect from 1 June 2016. Ms Lo is currently Group Company Secretary of Guoco Group Ltd.

# Postgraduate Programme in Corporate Governance

[2 Years Distance Learning Programme (60 credits)]

## Programme Aims

This postgraduate programme aims to provide practical knowledge and skills for those who wish to pursue or further advance their careers as Company Secretaries and Corporate Governance professionals.

On successful completion of the programme, students should be able to demonstrate a comprehensive understanding of the theoretical, practical, comparative and international dimensions of corporate administration and company secretarial practices in changing business and regulatory contexts, evaluate the various theories underpinning good corporate governance, and offer financial and legal advice on the conduct of business.

## Programme Structure

Applications for this programme will only be open for the Autumn Term which commences in September.

Course Code	Course Title
ACT B861	Accounting for Corporations
FIN B862	Treasury and Financial Management
MKT B890	International Management Strategy
ACT B864	Tax Framework
LAW B868	Corporate Law
CGV B897	Corporate Administration and Secretaryship
CGV B898	Issues in Corporate Governance*
FIN B851	Financial Planning and Risk Management

## Entry Requirements

Applicants to this programme must meet one of the following entry requirements:

- a recognized degree in a business-related area (or its equivalent); or
- a recognized degree in a non-business area (or its equivalent), plus three years of supervisory/managerial experience.

## Tuition Fee

- Application fee: RMB 200
- Tuition fee: RMB 79,200
- Fee for the Residential School in Hong Kong (one week): RMB 1,500

## Conferment of Award

Upon successful completion of all prescribed courses for Postgraduate Programme in Corporate Governance, students will need to transfer all credits earned to the Master of Corporate Governance programme of The Open University of Hong Kong. They will be granted the degree certificate and transcript of the Master of Corporate Governance in Hong Kong after completing the Residential School. Graduates of the Master of Corporate Governance (MCG) programme are eligible to apply for full exemption from the examinations of International Qualifying Scheme (IQS) of The Institute of Chartered Secretaries and Administrators (United Kingdom) (ICSA) and The Hong Kong Institute of Chartered Secretaries (HKICS).

## Application

- Deadline: 31 August 2016
- Completed application should be sent to East China University of Science & Technology Room 101,166 Meilong Road, Xuhui District, Shanghai
- Required documents for application:
  - A completed application form
  - 2 passport photos 2.5 x 3 cm in size with the applicant's name written at the back
  - The applicant's identity card and two photocopies
  - The applicant's original academic credentials (e.g. award certificates and transcripts of studies) and 2 sets of photocopies
  - The applicant's original supporting documents of work experience and 2 sets of photocopies

(All original documents will be returned after verification.)

## Enquiries

### *East China University of Science and Technology*

Address: Room 101, 166 Meilong Road, Xuhui District, Shanghai

Contact person: Ms Hua, Mr Kong

Tel: 021 – 64251865 / 64251139 / 18917101865 / 18917101139

Email: peixun@ecustmde.com

### *Open University of Hong Kong*

Contact person: Mr Johnny Lui

Tel: 27686930

Email: jlui@ouhk.edu.hk

## Membership

### New graduates

Congratulations to our new graduates listed below.

Lam Hoi Shan

Ngan Pui Shan, Jane

Lau Wai King, Sarita

Yeung Chi Kit

### Membership advancement to associateship and fellowship

The Institute encourages graduates and associates to apply for election to associateship and fellowship. Interested graduates and associates are welcome to visit the 'Membership' section of the Institute website ([www.hkics.org.hk](http://www.hkics.org.hk)) for more details. For enquiry, please contact Vicky Lui at: 2830 6088, or Melani Au at: 2830 6007, or email: [member@hkics.org.hk](mailto:member@hkics.org.hk).

### New fellows

The Institute would like to congratulate the following fellows elected in March 2016.



#### Hung Man, Michelle FCIS FCS

Ms Hung is General Counsel and Company Secretary of COSCO Pacific Ltd (Stock Code: 1199), and is responsible for all legal, corporate governance, compliance and company secretarial matters of the company. In order to maintain a high standard of corporate governance, she also serves as a member of the corporate governance and risk management committees of COSCO Pacific Ltd. With around 20 years of experience, she has received awards recognising her professionalism and dedication in corporate governance and legal areas. Ms Hung holds a bachelor's degree in law from The University of Hong Kong. She is currently a practicing solicitor of the High Court of the HKSAR and is qualified in England and Wales. She has been a member of the Institute's Technical Consultation Panel since 2012.



#### Zhou Dongzhou FCIS FCS

Mr Zhou is Company Secretary and Secretary to the Board of China Coal Energy Company Ltd (Stock code: 1898). He is responsible for overseeing company secretarial, compliance, investor relations and capital management issues. With his extensive experience in the corporate governance of a listed company, Mr Zhou was elected Vice-Chairman of the Listed Companies Association of Beijing (北京上市公司协会) in 2013. He is also a permanent member of the Board Secretary Committee of the China Association for Public Companies (中国上市公司协会). He has also received awards in recognition of his contribution and professionalism in company secretarial and investor relations areas. Mr Zhou graduated from the China University of Mining and Technology with a bachelor's degree in arts and a master's degree in engineering. He joined the Institute Affiliated Persons programme in 2010 and has actively participated in the Institute's training programmes in Mainland China.



#### Mak Soek Fun, Angela FCIS FCS

Ms Mak is the Chief Financial Officer and Executive Director of TOM Group Ltd (Stock Code: 2383). She was also reappointed as the Company Secretary of the company in 2007. As a senior executive, she is responsible for overall direction, strategic planning and control of all financial matters and legal functions of the company. She holds bachelor's degrees in commerce and in law from the University of New South Wales in Australia, and she is a solicitor in New South Wales (Australia), England and Wales and Hong Kong. Prior to joining TOM Group Ltd, she was a Senior Group Legal Counsel of Hutchison Whampoa Ltd.

### Membership activities

#### Chartered Secretary Mentorship Programme – mentors training

On 27 April 2016, nearly 30 mentors attended a training workshop conducted by Mary Cheung, a renowned trainer in professional image and interpersonal skills. During the session, Ms Cheung shared her personal experience and provided practical tips for mentors during the mentoring process.



Membership Committee Chairman Dr Eva Chan FCIS FCS(PE) presenting a souvenir to Mary Cheung

#### Community Service – low-carbon living workshop (re-run)

Due to the overwhelming response to this workshop in January 2016, the Institute organised another visit to the Tai Po Green Hub on 30 April 2016. Members, graduates and secretariat colleagues spent a 'green' weekend starting with a guided tour which was followed by a low-carbon cookery class.



Visiting Tai Po Green Hub

#### Members' Networking – workshop on business etiquette

The Institute organised a workshop on business etiquette conducted by Mary Cheung on 9 May 2016, which over 90 members and graduates attended. Ms Cheung shared real-life examples and her personal experience, which helped participants gain knowledge and skills in enhancing their professional image and business manner. The workshop was well received by the participants.



Membership Committee member Louisa Yuen FCIS FCS(PE) presenting a souvenir to Mary Cheung



At the workshop

### Forthcoming membership activities

Date	Time	Event
14 June 2016	6.30pm–8.30pm	Welcome reception for new graduates and associates (by invitation only)
16 June 2016	6.45pm – 8.30pm	Members' Networking – energising life with laughter yoga
24 June 2016	6.45pm – 8.30pm	Young Group – glamorous grooming in Summer
25 June 2016	10.00am – 12.00pm	Chartered Secretary Mentorship Programme – positive thinking workshop (by invitation only)
30 June 2016	7.00pm – 10.00pm	YCPG Joint Professional Networking Party – 'Hawaii Aloha'

For details of forthcoming membership activities, please visit the Events section of the Institute's website: [www.hkics.org.hk](http://www.hkics.org.hk).

# 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
- corporate governance
- corporate reporting
- board support
- investor relations
- business ethics
- corporate social responsibility
- continuing professional development
- risk management, and
- internal controls



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CHARTERED  
SECRETARIES  
特許秘書

## International Qualifying Scheme (IQS) examinations

### Examination postponement application

Candidates who are prevented by illness from attending a scheduled International Qualifying Scheme (IQS) examination must submit a satisfactory medical certificate when applying for examination postponement. Such application must be submitted to the Institute within three calendar weeks from the end of the examination diet. That is, for the June examination, on or before Friday 24 June 2016.

### IQS information session

This free seminar will include information on the International Qualifying Scheme (IQS). A member of the Institute will share her valuable experience on the career prospects of Chartered Secretaries. This seminar is open to the public. Members and students are welcome to recommend the seminar to colleagues and friends interested in learning more about the Chartered Secretarial profession.

<b>Date:</b>	Wednesday 20 July 2016
<b>Time:</b>	7pm – 8.30pm
<b>Venue:</b>	Joint Professional Centre, Unit 1 G/F, The Center, 99 Queen's Road Central, Hong Kong

### December 2016 diet reminders

#### Examination timetable

	Tuesday 6 December 2016	Wednesday 7 December 2016	Thursday 8 December 2016	Friday 9 December 2016
9.30am - 12.30pm	Hong Kong Financial Accounting	Hong Kong Corporate Law	Strategic and Operations Management	Corporate Financial Management
2.00pm - 5.00pm	Hong Kong Taxation	Corporate Governance	Corporate Administration	Corporate Secretaryship

Please enrol between 1 and 30 September 2016.

## Studentship

### Academic Advisory Panel Luncheon

The Institute held an Academic Advisory Panel Luncheon on 22 April 2016 at the Hong Kong Bankers Club with representatives from local universities. Institute Education Committee Chairman and Vice-Chairman David Fu FCIS FCS(PE) and Polly Wong FCIS FCS(PE); Education and Examinations Director Candy Wong, hosted the lunch. They provided an update on recent developments and future activities of the Institute to the guests listed below (in alphabetical order).

- Dr Derek Chan, Associate Professor in Accounting (Area Co-ordinator), Faculty of Business and Economics, The University of Hong Kong
- Professor Chan Koon Hung, J. K Lee Chair Professor of Accountancy, Faculty of Business, Lingnan University
- Professor Agnes Cheng, Chair Professor and Head, School of Accounting and Finance, The Hong Kong Polytechnic University
- Professor David Donald, Professor, Faculty of Law, The Chinese University of Hong Kong
- Professor CK Low, Associate Professor in Corporate Law, The Chinese University of Hong Kong
- Dr Mark Ng, Assistant Professor, Department of Business Administration, Hong Kong Shue Yan University

## Studentship (continued)

- Dr Brossa Wong, Associate Dean, School of Business, Hang Seng Management College
- Dr Raymond Wong, Assistant Professor, Department of Accountancy, City University of Hong Kong
- Dr Davy Wu, Senior Lecturer, Department of Accountancy and Law, Hong Kong Baptist University
- Dr Susana Yuen, Associate Professor, Lee Shau Kee School of Business Administration, The Open University of Hong Kong



*The Academic Advisory Panel*

### Student Ambassadors Programme

#### Attendance at annual general meetings of listed companies

The Institute arranged student ambassadors to attend the annual general meetings (AGMs) of the following five listed companies on 5, 11, 12 and 13 May 2016 respectively.

The Institute thanks the following listed companies for their generous support for the programme (in alphabetical order).

- CLP Holdings Ltd
- CK Hutchison Holdings Ltd
- Hutchison Telecommunications Hong Kong Holdings Ltd
- Sing Lee Software (Group) Ltd
- Swire Pacific Ltd



*At the CLP Holdings Ltd AGM*



*At the Swire Pacific Ltd AGM*



*At the Hutchison Telecommunications Hong Kong Holdings Ltd AGM*



*At the CK Hutchison Holdings Ltd AGM*



## Chartered Secretaries Scholarships and Subject Prizes

### Hong Kong Shue Yan University

Winnie Li ACIS ACS, Chairman, Education Sub-Committee, HKICS, attended Hong Kong Shue Yan University Annual Scholarship Award Ceremony on 29 April 2016 and presented the Chartered Secretaries Scholarships and Subject Prizes donated by The Chartered Secretaries Foundation Ltd to the students listed below.

- Chartered Secretaries Scholarship – Law & Business  
Wong Oi Ying Anson, law & business student (Year 4)
- Chartered Secretaries Scholarship – Business Administration  
Chan Siu Tung, business administration student (Year 1)
- Chartered Secretaries Subject Prize – Company Law  
Yu Siu Yan, accounting student (Year 3)
- Chartered Secretaries Subject Prize – Corporate Governance  
Leung Bea Joy Gabitanan, law & business student (Year 4)

### Hong Kong Baptist University

Candy Wong, Director, Education and Examinations, attended Hong Kong Baptist University (HKBU) Scholarship & Bursary Donors' Tea Reception on 26 April 2016, at which the following Chartered Secretaries Scholarship and Subject Prize were presented.

- Chartered Secretaries Scholarship  
Wang Runze, accounting student (Year 3)
- Chartered Secretaries Subject Prize – Company Law  
Cheung Ki Yan, Accounting student (Year 3)



At HKBU Scholarship & Bursary Donors' Tea Reception

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- ▶ Experience in handling assignments of Hong Kong-listed companies preferred but not essential;
- ▶ Self-motivated, well-organized, detail-minded, good interpersonal skills and willing to take challenges;
- ▶ Excellent command of both written and spoken English and Chinese;

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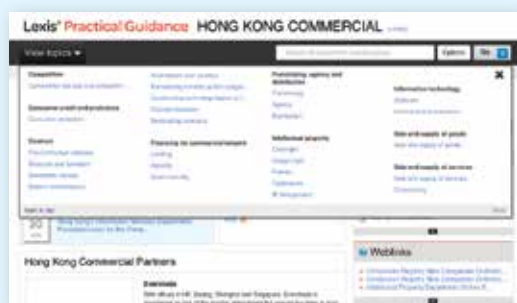
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