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March 2017

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The journal of The Hong Kong
Institute of Chartered Secretaries

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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, as well as the development of the profession of the Chartered Secretary in Hong Kong and throughout Mainland China. 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. HKICS is a founder member of the Corporate Secretaries International Association (CSIA) which was established in March 2010 in Geneva, Switzerland to give a global voice to corporate secretaries and governance professionals. HKICS has over 5,800 members and 3,200 students.

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Contents

Cover Stories

Keeping Hong Kong ahead of the winding fintech curve 06

Rapid technological advances are transforming international financial centres around the world. *CSJ* looks at the challenge of disruption and opportunities to create new markets that will be the result of Hong Kong's own fintech revolution.

How technology is changing the role of the corporate secretary 12

Kirstin McCracken, Principal Associate/Consultant, Eversheds Hong Kong, looks at how new technological advances can be relied on to change the way that corporate secretaries more efficiently support their organisations, along with the challenges inherent in moving to these new working practices.

In Profile

Fintech – a regulator's perspective 16

Bénédicte Nolens, Senior Director, Head of Risk & Strategy and Head of the Fintech Contact Point, Securities and Futures Commission, gives a regulator's perspective on how technology is transforming the financial sector.

In Focus

Family legacy and board dynamics – lessons from Tata 20

In the fallout from the very public fight for control of the Tata Group which ended with the ousting of its chair Cyrus Mistry in October last year, Dr Christine Chow, Associate Director, Hermes EOS, Hermes Investment Management, assesses some of the lessons that can be learned for all parties involved in the governance of family businesses.

Mainland Report

Shareholder communications 26

The latest HKICS Regional Board Secretaries Panel meeting, held on 19 January 2017 in Hong Kong, was a timely opportunity for experience sharing and practical advice on shareholder communications for listed companies in the Mainland and Hong Kong.

与股东保持紧密沟通 31

2017年1月19日，香港特许秘书公会举行了今年度首次公司秘书／董事会秘书圆桌会议。席间，嘉宾和与会者畅所欲言，坦诚分享了内地和香港上市公司在维持良好投资者关系的经验和建议。

Career Paths

A diverse career 34

The Chartered Secretarial qualification can lead to many different career paths. In this second interview in our 'Career Paths' series, Estella Ng Yi-kum ACIS ACS, Deputy Chairman, Executive Director, Chief Strategy Officer, Chief Financial Officer and Company Secretary, Tse Sui Luen Jewellery (International) Ltd, shares insights into the challenges and rewards of her diverse career in Hong Kong.



HKICS News

President's Message 04

Institute News 38

Student News 45

Careers 48



Technology – not my concern?

There can be little doubt that technology is reshaping the professional, as well as the personal, lives of company secretaries in Hong Kong. Some of the ways in which this transformation is happening are readily apparent – new communications and information management technologies, for example, have already made substantial changes to the way we interact with one another and to the efficiency with which we access and store information.

In this context, readers of this journal are unlikely to be under any illusions about just how important addressing technological change is for us in our work. Nevertheless, technology doesn't always get the attention it deserves and one reason for this is the notion that technology-related issues are not within the company secretarial remit. It is this notion that I would like to take issue with in this President's Message.

As our recent guidance note on technology (*Technology and the company secretary*, published in November 2016) points out, there are many technology-related issues which require the attention of company secretaries. True enough, in most organisations, there will be an internal IT team, backed up in many instances by outside consultants, dealing with all things technological. However, there is no shortage of issues where the company secretarial and IT functions overlap.

Company secretaries will be involved, for example, in ensuring adequate internal controls are in place to handle technology-related risks. This might involve a review of relevant data handling, disclosure and record keeping systems in the context of potential cyber attacks and data breaches.

Beyond these specific areas of responsibility, however, the guidance note highlights an even more persuasive reason why members of our profession cannot afford to ignore technology. This goes back to the point I made at the beginning – namely, that the technological revolution we are living through is radically transforming the environment in which we live and work. If our remit is to provide board members with an early warning system for frontier issues that will have an impact on the organisation we work for, then it should be pretty clear that many technology-related risks and opportunities fit that bill.

How will new technologies affect the business model of the organisation we are working for? How will they change the consumption patterns, lifestyles and expectations of our customers and stakeholders? Are we sufficiently prepared to handle the risks posed by new technologies? The board's oversight of these issues is clearly relevant to company secretaries in the context of their board support role. We don't need to reinvent ourselves as IT experts, but we are responsible for ensuring that relevant technology issues are continually assessed and reviewed by the board, and to play our part in ensuring that the board has the necessary expertise in IT areas. This may be an issue when addressing recruitment

of new members to the board, or when addressing the training directors need to fully understand and be able to provide oversight in these areas.

I would therefore urge all members of our profession to maintain vigilance when it comes to technology. This month's edition of our journal is a good place to start. Our first cover story and In Profile look at emerging financial technologies (fintech) and regulatory technologies (regtech) which will have important implications for our compliance and risk management work in the years ahead. Many thanks to our In Profile candidate this month – Bénédicte Nolens, Senior Director, Head of Risk & Strategy and Head of the Fintech Contact Point, Securities and Futures Commission – for giving us her views on these important issues.

Our second cover story takes a broader look at how technological innovation is transforming the role of company secretaries. The overall message of this month's CSj, therefore, is very clear – technology is not something we can simply leave to the IT specialists. We have an opportunity, and a duty, to ensure that the organisations we work for are fully aware of, and well prepared for, the future that technology is building around us.

A handwritten signature in black ink, appearing to read 'Ivan Tam', with a stylized flourish at the end.

Ivan Tam FCIS FCS

科技与我无关？

毫无疑问，科技正彻底改变香港公司秘书的专业工作和个人生活。这种转变，在某些方面相当明显，例如新的通讯科技和资讯管理技术，已大大改变我们的沟通模式，提高我们存取资讯的效率。

从这角度看，在工作上应对科技转变的重要性，本刊读者都很清楚。可是，科技往往得不到应有的关注，其中一个原因，就是我们认为与科技有关的课题不属于公司秘书的工作范畴。本文要探讨的，正是这个观念。

公会最近发出关于科技的指引（《科技与公司秘书》，2016年11月发布），当中指出公司秘书须留意许多与科技相关的事宜。不错，大部分机构内部均设有资讯科技团队，而且很多时候还有外聘顾问作后援，处理一切技术事宜。不过，在许多层面，公司秘书和资讯科技人员的功能是重叠的。例如公司秘书须确保公司有充足的内部管控措施，来应对与资讯科技有关的风险，工作可包括检讨相关的数据处理、披露和档案储存系统是否能应付可能发生的网络攻击和资料保障违规事件。

除了这些特定的职责范畴外，指引还指出特许秘书不能忽略科技的另一个更重要的原因。这回应本文开首提出的一点，就是目前的科技迅速发展，正彻底改变我们的生活和工作环境。我们的职责是向董事会成员及早发出预警，提醒他们影响所任职机构的重要事项；因此很明显，许多与科技相关的风险与机遇，都属于我们这个职责范畴。

科技如何影响我们任职机构的营运模式？如何改变我们的顾客和持份者的消费模式、生活方式和期望？我们是否准备就绪，应付新科技带来的风险？董事会须处理上述事宜，而公司秘书有责任为董事会提供支援，因此这些事宜显然也与公司秘书有关。我们不必要求自己成为科技专家，但我们有责任确保董事会持续评估及检讨有关的科技事宜，并协助确保董事会具备所需的科技专门知识。在为董事会物色新成员，或安排董事接受培训，让董事了解有关课题，发挥监察作用时，公司秘书便可能须考虑科技事宜。

因此，本人促请所有公司秘书关注科技事宜。阅读本刊今期的文章，就

是很好的开始。第一个封面故事和 In Profile 专题文章，探讨最新的金融科技和规管科技，这些科技对我们日后的合规和风险管理工作将有重大影响。证券及期货事务监察委员会风险及策略组主管及高级总监兼金融科技联络办事处主管比妮诺蓝女士（Ms Bénédicte Nolens）接受本刊访问，就这些重要课题发表意见，刊载于 In Profile 文章中，我们对此深表谢意。

第二个封面故事则从较广阔的层面探讨科技创新发展如何改变公司秘书的角色。因此，本期的整体讯息十分清晰：我们不可只把科技交由科技专家处理；我们有机会也有责任确保所任职机构完全知悉科技正为我们构建的未来，也为此作好准备。



谭国荣 FCIS FCS

Keeping Hong Kong ahead of the winding fintech curve



Rapid technological advances are transforming international financial centres around the world. CSj looks at the challenge of disruption and opportunities to create new markets that will be the result of Hong Kong's own fintech revolution.

Given that financial technology, or fintech, is at the intersection of advanced finance architecture and world-class technology infrastructure, it stands to reason that Hong Kong should lead the world in its creation, development and application.

Both the government and the financial sector are upbeat about what fintech can do to advance Hong Kong's position as a major global marketplace. 'The development of fintech is a prime example of the new economy, under which technological advancements have transformed entirely the way that we live, work, communicate and do business,' Hong Kong's outgoing Financial Secretary John Tsang told a November 2016 conference.

Major corporations also back fintech. In October 2016, for example, HSBC launched a new research and development (R&D) laboratory in collaboration with the Hong Kong Applied Science and Technology Research Institute (ASTRI). 'For HSBC, technology is part of the bank's DNA, comprising all areas of our global business,' says the bank's Deputy Chairman, Peter Wong.

From a practical perspective, fintech is defined as the use of technology to advance the development of financial transactions. A number of innovations have significantly impacted the financial services industry, such as peer-to-peer financing platforms, including equity crowdfunding and peer-to-peer lending.

Other developments include new securities trading platforms and digital payment and remittance systems; and distributed ledger technology such as blockchain (a secure method for implementing and recording transactions); smart contracts; robotic financial advisers; virtual currencies; and advances in data security and analytics.

In 2015, Asia-Pacific fintech investment more than quadrupled to US\$4.3 billion over the previous year. China accounted for US\$1.97 billion of that, followed by India with US\$1.65 billion, according to data from CB Insights, a New York-based venture capital analysis firm.

Within Greater China, Hong Kong already sets the global pace in certain aspects of fintech R&D. 'In some areas, such as wholesale electronic payment systems, Hong Kong is already a world leader,' says Douglas Arner, Professor of Law at the University of Hong Kong.

Other areas in which Hong Kong is showing progress include banking

applications such as distributed ledger technology, but the city is lagging behind the Mainland in retail fintech. 'Hong Kong has no option but to continue to evolve,' says Professor Arner, who also coordinates 'Enhancing Hong Kong's Future as a Leading International Financial Centre', a Hong Kong Research Grants Council project. 'If it does not keep up with developments and influence them, it is at risk of erosion of its position,' he adds.

Leveraging financial strength

Given its population of nearly eight million, Hong Kong has an outsized financial services sector that leverages its geographical location, education and work-skill levels and respected legal environment. The city is also an ideal access point for entrepreneurs wishing to tap the Mainland market.

A November 2016 International Monetary Fund staff report noted that Hong Kong can leverage its existing strong position as a regional financial centre. 'Opportunities can be tapped from Mainland China's growth, global integration and capital

Highlights

- in some areas of fintech, such as wholesale electronic payment systems, Hong Kong is already a world leader
- more advanced cybersecurity technologies are needed as more investors share their personal data with fintech platforms, creating cyber and data privacy risks
- regulators in Hong Kong aim to stay 'technology neutral' – allowing the market to innovate as long as institutions remain compliant with the rules



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Douglas Arner, Professor of Law at the University of Hong Kong

account liberalisation', the report noted. 'As well as maintaining its position as the leading renminbi offshore centre, the authorities have a strategy of developing the asset management industry, encouraging corporate treasury centres to domicile... and enabling the healthy development of fintech without compromising consumer and investor protection.'

Hong Kong has seen the introduction of novel banking and payment technologies, including data analytics that track consumer credit and spending patterns, peer-to-peer payments and biometrics authentication. 'These have generally enhanced user experience by shifting banking and payment services to be more accessible, efficient and personalised,' says Professor Arner.

The government has sought to strike a balance between encouragement and interference with fintech development in the city. A year ago, its Steering Group on Fintech, chaired by Professor KC Chan, the Secretary for Financial Services,

released a report proposing a number of recommendations to further Hong Kong's development as a fintech hub.

The report noted that 48 of the 100 largest fintech companies in the world already had an operational presence in Hong Kong, citing the cluster of local, Mainland and international financial institutions, financial services talent, co-working space, accelerator programmes and innovation laboratories as draws.

Government institutions were also keen to create a favourable fintech environment, with the Hong Kong Monetary Authority (HKMA) leading the way. Last year, the HKMA, Hong Kong's *de facto* central bank, launched its Fintech Facilitation Office (FFO) to encourage the development and promote Hong Kong as a Asia-Pacific hub.

Working with the ASTRI, the FFO opened an R&D facility, the HKMA-ASTRI Fintech Hub, to support research into and the adoption of fintech. 'The Hub is a place where various stakeholders can collaborate to innovate,' Howard Lee,

Senior Executive Director of the HKMA, said at its launch.

There, industry players such as banks, payment service providers start-ups and the HKMA itself could get together, Lee pointed out, 'to brainstorm innovative ideas, try out and evaluate new fintech solutions, conduct proof-of-concept trials, and gain an early understanding.'

Minimising structural risks

As with all new technologies, fintech comes with risks and challenges. The introduction of novel banking and payment technologies has generally offered more efficient and convenient banking and payment services for customers in Hong Kong and reduced costs for banks and payment service providers.

'On the other hand,' notes an HKMA statement to CSj, 'one has to be mindful of the potential risks and threats associated with these innovations.' The HKMA, as a regulator, says it 'has put great efforts in striking a good balance

between promoting the use of fintech for people to enjoy better banking and financial services, and making sure that public interests are properly safeguarded during the course of fintech development.'

In May 2016, the HKMA introduced a three-pronged Cybersecurity Fortification Initiative, comprising risk assessment, a cyber intelligence-sharing platform and a professional certification. 'We hope this initiative will encourage the fintech sector to attach importance to cybersecurity resilience and eventually increase public confidence in using innovative payment services,' Professor KC Chan told a recent conference.

There are also risks for members of the HKICS. A 2015 guidance note, *Technology and the Company Secretary*, notes that there is no fixed degree of responsibility for technological issues applying to company secretaries. The guidance note emphasises, however, that technology cannot be ignored.

As fintech becomes more complex, the company secretary's responsibility is broadening from the company's own information technology issues – such as procurement and upgrades – to include issues such as cybersecurity and data protection, as well as anti-financing of terrorism and anti-money laundering (AML) measures.

'Equity crowdfunding poses a lot of investor protection issues,' says Professor Arner. 'At the same time, this highlights the necessity for regulators to understand and influence technology in order to address risks, with blockchain and AML being a prime example.' He adds that the key to reducing risks is the subset of fintech known as regulatory

technology, or 'regtech'. 'The regulatory changes and technological developments following the 2008 global financial crisis are fundamentally changing the nature of financial markets, services and institutions,' he argues. 'Regtech is at the juncture of these two phenomena.'

So far, Professor Arner notes, regtech has focused on automating formerly manual reporting and compliance processes, which has reduced costs for both financial services providers and their regulators. 'However, the potential of regtech is far greater,' he says. He believes that regtech has the potential to enable real-time regulatory regimes that identify and address risk while also facilitating far more efficient regulatory compliance.

Integrating innovation

The HKMA expects Hong Kong's financial sector to absorb fintech's implications with minimal disruption. 'The banks in Hong Kong have been the major developers and users of financial technology,' the authority's statement notes. 'They have been leveraging on new technological advancements in their operations and delivery of service to reduce operating costs, improve operational efficiency and enhance customer experience.'

A growing number of financial institutions have already adopted innovative technologies, such as biometrics authentication, optical character recognition and artificial intelligence. 'There are increasing numbers of banks setting up their own innovation labs and digital teams to embark new creative projects,' the HKMA notes.

Fintech will automate the delivery of more financial services and client on-boarding and, as a result, financial institutions will

need authentication and fraud control technologies that are more automated, yet equally or more secure. More advanced cybersecurity technologies are needed as more investors share their personal data with fintech platforms, creating cyber and data privacy risks. Fintech platforms and business models often thrive on their ability to make use of the cloud, further spurring the need for cloud security.

Hong Kong's government acknowledges that technologically advanced newcomers could disrupt established financial sector participants. In the Mainland, internet companies such as Tencent and logistics firms such as SF Express have entered the consumer finance market.

'The more open market ecosystem has lowered the market entry threshold for start-ups and non-traditional market participants,' James Lau, Deputy Secretary (Financial Services) of the Financial Services and Treasury Bureau, told conference last year.

The Securities and Futures Commission (SFC) has established a dedicated liaison platform called Fintech Contact Point to enhance communications with the industry. The Office of the Commissioner of Insurance has also set up similar entities. The HKMA has the most comprehensive fintech approach (although the SFC receives more queries).

As well as a liaison platform, the monetary authority also launched its Supervisory Sandbox, which live-tests fintech applications and other technology initiatives without requiring full compliance. 'Since its inception in March 2016, the FFO has also held informal thematic regulatory dialogues sessions from time to time to share requirements



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traditional market participants
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James Lau, Deputy Secretary (Financial Services) of
the Financial Services and the Treasury Bureau

and policy stances with fintech start-ups,' the HKMA statement notes.

The office is also conducting a survey that involves banks, fintech firms and stored-value facility issuers to gauge their views on the current regulatory landscape. 'The pro-active stance of regulators in developing sandboxes could facilitate the transition from one regulatory model to another,' says an upbeat Professor Arner.

Blockchains of the future

Despite such efforts, and the growing investment in Greater China, Hong Kong is currently ranked only the fifth most important global hub for fintech, behind London, Singapore, New York and Silicon Valley, according to a recent report by Deloitte, the US accounting firm.

Professor KC Chan has noted that Hong Kong has a way to go to maintain standards and achieve global leadership in fintech. Last year, Cyberport – much maligned because of its status as a luxury apartment complex rather than an innovation hub – launched its incubation programme, which will provide support to

150 fintech companies over five years, and a dedicated fintech co-working space.

But buildings are not enough, Professor Chan concedes. 'Apart from infrastructure building, we have to encourage entrepreneurship and provide for a conducive environment for start-ups to put their novel ideas into the market,' he noted last year, adding that collaboration was the key.

Under Hong Kong's 2016-2017 Budget, several of the Fintech Steering Group's recommendations are to be implemented, including the establishment of a dedicated team under Invest Hong Kong, the government's foreign investment facilitation arm, to organise international events and help start-ups, investors and R&D institutions to establish a Hong Kong presence.

As technology develops, the government and regulators may struggle to keep pace. 'Speed of change and new entrants mean that developments can progress to significance much faster than previously, with exponential growth,' Professor Arner observes.

Indeed, fintech is poised to move out of banking and e-commerce into insurance, stock-trading and investment management. 'With big data analytics, we can study huge data sets to reveal untapped trends, patterns and correlations for forming trading ideas, credit scoring, and even predictions on the financial markets for fund managers to refine the execution of their investment strategies,' says Mr Lau.

Hong Kong regulators try to apply rules broadly and fairly without singling out new technologies, says Bénédicte Nolens, Senior Director and Head of Risk and Strategy at the SFC. 'Like most global securities regulators, the SFC is technologically neutral,' she says, 'which means that it is open-minded about licensed corporations and new entrants deploying technologies that achieve the right results under our rules and standards.'

With fintech poised to create a new paradigm among institutions, investors and regulators, how open-minded that proves to be remains to be seen.

George W Russell
Journalist



HKICS ACRU 2017

Annual Corporate and Regulatory Update

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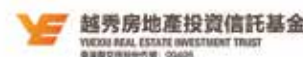
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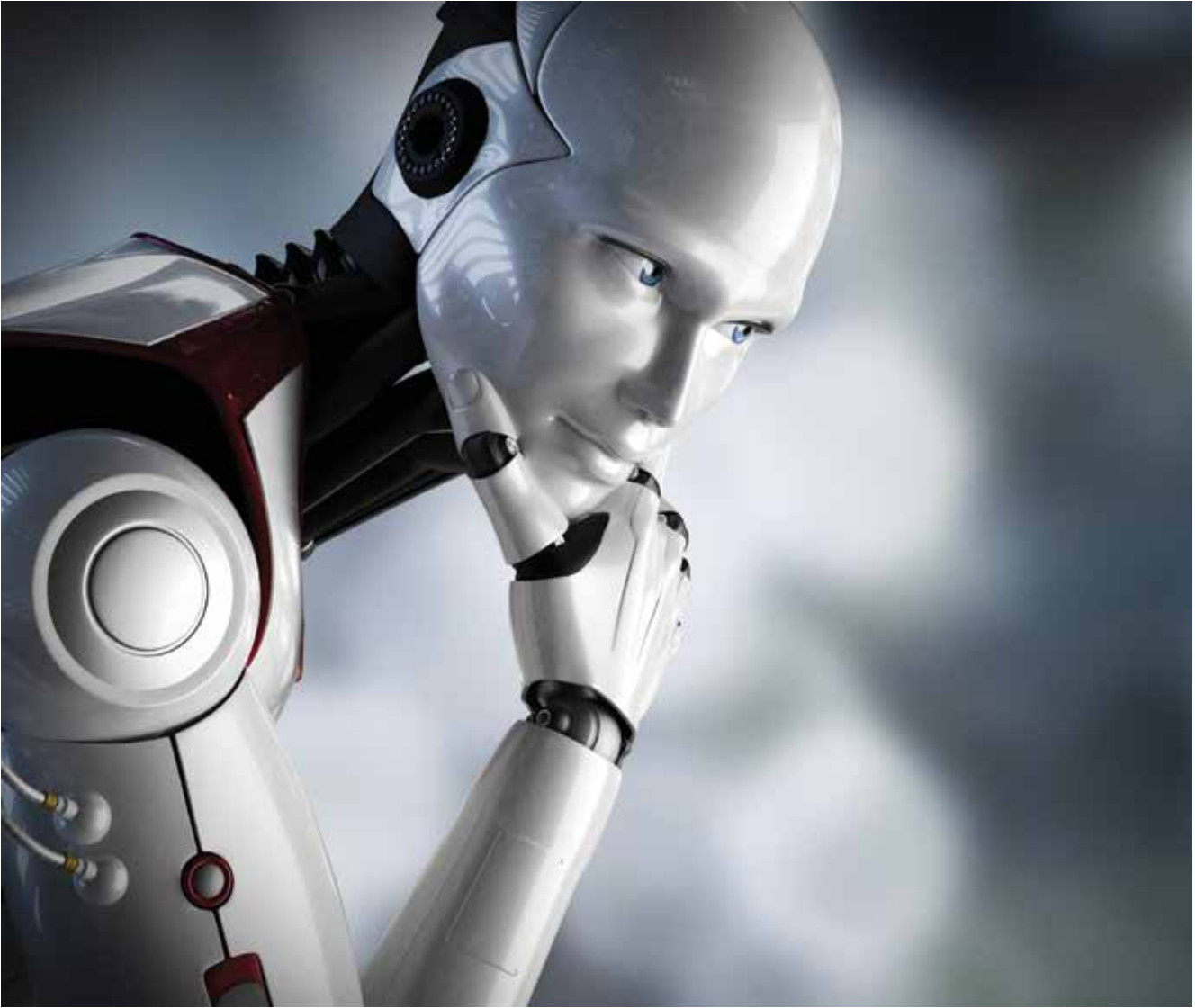
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How technology is changing the role of the corporate secretary

Risks, opportunities and concerns

Kirstin McCracken, Principal Associate/Consultant, Eversheds Hong Kong, looks at how new technological advances can be relied on to change the way that corporate secretaries more efficiently support their organisations, along with the challenges inherent in moving to these new working practices.

With the pace of change in digital technology, almost every aspect of the working world is changing to some degree and businesses need to adapt to keep up. Ask almost any major business and investing in technology is likely to be one of its key strategic priorities in the coming year. In this context, it is interesting to examine the changing role of the corporate secretary.

The role of the corporate secretary, especially in Hong Kong's listed companies, has increased and become more complex in recent years. As demands for better corporate governance have increased, so have the challenges and responsibilities of the corporate secretary who has traditionally been responsible for regulatory compliance and advising on corporate governance. The challenge is to create and embrace a mutually beneficial relationship with technology which automates routine tasks, while allowing the corporate secretary time to add more value to the increasingly complex regulatory compliance and corporate governance challenges which their organisations are facing.

Technology as an enhancer of the corporate secretarial role

There are a number of ways in which technology has helped to make the role of the corporate secretary more efficient in terms of both time and cost. In an increasingly competitive market, clients expect high-quality work for relatively low fees. This expectation extends not just to external corporate secretarial service providers but also to internal corporate secretaries who are expected by their organisations to be able to take advantage of increased efficiencies to free up their time to provide additional value in other areas.

The automation of routine work has generally changed the nature of the global workforce. The ever-increasing ability to effectively use technology to conduct routine work can reduce the administrative burden, allowing corporate secretaries to focus their attention on more value-add matters. While the resulting work must still be checked and overseen, the increased use of technology should overall reduce the risk of human error that may occur, improve the overall quality of the work and speed up the process.

Advances in communication allow corporate secretaries to engage with those at all levels of their organisations in a number of different ways. Video call facilities may enable easier co-ordination within international companies, while reducing the time needed for business travel. Similarly, shared virtual workspaces and webex-type technology make remote collaboration easier. This allows corporate secretaries to work more efficiently and flexibly, maximising the use of their working days (and often after-hours too).

Technology such as documentation management systems and board portals help with retrieving and sharing

information efficiently, while providing some advantages of security over the traditional paper methods. Advances in technology are moving towards an automated and paperless company secretarial department within Hong Kong. With this technology comes security enhancements, along with security risks. Arguably, sensitive and confidential information is as well (if not better) protected in a secure online records archive than in a traditional locked filing cabinet, automatic alerts and reminders for filing dates can be set to avoid unnecessary fines for late filing of documents and company secretaries' regulatory compliance tasks can be more easily monitored and tracked. All of the above should increase productivity through improved quality, flexibility, speed and efficiency whilst overall reducing cost.

Technology and the role of the corporate secretary as a business adviser

As well as the use of technology to make the role of the corporate secretary easier, there has been increasing focus on the role that corporate secretaries may have in advising the board on transformational change within their

Highlights

- corporate secretaries should work with the board and relevant internal bodies to raise the board's awareness and understanding of, as well as ultimate responsibility for, technology
- advances in communication technologies, new documentation management systems and board portals have increased the efficiency of corporate secretarial departments
- cybersecurity threats continue to increase and corporate secretaries should work with the board and their organisation's IT security team to manage data privacy and cybersecurity risks

organisations, including the adoption of new technologies. The HKICS Technology Interest Group published its first guidance note in late 2016 which focused on the role of the corporate secretary, as a trusted adviser to the board, to help manage the risks of implementation of technology across the business.

What degree of responsibility should corporate secretaries have for technological issues? Often companies have specialist IT departments with employees hired specifically to be responsible for any technological issues. Should the role of the corporate secretary, traditionally one of regulatory compliance and advising on corporate governance, be expected to cover these too? The guidance note argues that technology is critical to a company and is therefore critical to a company's corporate secretary as a trusted adviser. 'There are all too many examples of what can happen if these risks are not managed properly, with the consequences being operational, financial and, importantly, reputational,' the guidance note states.

The technological knowledge and expertise of board members can vary from greatly experienced to limited knowledge. A corporate secretary can assist the board by considering whether technology should be a regular item for board committee discussions. Furthermore board members may require training to understand the risks associated with new technologies, such as data protection and cybersecurity. Corporate secretaries should work with the board and the relevant internal bodies to raise the board's awareness, understanding and ultimate responsibility of these issues.

Personal data containing sensitive and confidential information will regularly be

dealt with and recorded by the corporate secretary. Therefore it is essential to have a system in place to define the type of information and what extra measures, if any, should be taken in terms of security protection. According to a study in 2016 conducted by IBM, 60% of companies without an effective business continuity plan had their brand and reputation damaged because of a technological disruption, and the average cost of a data breach has increased significantly.

The corporate secretary has a role in assessing and determining whether the company's IT controls are adequate to protect such information. In the event of a data breach, it must be known which immediate action should be taken to best protect the privacy of the information and limit the amount of damage caused. The immediate steps taken in the event of a breach are often the most important and the corporate secretary is likely to have a key role in any breach management plan, including decisions as to whether any notification of the regulator or the individuals concerned is advisable.

What challenges do corporate secretaries face when trying to harness technology?

In a period of increasing ability of technology to understand unstructured data and take on more complex tasks, it is expected that corporate secretaries will keep abreast and utilise new technologies effectively. However there are physical barriers that corporate secretaries face when trying to harness technology. These include problems with securing budget, difficulties integrating with existing systems, lack of digital skills within the organisation and difficulty knowing what to invest in (that is judging the potential of new technologies).

While the list below is not exhaustive, it gives some examples of the challenges which corporate secretaries may face when incorporating new technologies into their organisations and roles.

1. Adapting to new systems

Many are sceptical as to whether or not technological advancements (including, in particular, automated systems and online records) bring tangible and measurable benefits to an organisation. Some believe that organisations may be reacting to demand by investing in specific technologies without investing in the underlying training and cultural changes needed to make the most of these technologies. Corporate secretaries can have an important role in the promotion of the adaptation of new technologies and finding ways to optimise their use within their own organisations.

2. Budgetary considerations

Securing budget to invest in technology can be a challenge in any organisation, but can be a particular issue for corporate secretaries as a support function (albeit a crucial one) rather than the customer facing side of an organisation. The expense is not limited to the purchase of new technology. Employees must be trained in using such technology and often existing systems will have to be integrated. All of which is costly and may be seen as unnecessary in uncertain economic climates. In order to push for budget to invest in such new technologies, in many cases a clear business case must be set demonstrating real savings in the long term through efficiencies.

3. Maintaining quality and controls in the face of immediacy

Emails require a more immediate response than letters used to do and the use of

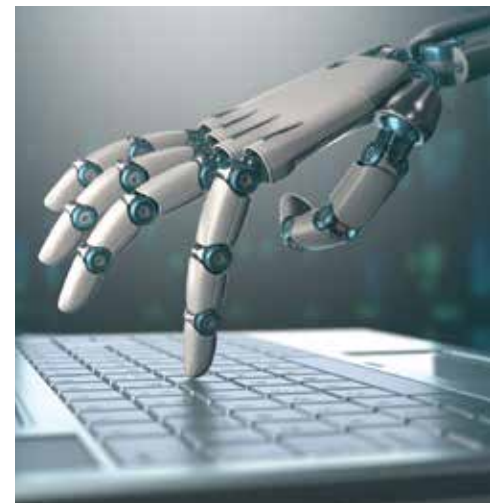
instant messaging applications (such as WhatsApp and WeChat) has raised expectations of an even more immediate response. Employees within organisations in Hong Kong are increasingly using instant messaging platforms and the group chat functionality to collaborate on projects. Decisions are made quickly, changes are implemented and those who do not keep up with the pace of the discussion can be left behind. While this can adversely impact work-life balance (which we discuss below), it also creates a number of risks. In particular, corporate secretaries still need to ensure that proper governance and risk-sign off occurs and that, while decisions are made quickly, time is still taken to consider appropriate angles and consequences.

4. Increased data privacy and cybersecurity risks

There can be a perceived increased risk to the security of data that is stored electronically or on the cloud. Cybersecurity threats continue to increase and companies are having to evolve, consider and apply more technical solutions to reduce and contain the risks of any loss of personal data or commercially sensitive information. In 2016, the Hong Kong Privacy Commissioner received 104 data breach notifications (44 from the public sector and 60 from the private sector), affecting over 850,000 individuals.

The role of the corporate secretary has had to evolve with the increasing occurrence of data breaches and now must also take into consideration the adequacy of a company's IT controls and regulations when managing risk. Before adopting any new technologies or engaging external service providers who will host sensitive corporate information

“
the ever-increasing ability to effectively use technology to conduct routine work can reduce the administrative burden, allowing corporate secretaries to focus their attention on more value-added matters
”



externally, corporate secretaries should take care to carry out due diligence on the proposed IT controls (including working with their organisation's IT security team) and ensure appropriate contractual arrangements are in place to require the data to be retained securely and safely.

5. Impact on work-life balance

There are mixed views on whether the impact of digital technology has improved work-life balance or has further encroached upon it. Corporate secretaries, like many other professionals, are able to work from almost anywhere with relative ease, regardless of where colleagues and/or clients are based provided that their organisations have adopted the necessary technologies to allow them to do this. This is true for all employees, not just for the role of the corporate secretary.

While some people find that the ability to work remotely, whether from home or overseas, enables a flexibility which improves work-life balance, others can find that this leads to a pressure to be constantly available. The obligation to remain connected to work constantly can lead to increased levels of stress which

over time can have serious negative impacts on an employee's long-term physical health.

Furthermore many people admit that this expectation to be constantly available is not placed on them by the employer but by employees themselves who feel pressured to be online even whilst on annual leave. Corporate secretaries, in their role as adviser to the company board, may be able to assist the board in decisions to discuss and provide training on the available technology, how it should be used effectively and to dissuade excessive use.

In an environment characterised by economic and political uncertainty, global competition and fast-moving advances in technological innovation, companies are facing more opportunities but also increased risks. The role of the corporate secretary has evolved with these advances and should work closely with the company to both circumvent the risks and exploit the opportunities going forward.

Kirstin McCracken

*Principal Associate/Consultant,
Eversheds Hong Kong*



Fintech –
a regulator’s
perspective

Bénédicte Nolens, Senior Director, Head of Risk & Strategy and Head of the Fintech Contact Point, Securities and Futures Commission (SFC), gives a regulator's perspective on how technology is transforming the financial sector.

In a recent article, Klaus Schwab, Founder and Executive Chairman of the World Economic Forum (WEF), suggested that technological advances have meant we are living through the fourth industrial revolution. How radically do you think new technologies are going to transform the financial sector in Hong Kong?

'I share the WEF view that significant change is underway. For financial services, new technologies are evolutionary when viewed in the short term, and transformative when viewed in the long term. In the short term, while increasingly automated, the financial products and services offered are still similar. In the long term, the combined outcome of the changes already underway will be transformative.

As financial services (banking, brokerage and investment) become increasingly automated, online and mobile-enabled, they can be delivered in different ways and by different players. There are abundant examples of this evolution already being underway in each of the core business lines of financial services. In the "Synopsis of the SFC Fintech and Regtech Contact Day" we included a picture that visualises this evolution: e-payments, robo-advice, crowdfunding, marketplace (also referred to as peer-to-peer) lending, big data analytics, machine learning, natural language processing and artificial intelligence, as applied to securities investment and trading, are examples of fintech that have already taken hold. Distributed ledger technology or blockchain, once it takes hold, can further catalyse this transformation.'

Will the traditional financial institutions survive in their current form? Will they absorb new players and offer the same services?

'It is hard to predict how this evolution will play out, but one thing is clear – it will only go in one direction and that is towards further automation. Unless traditional financial institutions act fast and make the customer experience, design and automation core to their mission, they are giving new technology-driven players the opportunity to seize market share.

Technology companies have a history of scaling fast. Ambitious fintech players want to be the front end – the user interface – with the financial institutions remaining the back end, processing the transactions and acting as custodian. But the back end is not where money is made. Money is made in payments, investment advice, trading, broking, capital raising and lending – areas in which fintech firms are already taking hold. Also, Mainland China is seeing the emergence of technology-driven integrated financial institutions that service each of these core business lines under one corporate umbrella in a highly automated fashion, heralding what the future may hold.'

There has been a lot of interest in the implications of DLT – distributed ledger technology – for the financial sector. Could we talk in more detail about this new area?

'Experimentation with DLT is happening in many different fields of finance, including securities placement, trading, clearing, settlement, corporate actions etc. In addition, DLT is being tested in the context of 'know-your-customer' [KYC] and digital identity.

The current on-boarding model consists of each financial institution individually collecting, record keeping and updating KYC documents. This means that if you want to open an account with different financial institutions, you have to provide the same KYC information to each of those different institutions individually. Conceptually, this on-boarding approach can be replaced by an "industry utility" approach, or by a DLT approach.

Highlights

- distributed ledger technology, or blockchain, could radically transform the identification and 'know your customer' due diligence performed by financial institutions
- you need to have an SFC licence to launch an equity crowdfunding or peer-to-peer lending business in Hong Kong and these services can only be offered to professional investors
- the speed at which things are developing and the availability of new fintech services online has implications for Hong Kong's investor protection paradigm

“ Investor protection rules are national in nature. Fintech, however, does not limit itself to national borders.

”

Regtech firms are experimenting with different approaches – some are creating central databases which financial services firms can subscribe to and on which KYC documents are stored. Other fintech firms or industry consortia are exploring the creation of “permission-based distributed or shared ledgers” between groups of participating financial institutions. Still others are experimenting with “self-sovereign digital ID” run on DLT. In this last model, individuals control their own digital identity, as well as which parties to share it with.

Is that last model already a reality?

‘Yes. There are several startups that are pioneering this model. It is a bit like having a LinkedIn account – you control your own identity. Except it goes further -- your profile is kept confidential and different parties in the DLT network are enabled to confirm the accuracy of your identity details. For example, conceptually, participating banks in the DLT network can confirm that you have an account with them, utilities can confirm your proof of address, government databases can confirm residency, etc. Biometric data can also be stored and verified.

In such a model, your digital identity becomes a combination of traditional identification methods such as copies of your passport, and of novel methods such as your biometric data and verification of identity details by parties participating in the DLT network. Given the confidential nature, data privacy and security is of the essence for the model to take root.’

Wouldn't that be more efficient than the current model, particularly for AML? We have heard a lot recently in Hong Kong about how hard it is for SMEs to open a bank account partly because banks are under pressure to ensure compliance with AML requirements.

‘I think the current on-boarding model is inefficient. For the financial institutions, it has led to massive operational risk, cost and fines; and for the consumer it has meant that, when you want to open a new account, you have to provide the same

documents multiple times, and wait many weeks for the financial institution to complete the verification and to revert to you whether the account will be opened or not. Streamlined and shared processes can improve the current sub-optimal outcome.’

Which do you think will become the standard model in the future?

‘I think these different models will gain traction in parallel. They may end up catering for different customer segments and markets. To cite a few examples – institutional clients are already placing their corporate documents in KYC utilities in order to reduce the burden of providing the same information multiple times to each financial institution that they have an account with. DLT is being tested in the context of automated credit passports for individuals in Mainland China, and self-sovereign digital ID is being experimented with by different start-ups in different markets.’

What are the human resources implications of these new technologies – will increasing automation lead to massive job losses in the financial sector?

‘That’s not so certain. The opening of more savings, brokerage and investment accounts through fintech can increase financial market size and activity. In India, since the government introduced the Aadhaar digital identity system, 400 million bank accounts have been linked to Aadhaar IDs. In Mainland China, the four largest technology players have extended their reach into financial services, thereby significantly increasing financial inclusion – cashless payments are made instantaneously, loans are extended in a matter of minutes through automated credit passports, and small amounts of excess cash are invested at higher returns than in savings accounts. There are many more examples in Africa and in Latin America, where fintech is able to leapfrog current technology and bring about greater financial inclusion.

In markets with high financial inclusion, such as Hong Kong, fintech can be used to streamline old processes and facilitate new services, such as e-payments, robo-advice, trading supported by machine learning, big data analytics to support risk management and compliance, etc. How this plays out for different markets and financial institutions depends on how much they embrace technological evolution – or, in the words of the WEF, the fourth industrial revolution.’

What is the SFC's view of the new technologies impacting the financial sector?

‘In a recent speech I noted that the SFC welcomes fintech and

regtech innovation. Robo-advisers can apply for an SFC licence; equity crowdfunding and peer-to-peer lending platforms can do the same, though for the latter – due to current limitations in the Securities and Futures Ordinance (SFO) – the service would need to be limited to professional investors. In addition, the SFC recently issued a circular in which it stated that it is open to the greater use of technology in the context of multi-factor authentication, cybersecurity, data protection and fraud control. We also set up the SFC Fintech Contact Point, which I lead!

Securities regulators pursue investor protection – how does an investor protection model really work in a global, online context?

'This is a very good question. Investor protection rules are national in nature. Fintech, however, does not limit itself to national borders. The challenge is that, even if we don't allow a certain type of fintech in our market, investors can probably access it online in another market.

As with any investment, investors should understand the risks. For example, statistics show that 50%–90% of crowdfunding start-ups fail, which means that, in the case of an early stage equity investment, the value of the investment drops to zero in 50%–90% of the cases. Marketplace lending has lower non-performing loan rates. Also, whereas equity crowdfunding has a multi-year investment horizon before returns materialise, peer-to-peer loans pay monthly interest. As such, the risk profile of these two business models is different. Numbers published by the Cambridge Centre for Alternative Finance show that, seen on global levels, marketplace lending is much larger than equity crowdfunding.'

Could we finish with some personal background about yourself?

'Certainly. I was born in a village in Belgium with less than 6,000 inhabitants. I completed my first law degree at the University of Leuven, and then moved on to the University of Chicago to complete a second masters degree in law. I was hired by White and Case in New York, where I started as a lawyer. In 1997, I was invited to "come visit China", and during that visit was offered a job by Goldman Sachs.'

As a lawyer?

'In compliance, all be it by coincidence. My hiring manager said that "in many ways compliance is more interesting than the law, and will grow fast". She was right – compliance grew very fast. Also, risk-based thinking is what I like, and compliance offered me

Online resources

The online materials referred to in this article can be accessed at the websites listed below.

- The World Economic Forum website (see the article by Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, 'The Fourth Industrial Revolution: what it means, how to respond'): www.weforum.org.
- The Cambridge Centre for Alternative Finance (see the statistics on marketplace lending and equity crowdfunding): www.jbs.cam.ac.uk.
- The Fintech Contact Point and related publications can be accessed from: www.sfc.hk/web/EN/sfc-fintech-contact-point/.
- The latest IOSCO report on fintech (see the *IOSCO Research Report on Financial Technology* at 'publications/public reports'): www.iosco.org.

exactly that. I stayed with Goldman Sachs for 10 years. Then, in 2007, Credit Suisse approached me to become their regional head of compliance. I worked with them for five years until 2012 when I was approached by the SFC to set up a new function – Risk and Strategy. Having taken note of the very full post-crisis regulatory agenda, I felt it was the right time to move to the other side of the fence!

That, in a nutshell, is my background. You can glean from this that I have a long-term behavioural tendency of some sort to leave my comfort zone and think outside the box. I left my village for Chicago and New York; I moved to Hong Kong five months after the handover in 1997, right at the onset of the Asian financial crisis; I also lived through the dot.com burst and the global financial crisis. And now, I am enjoying the regulatory perspective – having performed various field studies and issued several practical research reports, including the latest IOSCO report on fintech!

Bénédicte Nolens was interviewed by Kieran Colvert, Editor, CSj.

A photograph showing two hands, one from a person in a light blue shirt and one from a person in a dark suit, both firmly grasping a thick, braided rope. The rope runs diagonally across the frame from the top left to the bottom right. The background is a plain, light color with a subtle white diagonal line.

Family legacy and board dynamics – lessons from Tata

In the fallout from the very public fight for control of the Tata Group which ended with the ousting of its chair Cyrus Mistry in October last year, Dr Christine Chow, Associate Director, Hermes EOS, Hermes Investment Management, assesses some of the lessons that can be learned for all parties involved in the governance of family businesses.

On 24 October 2016, the board of Tata Sons, the holding company of the Tata Group, dismissed its chair Cyrus Mistry who was due to finish his four-year contract in March 2017. This turned out to be just the tip of the iceberg and the beginning of an unfolding situation that is defining the future of corporate governance in India.

The background

Founded in 1868 by Jamshedji Tata, the Tata Group is a multinational conglomerate and holding company with 30 listed companies and over 660,000 staff globally. At the end of 2016, the combined market capitalisation of Tata businesses stood at US\$115 billion, equal to 7.4% of the Bombay Stock Exchange.

However, the Tata Group is not just a commercially oriented business conglomerate. It is controlled by Tata Sons, a holding company where two family-owned Tata trusts, headed by Ratan Tata, hold a combined stake of 66%. Tata Sons is the owner of the Tata name and the Tata trademarks. The trusts have a social mission to provide grants and partner with organisations that engage in innovative and sustainable initiatives and with the potential to make a positive impact on society.

The Tata companies do not have an impact lock – a mechanism designed to ensure that some intentional impact of activities, for example the social or environmental goals of an organisation, are secured – in their articles of association. It is clear, however, that the spirit of the trust is reflected in the expectations of the social responsibilities of the companies. Article 4A of Tata Motors Ltd, for example, states that 'The company shall have among its objectives the promotion and growth of the national economy through increased

productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations; and the company, shall be mindful of its social and moral responsibilities to consumers, employees, shareholders, society and the local community.'

Mistry was the first chair in almost 80 years to come from outside the Tata family. He was approved by Ratan Tata, who mentored Mistry for the role of chair. The selection committee at the time was composed of a number of close confidantes of Ratan Tata. Mistry, however, was by no means independent – his family is the single, biggest non-family shareholder of Tata Sons, owning an 18.4% equity stake. Moreover, his family ties with the Tatas began with his grandfather and both families are of Parsi origin. The Parsi community originated from Persia/Iran and is a closely-knit social community that has formed a number of influential business groups in India. In 1936, the Shapoorji Pallonji Mistry family bought a 12.5% stake in Tata Sons from the Parsi family, the Dinshaws, who acted as adviser and lender of last resort for the Tatas. FE Dinshaw lent 20 million Indian rupees to bail out Tata Steel and Tata Hydro in the 1920s, and this debt was subsequently turned into an equity stake.

Highlights

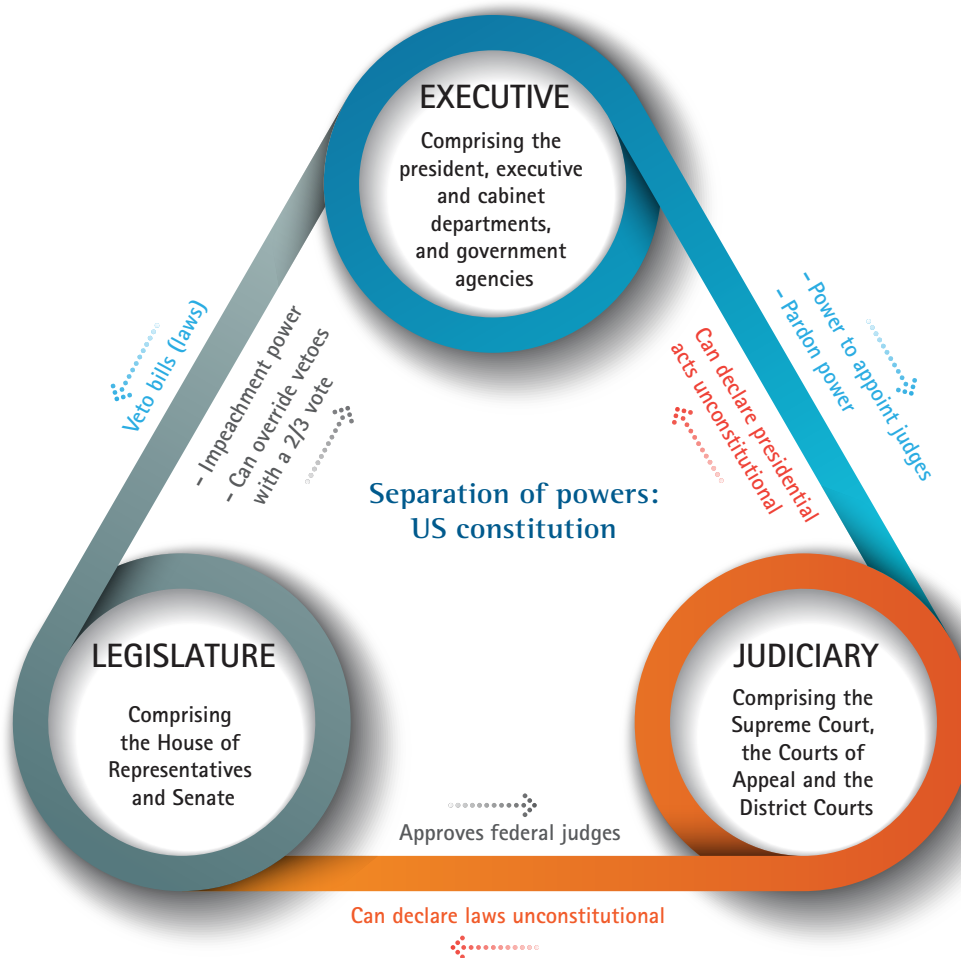
- conflicts for control of large, family-owned conglomerates can be highly damaging to the organisations' value
- a good governance structure designed along the lines of the 'separation of powers' model of the US constitution can reduce the likelihood of such conflicts
- investors, particularly institutional investors, can play a role where the parties involved in the governance of an organisation are in conflict

The battle for control

In December 2016, the conflict between the two parties escalated. Mistry filed a petition with a 300-page report to the National Company Law Tribunal seeking protection of the rights of minority shareholders. The petition was dismissed in January 2017. Tata Sons, on the other hand, issued a legal notice demanding Mistry to return all confidential documents.

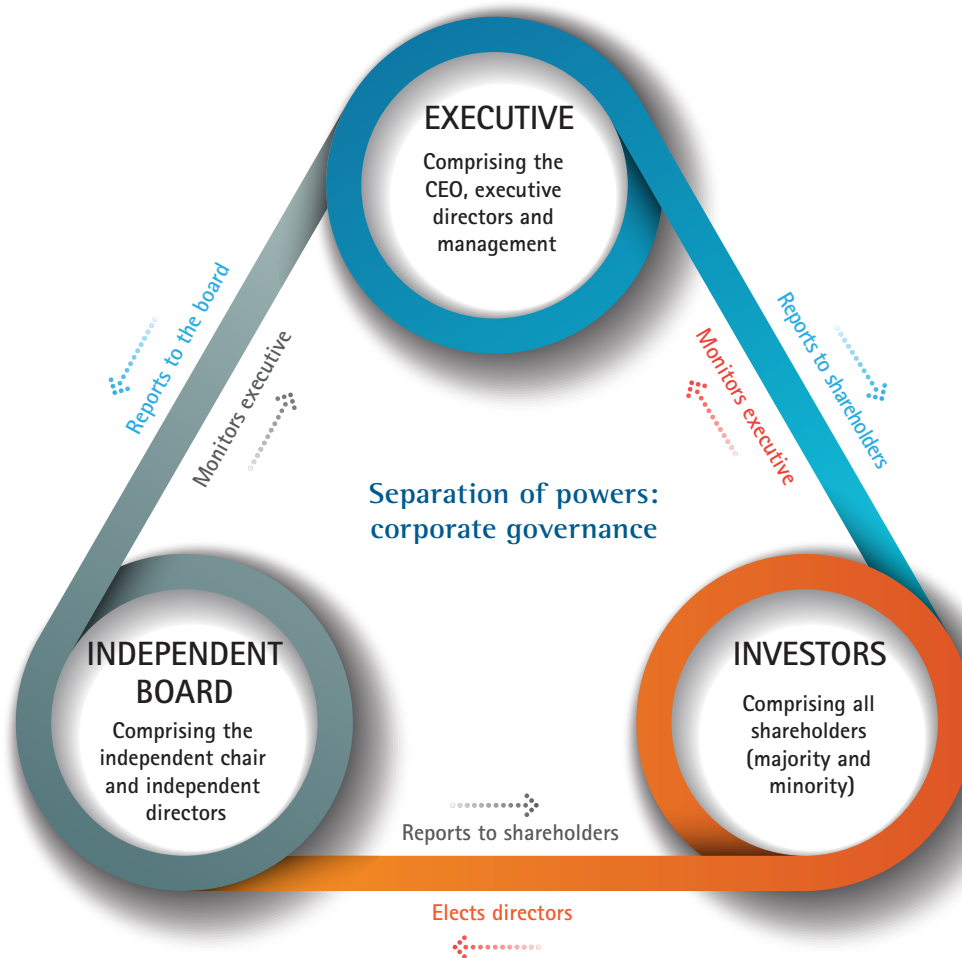
Following Mistry's dismissal, announced in October 2016, both sides have disclosed further information detailing their disagreements and these are summarised below.

1. Tata Sons believe that the integrity of the Tata Group is based on being a responsible business group where suitable synergies are harnessed across the group. Mistry believes that, although the group is promoter-controlled, the extent of influence from the family should be limited. 'Promoter' is a common term used in India, referring to persons or a number of persons or founders of a business that often form part of the management of a company and often have overall control of the company. Mistry has shared on his website (www.cyrusforgovernance.com) that the family should not, for example,



- influence strategic directions and business decisions. Disagreements appeared to be related to the degree of freedom that each listed company should have in deciding the use of discretionary funds, such as the amount of political donations to be made and where these should go.
- According to reports from the *Times of India*, a reputable Indian newspaper, Tata Sons believe that Mistry misled the chair selection committee in 2011, accusing him of failing to retract from existing business commitments and making statements about management changes at Tata that did not materialise. Mistry claims that the Tata family influences boards of each listed company, which is why he has taken the view that they have become dysfunctional and business decisions were made to the detriment of minority shareholder rights.
- According to the *Economic Times*, another reputable Indian newspaper, Tata Sons claim that dividend income (other than from Tata Consultancy Services) declined continuously and staff costs more than doubled during Mistry's tenure as chair of Tata Sons. The restructuring of Tata Sons was also seen by the business community as a test of Mistry's abilities. Jaguar Land Rover (JLR) and Tata Consultancy Services (TCS) have been successful but others such as hotels and chemicals have suffered. Mistry's decision to sell Tata Steel UK was deemed controversial as it was reported that Ratan Tata did not want to sell it. Mistry specifically highlighted the comment of Lord SK Bhattacharyya, a close confidante of Ratan Tata, who advised on the purchase of Corus (British Steel) and JLR regarding the group's commitment to UK steel operations.
- Both Tata Sons and Mistry claim to represent the spirit of the founding father of the Tata Group. On Mistry's website, (www.cyrusforgovernance.com), a quote from JL Tata is used to represent the spirit of the group, which is why Mistry believes his actions were legitimate.

It is worth noting that the chairman selection process may not have changed but the selection committee members have changed significantly. In 2011, when Mistry was selected to take over from Ratan Tata, the selection committee consisted of five members, all of them should be considered as insiders or connected persons, including four Parsi members: Ratan Tata, Lord SK Bhattacharyya (a close confidante of Mr Tata), Mistry (who stepped down when his name was proposed as successor), Noshir A Soonawala (a director of Tata Sons) and Shirin Bharuch (a lawyer for the Tata Group). In 2016, the selection



process remained the same but the selection committee members changed, consisting of more independent members: Ratan Tata, Venu Srinivasan (an Indian industrialist and non-executive director of Tata Sons), Amit Chandra (from Bain Capital), Ronen Sen (a former diplomat) and Lord SK Bhattacharyya. Investors have mixed views about the appointment of Natarajan Chandrasekaran (Chandra), the current CEO of TCS, as the Tata Group's next chair, but are generally pleased with the appointment as Chandra is a veteran employee within the Tata Group with proven success in running TCS. Board composition changes in the listed Tata companies may be subject to more scrutiny from investors going forward, who would like to see the appointment of independent chairs and fewer cross-boarding directorships as a sign of commitment to governance improvement from Tata Sons.

The lessons to be learned

So what have we learned so far and can

we apply some lessons to other family-controlled businesses in India and in the region? Here are some thoughts.

Related-party transactions and cross-directorships

In Asia, business ties in multi-generations from a specific ethnic community group are common. Close ties may mean that when things get tough, the fraternity order is able to provide support which otherwise would not have been available from other business partners and financial institutions. However, there are increased risks of related-party transactions, especially when close personal relationships become the cornerstone of business transactions. In conglomerates, directors often serve on multiple boards at different business entities. The common arguments for such cross-directorships include insights and efficiency – interpreted as the ability of the directors to understand the overall picture

of the connected business group. However, inter-group transactions often give rise to controversies – do the directors owe their allegiance to the family or to all shareholders? How would the executives handle conflicts of interest involving family-related matters? How would the directors prove that they have handled the rights of minority shareholders at different business entities fairly? The situation is often complicated, and cross-directorships become especially controversial in such cases. For Tata, Mistry appears to hold different views from Ratan Tata on a range of issues, from strategic partnerships between business entities within the Tata Group to how political donations should be determined at each business entity.

Separation of powers

Founders do not live forever and thus their direct influence stops at some point, after which it is up to their descendants and/or disciples to interpret their spirit. Founders

of companies should make preparations early. They need to put in place the right governance structure so that the desired business culture continues and the legacy of the business reflects the value and mission of the business.

In relation to what constitutes the right governance structure, I would like to draw references from the US constitution where the executive, legislative and judicial branches of the government are kept distinct and locked in a mutually reinforcing system of checks and balances in order to prevent the abuse of power. Corporate governance ideally mirrors this public governance model. The executive role is played of course by the company management. The company's board can

be compared to the legislative branch of the US constitution. Chairpersons of a business should be genuinely independent, chosen by an expert committee with a diversified set of skills and background. Independent directors on boards should provide executives with the policies and frameworks in which they operate, covering strategic guidance, material environmental, social and governance matters, risk management, legal and audit functions. The role played by a company's shareholders, especially institutional shareholders, can be compared to the judicial branch of the US constitution, for handling specific cases and controversies. A transparent and functioning investment market should serve well as a judge.

The key governance issues at stake

Succession and legacy planning – a good corporate governance structure can help to ensure a smooth transition of power from the original founders of a business to independent professional managers and directors.

Separation of powers – the corporate governance structure will ideally ensure a system of checks and balances designed to prevent the abuse of power by the parties involved.

The role of investors – investors, particularly institutional investors, can play a role where conflict arises between the parties involved in the governance of an organisation. They can engage with the concerned parties to limit unilateral leaks of information to the media, and to focus on structural governance changes to improve transparency, strengthen accountability and reduce the risks of conflicts of interest in future.

Cross-directorships – in large, family-owned conglomerates, directors often serve on multiple boards at different business entities within the group. This practice becomes controversial where the ability of directors to handle the rights of minority shareholders fairly comes into question.

Related-party transactions – close personal ties between those at the top of the governance structure and in the wider network of the organisation can lead to increased related-party transaction risks for minority shareholders. Directors need to ensure decisions are made in the interest of all shareholders.

“
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”

Final thoughts

When relationships turn sour and conflicts arise, as in the case of Tata, the involved parties might destroy much value of the business and harm the interests of minority shareholders who have little or no control over how confidential information is used and disclosed. We recommend that when such a situation arises, investors should engage with the concerned parties, in particular the board and controlling family, to limit unilateral leaks of information to the media, and to focus on structural governance changes that should improve transparency, strengthen accountability and reduce the risks of conflicts of interest in future.

Dr Christine Chow

*Associate Director, Hermes EOS,
Hermes Investment Management*

The views and opinions contained herein are those of the author and may not necessarily represent views expressed or reflected in other Hermes communications, strategies or products.

A bird's eye view

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

- regulatory compliance
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- board support
- investor relations
- business ethics
- corporate social responsibility
- continuing professional development
- risk management, and
- internal controls



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Shareholder communications

Experience sharing from Mainland and Hong Kong perspectives

The latest HKICS Regional Board Secretaries Panel meeting, held on 19 January 2017 in Hong Kong, was a timely opportunity for experience sharing and practical advice on shareholder communications for listed companies in the Mainland and Hong Kong.



Shareholder communications is an important part of the role of company and board secretaries of listed companies in the Mainland and Hong Kong. Even where companies employ investor relations (IR) managers to address this area of corporate governance, the company or board secretary will often be closely involved in IR work. The latest HKICS Regional Board Secretaries Panel meeting, held on 19 January 2017 in Hong Kong, was an opportunity for experience sharing on shareholder communications, in particular highlighting the different challenges faced by listed companies on both sides of the border.

Identifying your shareholders

Li Qian, Board Secretary, BYD Co Ltd, for example, gave insights on his experiences of working for BYD, an electric car maker which is dual-listed in Hong Kong and the Mainland. He pointed out candidly that it is more difficult to identify who the shareholders are in Hong Kong.

'In the Mainland market, we know who our shareholders are. But in Hong Kong, institutional investors are often hidden behind nominee accounts and it takes more resources and effort to find out who they are, determine the structure of the underlying investor base, and track ownership over time,' Mr Li said. 'Only when this is done can we engage our investors more proactively and maintain effective communications with them all.'

In his presentation, Mr Li also emphasised the fact that good IR helps to build company value. Through cultivating positive relationships with shareholders, potential investors, analysts, the media and other relevant stakeholders, an effective communications strategy can help increase a company's transparency and

corporate governance levels, which in turn builds investor confidence and sustains the company's valuation over time.

'Investor confidence is extremely valuable but it takes time to build. When the company is experiencing difficulties, or needs to raise capital, or is contemplating a bold move, loyal shareholders often lend their support,' he said, adding that the stock prices of companies with good IR tend to be more stable over time relative to those with poor IR.

The company secretary or IR manager should convey the message about the company's competitive advantages and investment values clearly to the target audience. He or she can make a highly significant difference, acting as a proxy for the time-constrained CEO or CFO, facilitating and informing the dialogue between the board and the investment community.

'BYD started off as a battery maker, and began to manufacture mobile phone parts and components, and finally set foot in the electric vehicle market. We are now setting our sights on the clean energy storage sector,' Mr Li said.

The value of shareholder loyalty

Mr Li also cited the A-share IPO of BYD that took place in mid-2011 to exemplify how

solid investor relations helps to underpin a company's valuation, particularly in adverse situations. The company eventually raised RMB1.42 billion (US\$219 million) from its Shenzhen IPO, priced at 18 yuan a share, which still fared better than other IPOs in terms of valuation around the same time, he said. 'By the time we prepared for our A-share IPO on the Shenzhen Stock Exchange, market sentiment had fallen to new lows. In the first quarter of 2011, as many as 30% of newly listed companies saw their share prices fall to below the IPO price,' he recalled.

'Between 2008 and 2010, auto sales slowed measurably and overcapacity was evident. Some dealers had also pulled out of our distribution network, causing some damage to the company's reputation. Another problem at that time was the relatively high level of gearing. These issues were raised in the discussion of risk factors in our IPO prospectus,' Mr Li said.

In the weeks leading up to the A-share market debut, BYD's H-share stock prices plunged to as low as HK\$10.92, but rebounded to HK\$22.5 per share just two weeks before the A-share market debut. While having secured Warren Buffett as an investor was certainly a plus, investors were concerned about the slowdown in China's passenger car market. During investor meetings in the US, Hong Kong

Highlights

- the stock prices of companies with good investor relations tend to be more stable over time relative to those with poor investor relations
- AGMs are no longer the only, or even the most effective, channel for shareholders to get involved in company decision-making
- it is always a good idea to prepare an incident response plan in advance

“
In the Mainland market, we know who our shareholders are. But in Hong Kong, institutional investors are often hidden behind nominee accounts and it takes more resources and effort to find out who they are.
 ”

Li Qian, Board Secretary, BYD Co Ltd



and Singapore, the positioning of BYD as a future leader in clean energy storage and generation sector helped potential investors understand what goals BYD wanted to achieve, giving them more confidence, Mr Li said.

He emphasised that, during the roadshow stage, communications with analysts are of utmost importance. Fund managers and buy-side analysts attribute a considerable premium of a company's valuation to good investor communications, he said. 'An analyst of an investment bank representing a rival issued as many as eight negative reports shorting on our company's shares. But since we had cultivated good relationships with other analysts, who understood well our firm's strengths and prospects, more reports in favour of BYD came out around the same time,' Mr Li said.

Besides the A-share listing, Mr Li also discussed how the art of IR came into play before and after the firm's H-share listing in Hong Kong and the introduction of Warren Buffett's Berkshire subsidiary MidAmerican Energy as a strategic investor.

The roles of the company secretary and IR manager

Mr Li also emphasised that the company secretary and IR manager are essentially the company's day-to-day interface with institutional and retail shareholders, analysts, financial journalists, the Stock Exchange and other regulators. While the chairman and CEO will prefer to always be optimistic about the company's long-term prospects, the company secretary and IR manager often have to manage investor expectations, in particular when adverse circumstances arise.

Crisis management is therefore an important aspect of work for the company secretary and IR manager. Crises may arise as the result of many different circumstances – the company might be facing an earnings slump; the loss of key personnel; a serious criminal investigation involving the company and/or its senior executives; the arrest of the CEO; regulatory action; a legal battle; debtors going bust; an economic crisis; a major policy change; or simply a market rumour. Whatever the specific circumstances, it is always a good idea

to prepare an incident response plan in advance. This should be part of the company's shareholder communications strategy.

'If it is a rumour, then the company should figure out the cause and make clarifications with regulators and through the media to debunk it as soon as possible. The company secretary or IR manager should be the sole distribution of information in order to keep the message consistent and clear,' Mr Li said.

A snapshot of shareholder communications practices

April Chan, former Company Secretary for CLP Holdings and former HKICS President, presented the results of an extensive survey of 413 listed companies' on their current practices in shareholder communications to the forum. She also provided conclusions extrapolated from the findings, and gave recommendations on ways to maintain more effective, dynamic communications with shareholders and other stakeholders.

To understand how listed companies maintain communications with existing

shareholders and potential investors, the HKICS conducted an extensive survey of 413 companies listed on Mainland and/or Hong Kong bourses in September 2016. Over half of them are listed on Hong Kong's main board, and some are listed in more than one jurisdiction.

Below are the key findings from the survey.

- About one third of the respondents said they are not sure about who their shareholders exactly are, and that they had not carried out due diligence to find out their identity and shareholdings on a regular basis.
- Only about 14.5% said it is necessary to identify shareholder composition and monitor their stock buying/selling activities. About 15.5% agreed that shareholder identification should be carried out for a purpose at some point in time. Having said that, however, this group of respondents said they had not done so previously.
- Most companies lack a comprehensive communications strategy that is targeted to all shareholders and relevant stakeholders. About 58% admitted that their existing communications with shareholders 'has some room to improve'. Despite acknowledging inadequate communications, 8.4% said there is no need to make improvements. Only 33.2% were confident that shareholder communications are sufficient and effective.
- Most companies think shareholder communications should be
 - focused on institutional investors and long-term shareholders. A total of 269 companies, or about 55.5% of respondents, said only institutional investors and long-term shareholders have to be engaged. Only 92 respondents (19%) said they would seek to engage all types of shareholders.
 - With regard to the level of participation in the company's management, the surveyed companies said institutional and long-term investors are mainly concerned about the issues below.
 - o Are the CEO and senior executives overpaid?
 - o Is the incentive scheme for senior executives too focused on short-term performance?
 - o What is the long-term business strategy?
 - o Is there a separation of the chairman and CEO roles?
 - o what is the board structure and process for the appointment of directors or senior executives?
 - The CEO or board lacks motivation to maintain effective shareholder communications. A total of 172 respondents, or about 40%, said senior management, the board or board members are responsible for reporting on shareholder profiles and their shareholdings. However, 241 companies said they had not carried out shareholder identification and/or simply do not know how to do it.
 - The company secretary is in the right position to facilitate and help improve shareholder communications. Of those surveyed, about 52.5% said the company secretary is responsible for identifying their shareholders and analysing the shareholding structure. About 21% said the identification process is performed by the in-house IR team.
 - On a positive note, most companies agree with the notion that more resources should be dedicated to maintaining effective shareholder communications in order to increase their level of participation. Also, they increasingly recognise the role of IR as a functional team.

Best practice advice

Based on the above findings, April Chan gave recommendations on how the company secretary or the IR team can improve shareholder communications and engagement.

According to the survey, shareholder communications are regarded more as part of the compliance process to meet regulatory requirements, she pointed out. Therefore, to a lot of companies, shareholder communications are rules-driven, rather than being driven by intrinsic motivation. That explains why a large proportion of companies lack initiatives to proactively foster communications and build shareholder equity.

According to Section E.1 of Corporate Governance Code, the board should be responsible for maintaining an ongoing dialogue with shareholders and in particular, use annual general meetings

(AGMs) or other general meetings to communicate with them and encourage their participation.

'If a company doesn't know exactly who its shareholders are and does nothing to find them out and seek to talk to and listen to them, the compliance rule becomes meaningless,' she said.

To this end, companies should develop a communications strategy that is targeted to all relevant stakeholders able to influence perceptions of the company. In addition to regulatory bodies and exchanges, this would include current and prospective investors, sell-side and independent analysts, journalists and employees.

The purpose is to manage the interests of these parties by establishing a framework of communications activities to ensure they are fully informed about the performance of the company, as well as identifying potential issues that may influence the company's reputation.

Together these will improve understanding of the company's investment proposition, which in turn will help increase the valuation of the company's equity by attracting capital, reduce share price volatility and reduce funding costs, she said.

Ms Chan set out the practical measures suggested by the HKICS survey report, as listed below.

- Formulate a comprehensive shareholder communications strategy and integrate it into the company's business strategy. About 62% of the surveyed companies said they monitor investor shareholding structure on a regular basis. About one third said they monitor it once

“
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”

April Chan, former Company Secretary for CLP Holdings and former HKICS President

in a while, while about 30% said they would do so only when a large number of shares change hand.

- Companies are advised to identify, monitor and review their shareholder base and shareholdings, so that resources can be deployed more effectively to target the right audience. Also, the company secretary, IR team, senior management and directors overseeing investor relations, should be well aware of any substantial acquisition or disposal of the company's shares.
- The company's shareholder communications policy should cover existing shareholders and potential investors; institutional investors, brokers, financial institutions, analysts, journalists, etc; other stakeholders who might influence the company's stock prices; exchanges and regulators; as well as employees, suppliers and customers.
- AGMs are no longer the only, or even the most effective channel for shareholders to get involved in the decision-making process. They can make their voices heard

by talking directly to the company, submit resolutions for a vote at regular shareholder and annual meetings, through the media, and, less preferably, through regulators.

- Determine who is going to handle IR on a daily basis. Should the CFO, company secretary or IR team head be held responsible? How does the reporting line work? Should the CEO, CFO, Chairman, board or a board-level committee oversee?
- Set benchmarks to gauge the effectiveness and benefits of investor engagement programmes and activities. For example, how many meetings, formal and informal, are arranged with investors in a financial year? This helps companies create a realistic budget and fund the most effective channels or activities.

Jimmy Chow
Journalist

The HKICS report (Shareholder Communications for Listed Issuers – Five Imperatives to Break the Monologue) is available on the Institute's website: www.hkics.org.hk.

与股东保持紧密沟通

中港上市企业就维持良好投资者关系的经验分享

2017年1月19日，香港特许秘书公会举行了今年度首次公司秘书／董事会秘书圆桌会议。席间，嘉宾和与会者畅所欲言，坦诚分享了内地和香港上市公司在维持良好投资者关系的经验和建议。

股东沟通是中港上市公司公关战略重要一环，对保持市场对公司信心、维持股价稳定、以至提升市场集资能力等，都发挥关键作用。即使一些公司聘用投资者关系经理去处理日常股东沟通工作，公司秘书也须与投资者关系部门保持紧密合作。

于今年初在港召开公司秘书／董事会秘书圆桌会议，成为了中港上市企业公司秘书／董秘就投资者关系的经验分享平台，出席者更特别就两地上市公司所面对的挑战作深入交流。

如何识别股东身分

演讲嘉宾电动车生产商比亚迪董秘李黔指出，公司作为AH股公司，在港较难辨别股东身分。他说：内地采用的是股东实名制，股东身分一目了然。然而，香港上市公司机构投资者往往隐藏于代理人户口之后，要追查他们的身分须花上相当资源和时间，才能了解各人的持股量和整体股东结构。只有这样，我们才能更积极地与投资者接触和沟通。

李黔在演说中还强调，维持良好的投资者关系，有助建立公司价值。通过与股东、潜在投资者、分析师、媒体和其他相关持分者建立正面积极的关

系，通过有效的沟通战略，能提升公司的透明度和治理水平，从而建立投资者信心，长远保持公司价值。

“投资者信心难能可贵，它需要时间来建立、用心去经营。在逆境时，或需筹集资金，又或正考虑重大投资项目，忠诚股东总会给予支持。”他说道。做好投资者关系的上市公司，其股价表现和稳定性，往往优于没做好投资者关系的公司。

公司秘书或投资者关系经理，好应当向目标受众，传达有关公司的竞争优势和投资价值等正面信息。这做法对公司形象有莫大好处，为时间有限的首席执行官或首席财务官的担当对外联系角色，促进董事会和投资界之间的对话与沟通。

“比亚迪从最初生产电池，到后来制造手机零部件，近年跻身电单车市场。我们现正进军清洁能源存储行业，股东信心对我们过往作出的重大决定，提供极大支持。”他说。

艰难时期 投资者忠诚更显重要

李黔以该公司于2011年中深圳A股市场挂牌上市作为例子，解释良好投资者关系，如何支持公司估值，特别在艰



难时期。比亚迪最终从深圳A股市场，募集了14.2亿元人民币（2.19亿美元）资金，每股定价为18元人民币，与同期挂牌上市公司比较，估值仍然优于其他公司。

他忆述：“当我们正在筹备在深圳A股上市前，市场气氛跌至新低。2011年首季，更有约三成新股破发。”

“在2008年至2010年期间，国内汽车销售明显放缓，产能过剩明显。有部分经销商更退出我们的销售网，对公司的声誉造成了一些损害。当时另一个问题是，我们的负债比率较高，这些风险我们都须在招股书中披露。”

摘要

- 做好投资者关系的上市公司，其股价表现和稳定性，往往优于没做好投资者关系的公司。
- 股东周年大会已不再是股东参与公司决策的唯一渠道，甚至不一定是最有效的渠道。
- 危机应变之道，在于做好两手准备，拟定好事件应变计画。

“内地采用的是股东实名制，股东身分一目了然。然而，香港上市公司机构投资者往往隐藏于代理人户口之后，要追查他们的身分，须花上相当的资源和时间，才能了解各人的持股量和整体股东结构。”

比亞迪董事會秘書李黔

在A股挂牌前几星期，比亚迪H股股价暴跌至10.92港元，但在正式挂牌两周前，股价反弹至22.5港元。虽然，获巴菲特入股是信心一大保证，但其时投资者担心，中国汽车销售市场放缓，将影响公司前景。

在美国、香港和新加坡路演期间，比亚迪成功把公司的定位和发展蓝图向机构投资者交代清楚，锐意成为清洁能源储存、太阳能电站和电动汽车的领导者，帮助投资者了解比亚迪的未来目标。

他强调，在路演阶段，与分析师保持良好沟通至关重要。基金经理和买方分析师普遍认为，良好投资者关系能提升公司估值溢价。

“当时，协助竞争对手投资银行的分析师，在短时间里发出了多达八个针对比亚迪的负面报告。但是，由于我们与其他分析师建立了良好关系，他们了解到公司的优势和发展前景，在差不多时间里也发出持平正面的分析报告，维持投资者信心。”

除了比亚迪在深圳A股的上市经验之外，李黔还通过其在香港的上市

和引进巴菲特旗下伯克希尔子公司MidAmerican Energy作为战略投资者等宝贵经验，与出席者分享良好股东沟通对维持市场信心的重要性。

公司秘书和投资者关系经理的角色

李黔强调，公司秘书和投资者关系经理，是公司与机构投资者、散户、分析师、财经媒体、交易所和监管机构的对口单位。可以理解，董事长或首席执行官倾向对公司长期前景持乐观态度，但公司秘书和投资者关系经理，则需要以较持平态度，管理投资者期望，尤其在情况不利之时。

故此，危机管理是公司秘书和投资者关系经理工作的重要范畴。危机事件通常有：利润全面下滑或局部下滑；重要人才流失；公司及其高管的重大违法行为；受到监管部门处罚；被提起重大诉讼；重要债务人出现危机；宏观经济政策出现重大不利变化；财经媒体、网络上出现重大不利消息或言论等。

“如果是谣言，公司好应找出原因，查清来龙去脉后，尽快向监管机构和通过媒体作出澄清。危机应当实行集权管理，管理者应当统筹全局，处理投资者、分析师、媒体等各方关系，统一口径。”

股东沟通实践调查报告

香港中电前公司秘书、香港特许秘书公会前会长陈姚慧儿女士，向出席者简报了上市公司股东沟通现行做法的调查报告。她从调查结果归纳出总结，并就如何与股东和其他利益相关者保持更有效、更有活力的沟通联系，提出了多项建议。

为了解上市公司如何与现有股东及潜在投资者进行沟通，香港特许秘书公会在2016年9月，以问卷方式访问了413家在内地和/或香港和/或海外交易所上市的公司，其中超过半数在香港主板上市，部分在多于一个地区的市场挂牌。

以下是调查结果分析：

- 大部分上市公司不太确定谁是公司的股东。问卷结果显示，三分之一的受访公司不确定谁是公司的股东。他们并未定期或例行监察其股东构成。
- 部分上市公司似乎不愿花费精力去调查谁是股东。14.5%的受访者表示应当例行监察股东构成，15.5%的受访者则表示应当为特定目的临时监察股东身份，却皆未付诸行动。
- 大多数上市公司缺乏沟通策略。约58%的受访者承认，其与股东的沟通未够充分或有些不足，而且认为需要改进。然而，8.4%的受访者虽然承认其沟通不充分但认为不需要改进。仅33.2%的受访者认为其沟通充分。
- 大多数受访者认为，参与的方式应视乎股东类型而定，不应一概而论。受访者深信公司应更有效地与股东沟通。少数受访者（92家，19%）认为公司应与所有股东沟通，但大多数（269家，55.5%）认为，只需要让机构投资者和长期股东参与。此外，受访者认为，这些投资者有主动参与公司事宜的尽责管理角色。
- 关于股东对公司管理的参与度，受访公司表示，机构和长期投资者主要关注以下议题。
 - 首席执行官/高管薪酬过高
 - 高管激励机制过于强调短期表现
 - 提供较长期公司战略资料的呼吁
 - 首席执行官与董事会主席的角色分离

- 董事会架构及董事会成员的委任
- 首席执行官或董事会在股东沟通方面缺乏问责。很多公司（172家）向高级管理层、董事会或董事会委员会汇报股东的的数据。但更多公司（241家）并不报告这些数据或不知道如何使用这些数据。
- 公司秘书可帮助改进投资者关系。在52.5%的受访公司中，公司秘书负责分析股东构成，而由投资者关系主管负责这一领域的受访公司居其次，占21%。许多公司称正在对投资者关系活动（包括股东沟通和参与）投入更多资源，而且愈来愈看重投资者关系职能。
- 庆幸的是，大多数公司都认同有需要投放更多资源于维持有效的股东沟通，以提高股东对的参与度。此外，他们越来越认识到投资者关系作为一个职能团队的重要性。

建议的五项必要措施

基于上述调查结果，陈姚慧儿就公司秘书或投资者关系团队如何改善股东沟通和参与度提出了以下建议。

调查结果显示，对很多上市公司来说，股东沟通被视为一项合规任务，而非一项主动承担。换言之，股东沟通是被动地由法规和规则推动，而非公司主动选择与股东沟通和接洽。与监管推动的力度脱节，有关加强沟通的监管推动力度，与上市公司对其必要性或重要性的实际认知度之间似乎脱节。

现状削弱股东沟通的价值，如果上市公司并不切实了解其沟通的股东是谁，不通过接洽股东了解沟通的有效性和相关性（即通过反馈来改进沟通方式），那么仅是基于监管要求的股东沟通的实际价值和质量必定会被削弱。

根据《企业管治守则》E.1关于与股东有效沟通原则，董事会应负责与股东持续保持对话，尤其是藉股东周年大会或其他全体会议与股东沟通及鼓励他们的参与。

“如果公司连股东是谁也不知道，也不积极地找到他们并寻求与他们对话、听取他们意见，只为了遵照守则来进行股东沟通，那么所做的便失去了意义。”她说。

为此，企业应制定一项针对所有持分者的沟通战略，正面影响他们对公司的看法。除了监管机构和交易所外，也包括目前和潜在投资者、卖方和独立分析师、媒体和公司员工等。此举目的是通过建立沟通活动框架，以确保他们充分了解公司的业绩，以及查找出可能影响公司声誉的潜在问题。

根据调研结果，她提供下列建议，相信能有助投资者了解公司的营运方针，从而提升公司估值，吸引资金，降低股价波动和降低资成本。

- 制定投资者关系策略并将其纳入公司战略。公司董事会需要关注投资者关系，以及实施相关的策略。公司认定投资者性质，识别重大投资者显然具有重要意义。约62%的受访者表示存在对投资者构成的例行监察，约三分之一施行定期监察，另约30%施行临时监察，有可能在发生大量股份换手时。
- 建议公司定期查找、检视和回顾股东持股量及分布，从而把资源投放至合适的沟通对象。与此同时，公司秘书、投资者关系部门、管理层或负责投资者关系的董事，也应时刻注意公司重大的股权变化。
- 股东沟通政策可反映公司在以下方面的实践：与股东和潜在股东的沟通；与非股权类投资者的沟通；与

“如果公司连股东是谁也不知道，也不积极地找到他们并寻求与他们对话、听取他们意见，只为了遵照守则来进行股东沟通，那么所做的便失去了意义。”

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中電前公司秘書、香港特許秘書公會前會長陳姚慧兒

机构投资者、经纪、经手公司股份的其他金融机构、分析师、财经媒体、以及可能会影响市场从其影响股票价值的其他各方的关系。

- 股东周年大会不再是股东参与决策过程的唯一、甚至不一定是最高效的渠道。他们可以直接与公司对话，在正式股东和年度会议上提交决议，或通过媒体，再其次是通过监管机构，反映意见。
- 订定到底由谁负责日常投资者关系，是首席财务官、公司秘书还是投资者关系团队？谁向谁汇报？是由首席执行官、首席财务官、董事会主席、整体董事会或董事会某委员会负责监督投资者关系工作和绩效？
- 最后，公司可考虑就投资者关系绩效设定考核基准，以衡量投资者参与度、活动有效性和益处。例如，在一个财政年度里，为投资者安排了多少正式和非正式会议？这有助于公司作实际预算，调配资源到最有成效的渠道或活动。

Jimmy Chow
Journalist



A diverse career

The Chartered Secretarial qualification can lead to many different career paths. In this second interview in our 'Career Paths' series, Estella Ng Yi-kum ACIS ACS, Deputy Chairman, Executive Director, Chief Strategy Officer, Chief Financial Officer and Company Secretary, Tse Sui Luen Jewellery (International) Ltd, shares insights into the challenges and rewards of her diverse career in Hong Kong.

You trained as an accountant. Could you briefly talk about the early years of your career and what made you pursue a professional qualification as a Chartered Secretary?

'I studied accounting at university. Shortly after my graduation, I joined Deloitte Touche Tohmatsu as an auditor. Whenever I met with my clients, I realised that they had a high expectation of me and the firm I represented, expecting me – as a relatively junior accountant at that time – to know not only about accounting and taxation, but also issues concerning corporate governance and board effectiveness. For example, they would ask me details about circulars to shareholders or notices of annual general meetings (AGMs), such as the proper format, days of notice, etc. I couldn't disappoint my clients and therefore I decided to pursue an additional qualification as a Chartered Secretary.

After performing auditing duties for a couple of years, my job duties covered restructuring services to provide business and financial advisory in the areas of corporate restructuring and business recovery. I was quite confident in advising distressed companies on ways to embark on debt restructuring to maximise their chances of survival.

And then a few years later, I got heavily involved in the company's capital market and IPO services to prepare organisations for IPOs. During my time there, I found my professional knowledge in corporate governance particularly useful, as in order for a firm to be successful in a public listing, great emphasis must be placed on sound corporate governance, strong internal processes and effective risk management systems and controls. So, apart from things like tax and legal restructuring and helping them meet the Stock Exchange of Hong Kong Ltd (the Exchange) requirements, I also advised them on policy plans for the board during and following the IPO, and gave advice on transparency, risk management, board composition, etc.

After a few more years of IPO advisory experience, I learnt most of the techniques to achieve a successful listing. These valuable experiences prepared me for my upcoming role as a regulator on the other side of the table. In the late 1990s, I joined the

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this is an exciting position in which I can leverage my experiences and skill sets in strategic business development, financial management, monitoring compliance and upholding corporate governance best practices
”

Exchange and held a number of senior positions, the last being a Senior Vice-President at its Listing Division until 2003.

As the gatekeeper before Listing Committee hearings, I remember I turned down as much as 15% of listing applications as they failed to meet preliminary requirements. I not only looked at an applicant's track record, profits, competitiveness and prospects, but I also paid great attention to its corporate governance. It is easy to build a dream team to help with an IPO application. However, as a market watchdog to safeguard investors' interests and the reputation of Hong Kong's financial markets in a broader sense, I insisted on going through rigorous due diligence right from the

Highlights

- Estella Ng chose to get an additional qualification as a Chartered Secretary to be able to assist clients in areas of corporate governance, corporate administration and board effectiveness
- she found the knowledge she gained to be highly useful in her subsequent career, both as a practitioner and as a regulator
- the importance of good corporate governance has been a key theme of her career

company's top management. I would interview the company's founder or CEO face to face, so that I could assess and evaluate if he or she had solid knowledge about the company and the markets the company was operating in. If the executive I met was a fund manager, or someone suspicious, I would examine and evaluate whether the proposed float was intended for a backdoor listing or other possible fraudulent behaviour like stock price manipulation.'

After your tenure with the Exchange, you joined two real estate developers as executive director and CFO respectively. What were your roles? What did you learn?

'I joined Hang Lung Properties Ltd in 2003 and became an executive director in 2005. That was a career switch I was determined to make as I wanted to gain more exposure to commercial aspects after years of experience in accounting, auditing, corporate finance and working as a regulator. I believed my experience would allow me to play a non-executive director role in any listed company. The year I joined Hang Lung was the year of the SARS pandemic in Hong Kong. It was a difficult time, but it also presented an opportunity to play a large role in the later turnaround as the property market appeared to have bottomed out. Playing the head of finance role, I was responsible for corporate liquidity, investments and risk management related to the company's financial activities.

Hang Lung Properties is a blue-chip company. I learnt a lot from Ronnie Chan, now chairman of the Hang Lung Group and its subsidiary Hang Lung Properties Ltd. He is also the second generation of the founder of the company. In the commercial world, everything comes at a price and every asset can be bought and sold at a market price except your integrity and family. When you lose integrity, you lose trust and identity. What I learnt from the property industry is that, to stay ahead of the game, you have got to know your strengths and weaknesses, your competitors, as well as the macro environment, from politics, government policies and regulatory changes to economic growth, industry cycles and customer behaviour. With that said, risk management is of utmost importance to keep moving forward at a steady and relatively fast pace to avoid potentially dangerous situations.

I was with Country Garden Holdings between 2008 and 2014 as CFO. Hang Lung and Country Garden are companies listed in Hong Kong as property developers. Country Garden was a fast-growing developer based on the Mainland, focusing on property sales. "When I joined the firm, it was building 20 something projects across the Mainland. Its development pipeline expanded

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in the commercial world, everything comes at a price and every asset can be bought and sold at a market price, except your integrity and family
”

to over 270 projects, each as big as Taikoo Shing, at the time I left. Hang Lung Properties, at that time, mainly operated a large rental portfolio, including shopping malls and office buildings, on the Mainland. Country Garden was expanding fast and it had a need for quick financing at any time. I had helped it to have access to a pool of ready capital at all times from revolving loan facilities, term loans and specified maturity borrowings, for example bonds, notes, and tapping the capital market by the placing of shares and issuance of convertible bonds.'

And so you joined TSL Jewellery, a long-established jewellery seller, from the property sector in 2015. What is your role at TSL?

'I joined TSL Jewellery in July 2015 as chief strategy officer and CFO; and became the company secretary from August 2015. This is an exciting position in which I can leverage my experiences and skill sets in strategic business development, financial management, monitoring compliance and upholding corporate governance best practices.

The retail industry is more dynamic than property development and sales. Adapting to the fewer Mainland tourists coming to Hong Kong and the Mainland government's crackdown on corruption and extravagant spending, we have changed our strategy to focus on the middle segment of the market, in both Hong Kong and on the Mainland. We have created more online sales channels to impress and reach target customers.

In China, in particular, the way consumers make purchasing decisions has dramatically altered. They would use their smartphones to check prices and product reviews; family and friends instantly weigh in on shopping decisions via social media; and when they're ready to buy, an ever-growing list of online retailers deliver products directly to them, sometimes on the same day.

Apart from overlooking the company's strategic development and finance, I am also the company secretary and a board member. My dual role as CFO and company secretary allows me to carry out my work more effectively. I am clear about the company's financial position and understand the compliance and the disclosure rules. I can communicate more effectively with investors and stakeholders while complying with disclosure requirements and maintaining a high level of transparency.

In fact, the work of a company secretary is more challenging and complex than before. Apart from organising various types of meetings like investor meetings, AGMs or board meetings, preparing agendas, taking minutes and drafting resolution notices, the role is also to advise the directors and ensure compliance with the listing rules, code provisions and other recommended best practices and any other laws and regulations which the company has to follow.

What are the differences in serving family-owned businesses managed by the founder and the second generation?

'In contrast to the Western corporate culture, in Hong Kong and

Career notes

Prior to joining Tse Sui Luen Jewellery (International) Ltd in 2015, Estella Ng was formerly the Chief Financial Officer of Country Garden Holdings Company Ltd from January 2008 to April 2014 and an Executive Director of Hang Lung Properties Ltd from September 2005 to November 2007, both of which are listed on The Stock Exchange of Hong Kong Ltd. Prior to 2003, she was employed by the Exchange in a number of senior positions, most recently as Senior Vice-President of its Listing Division.

Prior to that, she gained auditing experience with Deloitte Touche Tohmatsu. Ms Ng is a qualified accountant and holds a Master of Business Administration degree from Hong Kong University of Science and Technology. She is an associate of The Institute of Chartered Accountants in England and Wales; The Institute of Chartered Secretaries and Administrators and HKICS; and a fellow of the Association of Chartered Certified Accountants; the Hong Kong Institute of Certified Public Accountants; and a member of the American Institute of Certified Public Accountants.



China, especially family-owned businesses in which the founder is still in charge, being confrontational on the board is not effective in our culture. Having said that, it doesn't mean we have to act like a yes-man. We need to present the boss with feasible options, identify and evaluate the pros and cons of each option, and give our best advice in order for the boss to make an informed decision. Sometimes this has to be done behind closed doors and you need to show respect in front of the other staff. If the boss finally does not take your advice, this may be because his perspective is different from yours. The boss has more elements to consider than you may have. From my experience, the founder of a business usually has a more entrepreneurial style and is more likely to be an aggressive risk taker.

If the company is managed by the second generation, who are usually Western-educated, they tend to favour more systems, procedures and structure required by corporate governance principles. They allow for more time to listen to advice and debate within the board by facilitating the effective contribution of all directors.'

Estella Ng was interviewed by Jimmy Chow, Journalist

This series of interviews is designed to give readers insights into the challenges and rewards of the many different career paths open to Chartered Secretaries. Look out for further interviews in our Career Paths series in future editions of CSj.

Professional Development

Seminars: January to February 2017

11 January

Think tax – key to Hong Kong and China tax cases



Chair: Jerry Tong FCIS FCS, Institute Education Committee Member, and Financial Controller and Company Secretary, Sing Lee Software (Group) Ltd

Speaker: Lorange Chan, Principal, Tax Advisory Services, Reanda EFA Secretarial Ltd

13 January

Applying governance to open up One Belt, One Road opportunities



Chair: Gillian Meller FCIS FCS, Institute Council Member, and Legal and European Business Director, MTR Corporation Ltd

Speakers: Pru Bennett, Director & Head of Corporate Governance and Responsible Investment for Asia Pacific, BlackRock; Simon Booker, Head of Capital Projects and Infrastructure, PwC Hong Kong; Paul Starr, Partner and Practice Team Leader, HK Infrastructure and Dispute Resolution, King & Wood Mallesons Hong Kong; and Carl Wilkins, Fiscal Crime Liaison Officer, British Consulate-General

18 January

Does tax transparency mean a higher tax audit risk?



Chair: Jenny Choi FCIS FCS(PE), Institute Professional Services Panel Member, and Senior Manager, Global Compliance & Reporting – Corporate Secretarial Services, Ernst & Young Company Secretarial Services Ltd

Speakers: Wilson Cheng, Partner, Hong Kong Tax Controversy Leader; and Karen Au, Senior Manager, Hong Kong Tax Policy & Controversy Resolution; EY

20 January

BVI update: amendments to the BVI Business Companies Act



Chair: Edmond Chiu FCIS FCS, Institute Membership Committee Member, and Head of Corporate Services, Vistra

Speaker: Grace Ma ACIS ACS, Senior General Manager, Technical Support, OIL

23 January

Managing third-party rights – controlling, reducing and avoiding future legal risk



Chair: Duffy Wong BBS JP FCIS FCS, Institute Past Chairman, and Senior Partner, Ho, Wong & Wong, Solicitors & Notaries

Speakers: Richard Wilmot, Partner; and Andrew Carpenter, Senior Associate; Stephenson Harwood

7 February

New reporting exemption for non-public companies and other impacts of the new Companies Ordinance on financial reporting for the non-accountant (re-run)



Chair: Mohan Datwani FCIS FCS(PE) CAMS, Solicitor, Institute Senior Director and Head of Technical & Research

Speaker: Catherine Morley, Partner, Head of Department of Professional Practice, KPMG China

Online CPD (e-CPD) seminars

The Institute has launched a series of e-CPD seminars in collaboration with The Open University of Hong Kong (OUHK). Through the online learning platform of OUHK, members, graduates and students are able to easily access selected video-recorded seminars with any smart devices anytime, anywhere. The launch of e-CPD seminars enables members, graduates and students to schedule their professional learning more flexibly.

Details and registration are available at the CPD courses section of the OUHK website: <http://ecentre.ouhk.edu.hk>. For enquiries, please contact the Institute's Professional Development section at: 2830 6011, or email: ecpd@hkics.org.hk.

Seminar fee discount for HKICS registered students

Effective from 1 January 2017, registered students of the Institute can enjoy a 30% discount for the Institute's regular ECPD seminars.

Seminar duration	Regular seminar rate	Discounted rate for registered students
1.5 hours	HK\$320	HK\$230
2 hours	HK\$400	HK\$280
2.5 hours	HK\$480	HK\$340

For details, please visit the ECPD section of the Institute's website: www.hkics.org.hk. For enquiries, please contact Simon Ng at: 2830 6011, or email: ecpd@hkics.org.hk.

Key update on the revised MCPD policy (effective from 1 August 2016)

Revised MCPD Policy (effective from 2016/2017 CPD year)	
Extended coverage of CPD activities	<ul style="list-style-type: none"> a. participation in Institute activities as a mentor/coach for the Institute or other professional associations or institutions b. being an external examiner/assessor for the Institute or other professional associations or institutions for the promotion of education or professionalism in the key areas of learning c. participation in committees of the Institute other than technical committees of the Institute or committees of other professional associations or institutions for the promotion of education or professionalism in the key areas of learning <p>A maximum of five CPD points in each CPD year can be earned in each category under (a)-(c), excluding activities of members/graduates' own occupation.</p>
Full exemption from MCPD compliance	<p>Full exemption from the MCPD requirements would be granted for the following reasons:</p> <ul style="list-style-type: none"> • long-term illness • pregnancy • period of unemployment for over six months, or • retirement. <p>Applications, with proof, should be submitted to the Institute by 31 July each year.</p>

Professional Development (continued)

MCPD requirements

Members are reminded to observe the MCPD deadlines set out below. Failing to comply with the MCPD requirements may constitute grounds for disciplinary action by the Institute's Disciplinary Tribunal as specified in Article 27 of the Institute's Articles of Association. Graduates who acquired graduate status before 1 August 2016 are required to comply with the Institute's MCPD requirements.

CPD year	Members who qualified between	MCPD or ECPD points required	Point accumulation deadline	Declaration deadline
2016/2017	1 January 1995 - 31 July 2016	13.5* (at least 2.5 ECPD points)	30 June 2017	31 July 2017
2017/2018	On or before 30 June 2017	15 (at least 3 ECPD points)	30 June 2018	31 July 2018

*pro-rata for 2016/2017 as a result of the Institute's year-end date change.

ECPD forthcoming seminars

Date	Time	Topic	ECPD points
17 March 2017	6.45pm – 8.15pm	Inside information – latest developments and practical tips for managing risks	1.5
22 March 2017	6.45pm – 8.15pm	Change management	1.5
23 March 2017	6.45pm – 8.15pm	The role of Hong Kong notaries public in helping business and citizens	1.5
6 April 2017	6.45pm – 8.15pm	China reforms inbound foreign investment laws	1.5
7 April 2017	6.45pm – 8.15pm	How the board make the most of the media?	1.5
10 April 2017	6.45pm – 8.15pm	Safeguard the board from email scams: asset recovery and protections	1.5
11 April 2017	6.45pm – 8.15pm	Practical guide on ESG reporting	1.5
24 April 2017	6.45pm – 8.15pm	中國公司法和證券法實務	1.5
25 April 2017	3.00pm – 5.45pm	Morning from hell: what to do in a crisis	2.5
26 April 2017	6.45pm – 8.45pm	Opportunities and challenges for China outbound investment	2
27 April 2017	6.45pm – 8.15pm	Senior management liability	1.5

For details of forthcoming seminars, please visit the ECPD section of the Institute's website: www.hkics.org.hk.

Advocacy

HKICS publishes Practitioner's Endorsement Survey Report

On 18 February 2017, the Institute published a survey report on its Practitioner's Endorsement (PE) scheme. This anonymous survey which was sent to PE holders in November 2016, aimed to study the relevance of PE to the general membership of the Institute. The focus was to gauge from current PE holders the value of the PE, and it was intended to be the first step by the Institute to understand the value proposition of the PE designation, as well as how to enhance the PE scheme. Of the 237 PE holders contacted, 102 (or 43%) responded.

The survey results indicate that the PE designation matters in terms of higher peer-to-peer recognition and as a support to the Institute. Respondents also felt that the PE designation brings benefits to PE holders. The Institute will continue to offer relevant Enhanced Continuing Professional Development seminars/training, and consider enhancing the recognition and benefits associated with the PE designation. Members are encouraged to apply for the PE designation.

The Institute would like to thank all survey respondents for sharing their views. For details of the PE survey report, please visit the Publications section of the Institute's website: www.hkics.org.hk.

HKBU employers' luncheon 2017

An employers' luncheon was organised by the Hong Kong Baptist University (HKBU) on 6 February 2017 for employers of different industries to network and discuss recent manpower issues of the labour market. Institute Chief Executive Samantha Suen FCIS FCS(PE) and Education & Examinations Director Candy Wong attended the luncheon.

HKICS attends FSTB consultations briefing meeting

Institute President Ivan Tam FCIS FCS; Council member and Chairman of Professional Services Panel Paul Moyes FCIS FCS(PE); Chief Executive Samantha Suen FCIS FCS(PE); and Senior Director and Head of Technical & Research Mohan Datwani FCIS FCS(PE); together with HKICS AML/CFT Charter founders and subscribers attended a briefing meeting organised by the Financial Services and the Treasury Bureau (FSTB) on 8 February 2017. The meeting discussed the government's new consultations on proposals designed to enhance the anti-money laundering and counter-terrorist financing (AML/CFT) regulation of designated non-financial businesses and professions, and the transparency of beneficial ownership of Hong Kong companies.

For details of the Institute's submissions on these consultations, please visit the Submissions section of the Institute's website: www.hkics.org.hk.

Hong Kong Smoke-Free Leading Company Awards 2016

Institute President Ivan Tam FCIS FCS attended the Hong Kong Smoke-Free Leading Company Awards 2016 presentation ceremony held by the Hong Kong Council on Smoking and Health on 27 February 2017. At the ceremony, a trophy was presented to Mr Tam to recognise the Institute's commitment to advocating a smoke-free culture.

Earth Hour 2017

The WWF Earth Hour 2017 will take place at 8.30pm on Saturday 25 March 2017. The Institute will continue to support this initiative in environmental protection and caring for our planet. As pledged, the Institute's secretariat offices in Hong Kong and Beijing will switch off all lights in the office for the designated hour. Members and students are also invited to support the event and switch lights off for the designated hour.

For details, please visit www.earthhour.org.



Advocacy (continued)

Chartered Secretaries Preview Day – launching a professional career path

On 18 February 2017, the Institute held its inaugural 'Chartered Secretaries Preview Day – launching a professional career path'. This event received an overwhelming response, with over 100 young people participating. The preview day aimed to bring HKICS registered students, undergraduates of local universities and potential employers together. The event provided the opportunity for these groups to interact in lively experience sharing activities and also introduced the Chartered Secretarial profession as an ideal career. Institute President Ivan Tam FCIS FCS highlighted the importance of Chartered Secretaries in today's changing business environment. Guest of Honour, Ada Chung FCIS FCS JP, Registrar of Companies, Companies Registry, gave a keynote speech emphasising the role of company secretaries in the regulatory development of Hong Kong.

Institute Council member Stella Lo FCIS FCS (event moderator), Past President Natalia Seng FCIS FCS(PE), as well as Institute

members Arthur Lee FCIS FCS and Daniel Lai ACIS ACS, also shared their career paths and working experiences with the students. Two workshops on CV and interview preparation, and professional image grooming, were presented by Michael Page and image instructor Miho Kuno to provide the students with practical tips on how to increase their chances of advancing their careers. An onsite internship interview session was also arranged by Tricor Services Ltd for selected candidates.

The Institute would like to thank Tricor Services Ltd for being the coffee break sponsor; BDO Ltd and Vistra (Hong Kong) Ltd for being the sponsors; Companies Registry and Michael Page for being the supporting organisations, and all Institute members and helpers for their contributions to the event.



Corporate governance practical training for IAC in Shenzhen

From 21 to 24 February 2017, the Institute and The Insurance Association of China (IAC) jointly organised a practical training on corporate governance in Shenzhen. This was the second training held subsequent to the signing of the Memorandum of Understanding with IAC in March 2015 designed to facilitate collaboration in promoting good corporate governance to members of the IAC. This latest training was attended by 55 board secretaries, representatives from board secretary offices, supervisory board offices, internal control departments, risk management departments and strategic planning departments of insurance companies in Mainland China.

Institute Chief Executive Samantha Suen FCIS FCS(PE) launched the event with her opening address. Institute Vice-President Dr Gao Wei FCIS FCS(PE), Council member Bernard Wu FCIS FCS and other senior legal/accounting professionals, as well as senior board secretaries, gave presentations on corporate governance best practices to the participants. Recommendations on board governance were also discussed at the training.



HKICS Beijing Representative Office Chief Representative Kenneth Jiang FCIS FCS(PE) (right) presenting a token of thanks to Dr Gao Wei (left)



Samantha Suen delivering her opening address



Bernard Wu at the training



Group photo

Membership

Membership removal due to non-payment of 2016/2017 subscription

The subscription for the year 2016/2017 was due on 31 January 2017. Under ICSA Byelaw 13 and HKICS Article 20, any member failing to pay the subscription within six months of the date fixed for payment (that is, on or before 31 January 2017) shall be excluded from membership and his/her name shall be removed from both membership registers of The Institute of Chartered Secretaries and Administrators (ICSA) and HKICS.

For the year 2016/2017, 163 members and graduates were removed from the membership registers of ICSA and HKICS. Former members and graduates are required to apply for re-election and settle the outstanding subscription, plus a re-election fee, should they wish to reinstate their memberships or graduateships with ICSA and HKICS. All applications for re-election are subject to the Membership Committee's review and approval.

Survey on members' services

The Institute would like to thank all members and graduates who contributed to our Members' Services Survey 2017 which closed on 28 February 2017. Your input to this online survey was valuable in enhancing members' experiences with the Institute's offerings and services. The survey responses will be summarised and shared in an upcoming edition of CSj.

Membership

New graduates

Congratulations to our new graduates listed below.

Au Roi Sang	Kwok Yuk Ching	Lui Wing Yat, Christopher	Tsang Pui Kwan
Fong Chin Man, Ada	Lam Chak Ling	Luk Nga Ying, Louise	Tsang Yuen Yee
Ho Kuok Chong	Lam Ngai Tat	Ma Mei Kwan	Tsoi Man Lai, Alice
Ho Siu Tong, Jerry	Lau Mei Yee, Anita	Man Wing Yan	Wong Ching Ki, Michelle
Hung Yan Ting	Lau Wai Keung	Ng Yuen Shan	Wong Yuen Ting
Kao Chun Fai	Lau Wai Man	Ngai Kwok San, Kenneth	Yap Shee Lai
Ko Mui Kuen	Li Pui Ha	Siu Ching Hung	Yeung Dao Tsun
Kuang Yihao	Lo Pui Yi	Siu Kit Mei	Yip Tak Na
Kwok Yuen Yi	Lui Ting Yan	Sum Wai Man	Yu Pik Yan

Members' activities highlights: February 2017

15 February
Welcome drinks for
new fellows



Institute President, and Council and committee members sharing insights on the profession with new fellows

21 February
Members'
Networking –
personal IT security
training



Speakers providing practical tips to members on personal IT security issues

Forthcoming membership activities

Date	Time	Event
14 March 2017	6.30pm – 8.30pm	Mentorship Programme and Young Group – networking skills training: how to break the ice (1.5 MCPD points)
30 March 2017	6.30pm – 8.30pm	Members' Networking – acupressure for self-treatment ('穴'按愈鬆)
1 April 2017	11.00am – 1.00pm	Young Group – bowling with coach

For details of forthcoming membership activities, please visit the Events section of the Institute's website: www.hkics.org.hk.

International Qualifying Scheme (IQS) examinations

June 2017 diet schedule

	Tuesday 6 June 2017	Wednesday 7 June 2017	Thursday 8 June 2017	Friday 9 June 2017
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 31 March 2017.

Examination enrolment

The examination enrolment period is from 1 to 31 March 2017. The Examination Entry Form can be downloaded from the Studentship section of the Institute's website: www.hkics.org.hk. All entries must reach the Institute's secretariat by 6.00pm on Friday 31 March 2017, or, if sending by post, with a post-mark on or before that date. Late application will not be accepted in any circumstances. To avoid postal error or delay, students are recommended to submit their applications in person or by registered mail. No change can be made to the subject(s) and examination centre selected after the examination application has been submitted.

IQS study packs go green

HKICS launched an online version of four IQS study packs on 9 January 2017. This new service, which is free to all registered students, is to enable students to schedule their professional

learning and studies more flexibly, economically and in an environment-friendly manner. Detailed arrangements have been sent to students for information via email. For further questions regarding the online study packs, please contact Karin Ng at: 2830 6010, or Ruby Ng at: 2830 6006, or email: student@hkics.org.hk. For technical questions regarding the PrimeLaw account, please contact Wolter Kluwer's customer service: HK-Prime@wolterskluwer.com

HKICS examination technique workshops

The Institute will organise a series of three-hour IQS examination technique workshops from late April 2017. These workshops aim to help students improve their examination techniques. The workshop fee is HK\$500 each. Students may download the enrolment form from the Studentship section of the Institute's website: www.hkics.org.hk.

IQS examination pass rates (December 2016)

Subject	Pass rate
Part I	
Strategic and Operations Management	33%
Hong Kong Financial Accounting	24%
Hong Kong Taxation	31%
Hong Kong Corporate Law	30%

Subject	Pass rate
Part II	
Corporate Governance	36%
Corporate Administration	24%
Corporate Secretaryship	25%
Corporate Financial Management	28%

International Qualifying Scheme (IQS) examinations

Subject prize and merit certificate awardees

The Institute is pleased to announce the following awardees of subject prizes and merit certificates at the December 2016 examination. The subject prizes were awarded by The Hong Kong Institute of Chartered Secretaries Foundation Ltd. Congratulations to all awardees!

Subject	Subject prize awardees
Hong Kong Corporate Law	Lam Kwan Yee, Queenie Siu Wing Shan Yip Shui Man

Subject	Merit certificate awardees
Hong Kong Taxation	Au Ka Yi Charlotte Chee Chu Ka Yin, Tiffany Fung Lok Ting Wong Tsz Ying
Hong Kong Corporate Law	Chan Chui Ying Chan Wing Tung Ho Ching Ting Hung Sai Kit Kwok Yee Tai Kwok Yuen Ni Lam Wing Yiu Lee Lap To, Aric Lo Lok Yiu Yung Yuen Ting
Corporate Governance	Au Yeung Wing Man Ho Mei Yi Yip Shui Man
Corporate Administration	Lau Pui Ka Yu Aifen

Studentship

New students orientation

Students registered since September 2016 are invited to attend an orientation on Wednesday 15 March 2017 to learn more about the Institute and meet with other students. Recent IQS examinations subject prize awardees will share examination preparation tips at the event.

The enrolment form is available at the Studentship section of the Institute's website: www.hkics.org.hk. For enquiries, please contact Karin Ng at: 2830 6010, or Jonathan Ng at: 2830 6019.

Date:	Wednesday 15 March 2017
Time:	7.00pm – 8.30pm
Venue:	School of Continuing and Professional Education (SCOPE), 8/F, United Centre, Admiralty, Hong Kong

Student Ambassadors Programme – Summer Internship Programme 2017

The Institute invites companies and organisations to offer summer internship positions to local undergraduates under its Student Ambassadors Programme, with the aim to promote the Chartered Secretarial profession to the younger generation in Hong Kong. The internship period will last for a maximum of eight weeks from June to August 2017.

Members who are interested in offering summer internship positions this year, please visit the Events section of the Institute's website: www.hkics.org.hk. For details, please contact Jonathan Ng at: 2830 6019, or email: student@hkics.org.hk.

Policy – payment reminder Studentship renewal

Students whose studentship expired in January 2017 are reminded to settle the renewal payment by Saturday 25 March 2017.

Exemption fees

Students whose exemption was approved via confirmation letter in December 2016 are reminded to settle the exemption fee by Saturday 25 March 2017.

IQS information session

At the IQS information session held on 17 January 2017, Chris Ho FCIS FCS, Senior Manager of TMF Group, shared her professional working experience with the attendees interested in pursuing a career in the Chartered Secretarial profession. Information on the IQS examinations and the career prospects for Chartered Secretaries was also provided.



Chris Ho at the information session

HKICS professional seminar

The Institute organised a professional seminar at Hang Seng Management College to introduce the Chartered Secretarial profession to undergraduates on 19 January 2017. Institute member Davis Lau ACIS ACS, Senior Manager, Boardroom Corporate Services (HK) Ltd, gave a presentation to the students on share registry management.



Davis Lau at the seminar

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- Qualified professional with ICSA/HKICS membership
- At least 12 years' related experience, some of which gained from listed companies at managerial level
- Affluent with listed and compliance rules and regulations, with in-depth knowledge of the Listing Rules, the Companies Ordinance and relevant provisions of the Securities and Futures Ordinance respecting disclosure of interests
- Sound leadership, excellent interpersonal skills and abilities to take challenges
- Excellent command of both written and spoken English and Chinese

Candidates with less experience will be considered as Assistant Manager

We will offer attractive compensation package to the right candidate. Please send application enclosing resume stating career and salary history, expected salary and date of availability to The Senior Manager, Human Resources Department, Cheung Kong Property Holdings Limited, 7/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong or by email to hr@ckph.com.hk (in Word format). Please quote the reference of the position you apply for in all correspondence.

We are an equal opportunity employer and welcome applications from all qualified candidates. Personal data collected will be treated in strictest confidence and handled confidentially by authorized personnel for recruitment-related purposes within the Group. Applicants not hearing from us within six weeks from the date of advertisement may consider their applications unsuccessful.



CSj is the **only publication** dedicated to corporate governance in Hong Kong.

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We are looking for company secretarial professionals to join our Corporate Services Division as Officers / Supervisors / Managers to cope with our fast growing practice.

Requirements:

- ▶ Degree holder;
- ▶ Registered Student or Member of HKICS;
- ▶ At least 4 years' working experience in handling company secretarial matters of Hong Kong-listed companies, preferably with sizeable professional firms or listed companies;
- ▶ Basic knowledge of Hong Kong listing rules and other relevant regulatory requirements for both listed and non-listed companies is essential;
- ▶ Self-motivated, well-organized and detail-minded;
- ▶ Excellent command of spoken and written English with fluent spoken Mandarin;
- ▶ Computer literate. Knowledge in ViewPoint will be an advantage;
- ▶ Candidates with relevant experience will be considered for a position commensurate with experience.

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email to: hr@hk.tricorglobal.com or
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Please quote reference: "Company Secretarial Professionals" on your application.

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