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February 2021

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The journal of The Hong Kong Institute of Chartered Secretaries
香港特許秘書公會會刊

Artificial intelligence

An ethical perspective

Energy use strategy
Corporate rescue
Cybersecurity

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Good governance comes with membership

About The Hong Kong Institute of Chartered Secretaries

The Hong Kong Institute of Chartered Secretaries (HKICS) is an independent professional body dedicated to the promotion of its members' role in the formulation and effective implementation of good governance policies, as well as the development of the profession of Chartered Secretary and Chartered Governance Professional in Hong Kong and throughout the mainland of China (the Mainland). HKICS was first established in 1949 as an association of Hong Kong members of The Chartered Governance Institute (CGI) – formerly known as The Institute of Chartered Secretaries and Administrators (ICSA) of London. It was a branch of CGI in 1990 before gaining local status in 1994 and has also been The Chartered Governance Institute's China Division since 2005. HKICS is a founder member of Corporate Secretaries International Association Limited (CSIA), which was established in March 2010 in Geneva, Switzerland. In 2017, CSIA was relocated to Hong Kong where it operates as a company limited by guarantee. CSIA aims to give a global voice to corporate secretaries and governance professionals. HKICS has over 6,000 members and 3,200 students.

Membership and studentship statistics update

As of 31 December 2020, the statistics were as follows:

Students: 3,230 **Associates**: 5,985
Graduates: 400 **Fellows**: 747

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February 2021

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

Circulation: 8,200
Annual subscription: HK$2,600 (US$340)
To subscribe call: (852) 3796 3060 or
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ISSN 1023-4128

ninehills media

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A fitting name

This month's edition of our journal looks at the timely issue of the need for ethical oversight of artificial intelligence, but I would like to devote my message this month to a significant development in the repositioning of our profession to reflect our roles and responsibilities in the wider area of governance.

Readers of this journal will no doubt be aware of the ongoing repositioning exercise that our Institute, together with our international body The Chartered Governance Institute (CGI), has been working on for a number of years. As our members have been gravitating towards broader roles in governance, our Institute has sought to ensure that our stakeholders understand that governance is the overarching remit of our profession.

We have passed many significant milestones in this journey. We introduced the professional designation of Chartered Governance Professional in 2018 to sit alongside that of Chartered Secretary. Since the end of 2020, all of our members here in Hong Kong have been awarded this dual qualification. We launched the new Chartered Governance Qualifying Programme (CGQP) in January 2020 and, going forward, students who successfully complete the CGQP will attain the dual qualification as well.

I am pleased to report that we can now take the next logical step in this progression – renaming our Institute. The new name agreed by Council is The Hong Kong Chartered Governance Institute. The Chinese translation of the term 'governance' is in line with international developments and usage of the term by the Organisation for Economic Co-operation and Development and the World Bank.

We have been relatively slow, compared to other divisions of CGI, to update our Institute's name. CGI adopted its new name (it was previously known as The Institute of Chartered Secretaries and Administrators) in September 2019 and all other international divisions (except for Singapore and Zimbabwe), have also changed their names to become 'Chartered Governance Institutes' or similar.

We planned to hold a series of members' forums on this back in 2019, but these plans were delayed due to the social unrest of 2019 and the outbreak of Covid in 2020. Nevertheless, we were able to hold focus group forums and meetings with regulators, and the feedback we received was very positive. Regulators are keen to boost the effectiveness of our members' roles in improving compliance and governance, and our members recognise the value of a name that better reflects the work we do and our status in the organisations we work for.

While Covid is certainly not yet out of the picture, we have determined to go ahead with our planned members' forums. In view of Covid, they will be held via Zoom but they will be interactive, with Q&A sessions and online voting. Starting in April, there will be separate forums in English, Cantonese and Mandarin, and there will also be a forum for students. We plan to hold a vote on the new name at a General Meeting in July this year.

I would like to take this opportunity to thank everyone involved in our name change project, in particular the members of our HKICS Name Working Group, set up in January 2016, to oversee this project. I would also like to solicit your support for the new name. Identifying ourselves as Chartered Governance Professionals better represents the work we do as experts in governance. In the same way, identifying our Institute as The Hong Kong Chartered Governance Institute will better represent the work it does and the status it deserves. Our Institute, both locally and globally, is a thought leader in the practice of governance and the home for professionals who work in the field of governance irrespective of their original training. The practice of good governance is the common thread linking the diverse membership of our Institute and the new name will put an official seal on the fact that governance is at the core of what we do.

Wishing you all a safe, healthy and prosperous Lunar New Year of the Ox.

Kung Hei Fat Choy!

Gillian Meller FCG FCS

名符其实

本期内容紧跟形势，聚焦人工智能之道德监管问题，但我想藉此机会，谈谈公会在调整专业定位方面取得的重大进展，重新定位旨在更好体现公会在公司治理领域更广泛的角色与职责。

本刊将向读者阐述公会及国际总会，即特许公司治理公会 (CGI)，多年来在重新定位方面所做的不懈努力。随着会员肩负的治理职责日益广泛，公会希望相关各方能够明确了解 - 治理是公会的专业核心。

一路走来，公会取得了多项具有重大里程碑意义的成果。 2018 年，公会在“特许秘书”专业资格之外，推出了“公司治理师”(Chartered Governance Professional) 专业资格。自 2020 年末以来，公会在香港的全体会员均已获得双重专业资格。 2020 年 1 月，公会推出全新的特许公司治理专业资格课程 (CGQP)，未来成功完成 CGQP 的学员也将可以获得双重专业资格。

现在，公会的重新定位工作即将迈入新阶段，即，为公会更名。理事会讨论并通过了公会的新名称——“香港公司治理公会”。其中文翻译“治理”一词顺应国际发展趋势，并遵循了经济合作与发展组织和世界银行官方中文用语的惯例。

相比 CGI 其他分会，公会在更名方面的行动相对较迟。 CGI 于 2019 年 9 月启用新名称（原称为“特许秘书及行政人员公会”），所有其他国际分会（除新加坡和津巴布韦分会外）也均已更名为“特许公司治理公会”或类似名称。

公会原计划于 2019 年召开研讨会讨论相关事宜，但由于 2019 年的社会动荡局面和 2020 年新冠疫情爆发，这一计划因此推迟。不过，公会成功召开了关注小组研讨会，并与监管机构进行了会谈，相关各方对更名举措都给予了积极评价。监管机构十分希望可以通过此举进一步强化公会会员在提升公司合规和治理方面的作用，同时公会会员对这一举措也给予了充分肯定，认为新名称将可以更好地彰显公会会员所做的治理工作以及在公司中的专业地位。

虽然疫情还未结束，但公会仍决定按原计划举办会员研讨会。为安全起见，会议将采用 Zoom视频方式进行，但仍将安排问答和在线投票环节以确保互动性。公会将从四月开始，分别召开英语、粤语和普通话三种语言的研讨会以及学员研讨会，并计划在今年七月的会员大会上对公会新名称进行投票。

我想藉此机会，向参与更名项目的所有人士表示感谢，并特别向2016 年 1 月成立的更名工作小组的所有成员致以诚挚的谢意！希望大家能支持公会的新名称。正如“公司治理师”专业资格更好地彰显了公会会员作为治理专业人士所做的工作，“香港公司治理公会”这一名称将更充分地彰显公会所做的工作和应有的专业地位。公会在当地以及世界范围内均是治理实务的思想引领者，也是治理专业人员（不论原先的专业背景）的专业组织。良好的治理实务是联结公会多样化背景的会员们的共同纽带，而新名称将是公会对“治理是公会的专业核心”这一事实的正式官宣。

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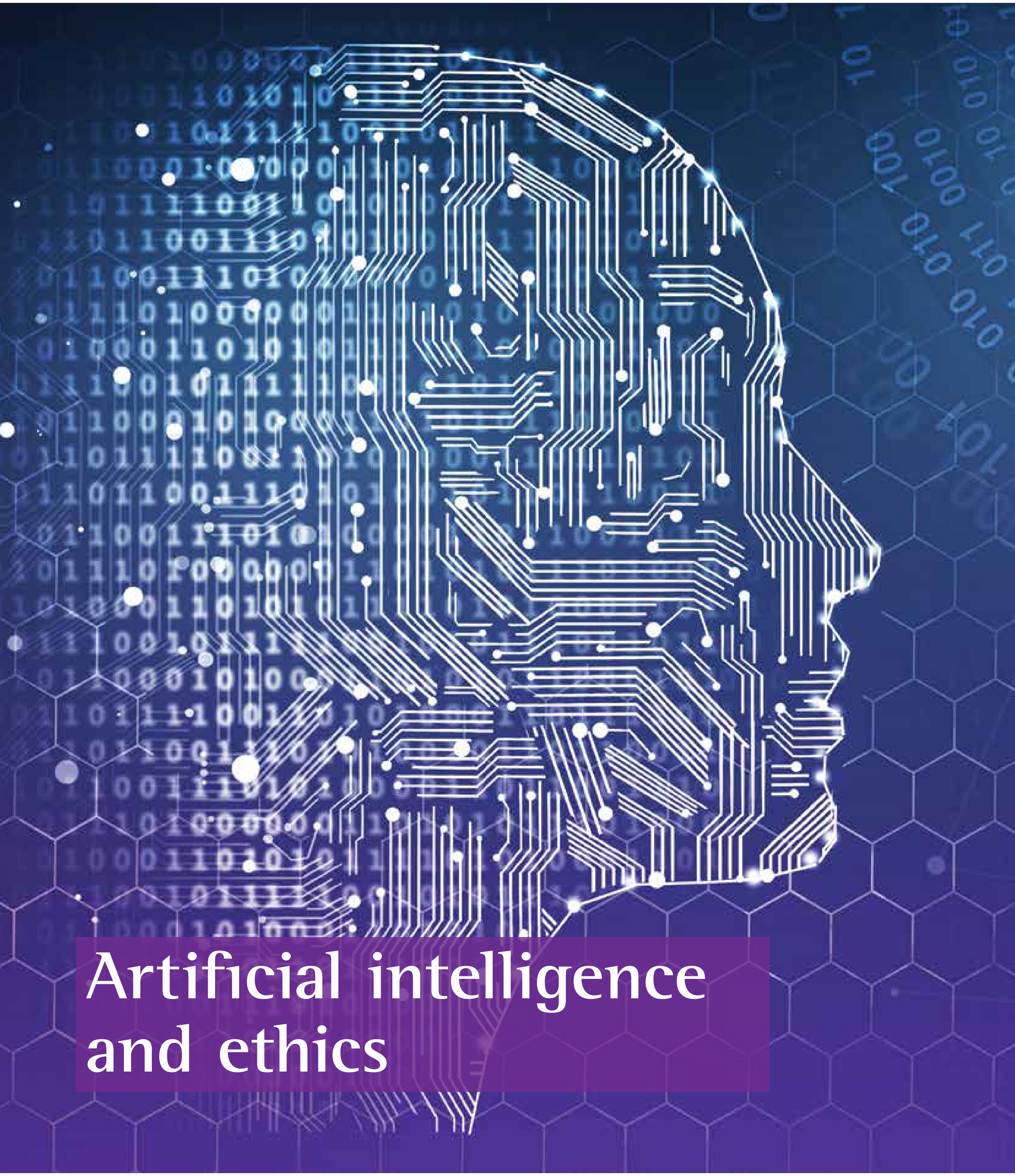

Artificial intelligence and ethics

The potential of artificial intelligence is enormous, but Dr Jag Kundi, a Hong Kong-based scholar-practitioner active in the FinTech space, warns that without thorough ethical oversight, this new tool could have unintended, disastrous consequences.

Artificial intelligence (AI) is concerned with logic and rationality. Ethics would appear to be the antithesis of this as it is concerned with abstract notions of fairness, equality and doing the right thing. Is the title of this article therefore an oxymoron?

As the potential risks of AI become more evident, it is becoming clearer that AI and ethics need to be inextricably linked.

The benefits of AI

AI is a topical subject at the moment given its expected role in nearly everything we do or will do. It is based on a collection of technologies that combine data, algorithms and computing power, and has been driven by advances in computing power and the increasing availability of data which improves the predictability of AI models. Our global digital datasphere is growing rapidly. The International Data Corporation predicts that it will have grown from around 33 zettabytes in 2018 to an expected 175 zettabytes by 2025. One zettabyte is equivalent to a billion terabytes.

The decision-making process in AI is based on predefined complex mathematical relationships known as algorithms (mathematical formulae). AI is a foundational shift in computing – a shift from encoding human knowledge and instructions to learning how to solve problems by inferring and inducing from information.

The benefits of AI to improve our lives are already apparent. It can:

- improve the efficacy of healthcare diagnoses to be more precise and to provide more preventative care, for example look at the rise of the new pharma-tech companies such as AliHealth and JD Health

- play a role in creating safer and cleaner transport systems, for example AI technology combined

Highlights

- many organisations are aware that there are potential risks to the use of artificial intelligence (AI), but few have specific approaches to deal with AI ethics
- failing to recognise ethical issues in operationalising AI systems exposes organisations to potentially serious reputational, regulatory and legal risks
- organisations need to consider the ultimate purposes of their AI systems and make sure they are developed with the common good of humanity in mind

with the Internet of Things (IoT) has been used to create 'smart cities'

- increase the efficiency of farming, for example the use of AI, IoT, data mining and weather predictability has improved farming practices and yields, and

- impact climate change through more advanced climate modelling and predictive analysis, for example it has given us a deeper understanding of weather predictability, greenhouse gas modelling and the energy requirements to improve climate impacts and reduce harmful pollution.

In humans we talk of 'natural intelligence' as using the brain to solve problems by learning and reasoning from information. Similarly in machines, AI can be considered as using algorithms to solve problems by learning and reasoning from information. There are two types of AI:

1. Narrow Artificial Intelligence (weak AI) – which usually covers a single domain and is not easily transferable, for example self-driving cars, Apple Siri and Spam filters, and

2. Artificial General Intelligence (strong AI) – which can learn anything since it learns how to learn, although examples of this type of AI are mainly confined to science fiction movies at the moment.

Most of today's AI uses machine learning techniques such as supervised learning, unsupervised learning and reinforcement learning. We are still in the early days of AI development, but initial results show that it can be very effective for certain functions, such as providing medical diagnoses and improving web security through malware and spam detection.

The risks of AI

AI transcends markets, culture and geography, and is applicable everywhere. It is already having a significant impact on society and humanity in multiple ways. As such, fundamental questions have been raised about how we should manage and control these systems and better understand the risks involved. Thus, it makes sense to think about what we want these systems to do and make sure we build them with the common good of humanity in mind.

Left unchecked the threats from AI are increasing and could include the following:

- elimination of 40–80% of all jobs (think of AI not only as a job-killer but as a job-category killer)

- restricting or eliminating basic human rights (for example privacy rights)

- accelerating income inequality

- increasing the risks arising from biased data sets and algorithms

- increasing the risks arising from cyber attacks and bad agents

- creating a substantial shift in what it means to be human and live in society

- increasing uncertainty around the legal implications of interactions with AI-based machines

- increasing autonomous weaponry risks, and

- increasing the existential risk that machines will eliminate humans.

This is where ethics is needed to temper the headlong rush into AI. Ethics is fundamentally based on protecting the public interest, the collective well-being of the community and all stakeholders, which is an overriding responsibility that underpins all professional duties and obligations. Many professional associations have ethics at the heart of their professional programmes, such as governance, accountancy, legal and financial institutes.

Given that AI powers many of the technologies that are central to our modern lives, we should be able to have a high degree of trust in its underlying operations. However, for many of us AI is like a 'black-box' where we know it is there, but what it does, how it does it and when it does it are beyond our comprehension. The question arises of who does AI serve – the public, government, society or the corporates? Keep in mind that the corporates have invested resources into developing it and ultimately have shareholders expecting a return on their investment. Clearly conflicts can arise.

Autonomous vehicles (AVs) provide a classic example of the ethical dilemmas that AI raises. An AV is capable of sensing its environment and moving with little or no human involvement. For the AV to move safely and to understand its driving environment, an enormous amount of data needs to be captured by myriad different sensors across the car at all times and then processed by the vehicle's computer system.

> given that AI powers many of the technologies that are central to our modern lives, we should be able to have a high degree of trust in its underlying operations

Prior to AV technology being released onto the market, the AV must also undertake a considerable amount of training (machine learning) in order to understand the data it is collecting and to be able to make the right decision in any imaginable traffic situation. Moral decisions are made by drivers daily. Imagine a situation in which an AV with broken brakes is going at full speed towards a grandmother and a child. By deviating a little, one life can be saved. In an AV, it is not a human driver who is going to take the decision, but the car's algorithm. Who would you choose, the grandmother or the child? Or, to up the ante, what if the two people were of different genders or ethnicities – who gets hit?

The legal issues around AVs will also be an explosive minefield once such systems become mainstream. Questions have already arisen around legal liability in cases of accidents. When AI is in control, where does responsibility lie – the driver, the car manufacturer or the AI systems developer? Moreover, what about insurance for AVs? For sure, the way premiums are calculated will need to be revisited. These are typical ethical dilemmas that show the importance of ethics in the development of AI technologies.

The governance implications

Companies are not immune to these ethical dilemmas and are beginning to realise that failing to recognise ethical issues in operationalising their AI systems can impact their bottom line. A 2018 survey by Deloitte of 1,400 US executives knowledgeable about AI found that 32% ranked ethical issues as one of the top three risks of AI. However, most organisations don't yet have specific approaches to deal with AI ethics.

The impact of AI can be via reputational, regulatory and legal risks. These are the external ethical impacts, but internal impacts also arise through misallocation of resources, and product development and commercialisation inefficiencies. A recent article in the MIT Technology Review – The Way We Train AI is Fundamentally Flawed – highlights the mismatch between the data that AI is trained and tested on, often under near-perfect laboratory conditions, and the data it encounters in the real world. AI trained to spot signs of disease using high-quality medical images, for example, struggles to find such signs when provided with low-quality, blurry pictures captured by a cheap camera or smartphone in a busy clinic.

For corporates this threat is real and already becoming a problem, particularly where corporate systems are dependent on AI and machine learning technologies. For example, the Ada Lovelace Institute, an independent global research body that monitors AI and data ethics, has highlighted the way facial recognition systems have been developed using flawed or limited data sets by companies. Most training data sets use commonly available photos that aren't representative of the diverse ethnicities, genders or social classes of a typical population. These biases are then passed on in the data that informs the system. The empirical evidence is stark and compelling. A study published in December 2019 by the US-based National Institute of Standards and Technology, which analysed 189 software algorithms from 99 developers – the majority of the industry – saw higher rates of inaccuracy

> for many of us AI is like a 'black-box' where we know it is there, but what it does, how it does it and when it does it are beyond our comprehension

for Asian and African American faces relative to images of Caucasians, often by a factor of 10 to 100 times.

This research was in turn based on an earlier study in 2018 by the MIT Media Lab, a research laboratory at the Massachusetts Institute of Technology, that found leading facial recognition systems by Microsoft, IBM and Megvii of China performed at a 0.8% error rate when used on images of white men, but at a rate of 34.7% when tested on images of dark-skinned women. The MIT researchers pointed to the fact that the image data sets used in pattern-learning to develop these facial recognition technologies was found to be 77% male and 83% white-skinned as the primary reason behind the disparity in performance.

As the technology continues to become more powerful, AI also has the ability to cause severe damage if used maliciously. The onus will be on companies to know their customers better, particularly in the case where they provide an on-demand cloud-based platform or service. If criminal players are using their platform to engage in AI-enabled attacks or other criminal acts, then, similar to financial institutions, the regulators will have to respond and may impose 'know-your-customer' (KYC) regulations. To be ahead of the curve it may be prudent for companies to start their own enhanced efforts to know who their customers are and what they are doing on their platform in advance of such potential regulations. Consider the big social media platforms that, after the recent debacle on Capitol Hill in the US, are now actively taking an ethical stance in monitoring their platforms and even banning or suspending individuals and corporates they identify as promoting fake news.

Preparing for the age of AI

The path dependency looks to be set as we move towards the most significant technological transformation in human history, one that has immense implications for the economy, politics and law, as well as for social, moral and ethical underpinnings of modern society. As we approach the age of AI, with all the corresponding risks and benefits that it will unleash, we need to be mindful that we are still operating with a 20th-century economic, political and moral framework.

Should we embrace AI and allow the technology to permeate our lives fully, or should we set boundaries on how pervasive this technology can be? When AI can determine our credit score (via analysis of a data set including both online and offline activity) and consequently qualify us instantly for loans without any human intervention in the process, the economic, speed and efficiency benefits are clear. However, if you are Asian, black or female, then such AI systems have a built-in bias in assessing your credit worthiness. Is that fair? Is that ethical? Where are the checks and balances that should level out these biases?

Taking an even deeper dive into the AI rabbit hole, should we grant rights to AI-enhanced robots that are capable of rudimentary decision-making? These are deep and searching questions that society and businesses will need to wrestle with. A new moral political framework will need

Building Ethical AI: a seven-step plan

A recent article in the Harvard Business Review – A Practical Guide to Building Ethical AI – advised that companies need a clear plan to deal with the ethical issues that AI is introducing. A seven-step plan is provided to help managers operationalise and integrate ethics with AI. These seven steps are:

1. identify existing infrastructure that a data and AI ethics programme can leverage
2. create a data and AI ethical risk framework that is tailored to your specific industry
3. change how you think about ethics by taking cues from the successes in the healthcare industry as a benchmark
4. optimise guidance and tools for product managers
5. build organisational awareness of ethical impacts due to AI
6. formally and informally incentivise employees to play a proactive role in identifying AI ethical risks, and
7. monitor AI-based ethical impacts and engage with key stakeholders.

to be developed to address such issues, as otherwise the consequences could lead to further concentration of power in a few hands, and increasing wealth inequality in society.

A big challenge for corporations is the speed in technology development versus regulatory catch-up. Until the regulatory environment catches up with technology (does it ever?) then corporate leaders will remain culpable for making ethical decisions about the use of AI applications and products. Look at Uber and regulations around taxis, AirBnB and letting of private accommodation, and social media platforms and responsibility of posted content to name a few examples.

There's a moment in the original *Jurassic Park* film when Ian Malcolm, played by Jeff Goldblum, says emphatically, 'Your scientists were so preoccupied with whether or not they could, they didn't stop to think if they should'. We are at a similar crossroads with AI technology today and to some extent the ethics that revolve around this technology – just because we can use AI doesn't mean we should unless there is a compelling reason to do so. Sadly, as we replace more and more human work (and human salaries) with AI-based technology and replace human judgement with algorithms, these commercial considerations may dominate and the migration to AI will be sealed with or without ethical oversight.

Dr Jag Kundi

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Reset and refocus

Redefining business for the post-Covid recovery

In her Guest of Honour speech at the Institute's Online Annual Celebration 2021, Laura Cha GBM GBS JP, Chairman, Hong Kong Exchanges and Clearing Ltd (HKEX), argued that governance professionals are playing a pivotal role in redefining how businesses are run in the post-Covid world.

The public health crisis, rapid climate change, economic recessions and the rapidly evolving geopolitical landscape have all impacted our lives and businesses over the past year. Many of our audience have seen the pandemic test their business continuity planning and risk management capabilities. It has challenged the way we operate and forced us to rethink what is needed for a resilient future for our businesses.

The pandemic has also served as a wake-up call – it has elevated the importance of integrating environmental, social and governance (ESG) into our long-term business strategy, placing sustainability at the heart of our organisations. 2021 offers us an opportunity to reset and refocus.

Corporate governance, as the backbone of company purpose, strategy and risk management, plays a pivotal role in redefining how business are run in the post-Covid world. As the world gradually recovers, let's look at some of the lessons Covid has taught us to help us better govern our corporations, spearhead our ESG and sustainability journey, and future-proof our businesses.

Learning the lessons of Covid

1. Creating shared value

The pandemic has forced business leaders to put a greater emphasis on creating value for all stakeholders, not just shareholders. While the concept of creating shared value has been discussed for a number of years, 2020 was a watershed year where this talk was translated into action. The Covid experience showed us that businesses that look beyond profits to longer term sustainability – in terms of operation, people and culture – have remained more relevant and competitive through the crisis. The pandemic has also raised the importance of business ethics. It means doing more than simply complying with regulations and rather aiming to do what is right for everyone. A strong corporate governance structure and culture will enable businesses to focus on long-term success that balances profits with the interests of all stakeholders.

2. Focus on the right risks

Covid elevated the importance of long-term strategies and contingency planning, which enables business leaders to focus on the right risks. The pandemic has offered businesses, large and small, an opportunity to understand their areas of risk and vulnerability. Having good governance oversight, and building robust business and operational models that can mitigate damages in acute scenarios, will certainly help transform these risks into opportunities. Crisis plans matter, and companies must build resilience and governance in the good times in order to be in a better position to face challenging times.

3. ESG integration and reporting

ESG integration has now become a critical part of the post-Covid recovery. It has also become a critical part of good corporate governance for any business. Investors are demanding that companies be more proactive in their ESG risk management and reporting. This is not just about setting targets – investors also want to know what actions are being taken to meet those targets. The consideration of ESG materiality and the management of those risks has become a core performance factor. Companies that effectively communicate their ESG priorities and performance gain the trust of investors, and that trust is what drives our business and our markets forward.

> "corporate governance, as the backbone of company purpose, strategy and risk management, plays a pivotal role in redefining how business are run in the post-Covid world"

4. The role of the board

Perhaps the most important lesson of the Covid crisis is the role of the board in driving sustainable businesses

Highlights

- Covid has challenged the way we operate and forced us to rethink what is needed for a resilient future for businesses in Hong Kong
- ESG integration has now become a critical part of the post-Covid recovery and a critical part of good corporate governance for any business
- companies should build resilience and good governance in the good times in order to be in a better position to face challenging times

> “increasingly, [governance professionals] are expected to guide and advise boards on business ethics and help them go beyond meeting regulations to leading companies in a positive direction”

in the post-Covid world. Strong ESG risk management, transparency and communication starts with leadership at the board level. All boards must put their businesses on an accelerated path towards sustainability and change their businesses to facilitate the journey. Companies should also make sure the board composition and combined skill sets of directors is fit for the renewed purpose of the business.

HKEX's role

As Asia's largest listed exchange operator and market regulator, we at HKEX regard ourselves as an important catalyst, facilitator and enabler in supporting listed companies through this journey of recovery. As a frontline regulator of more than 2,500 companies, we have a platform to promote corporate governance and ESG standards.

Last year, we introduced a set of Listing Rule enhancements to solicit and reinforce board commitment on overall ESG strategy, as well as disclosures around all environmental and social key performance indicators (KPIs). As an exchange operator, we provide the tools, guidance and financial access that enable market participants to transition into a sustainable businesses. Last year we launched STAGE, the Sustainable and Green Exchange. This platform helps companies tell the story of their sustainable finance journey, and promotes voluntary reporting on green and sustainable finance.

As a listed company ourselves, we lead by example with corporate governance and sustainability front and central in all that we do. We are committed to effecting change to enable an open, vibrant and resilient environment for the sustainable growth of both our business and our markets.

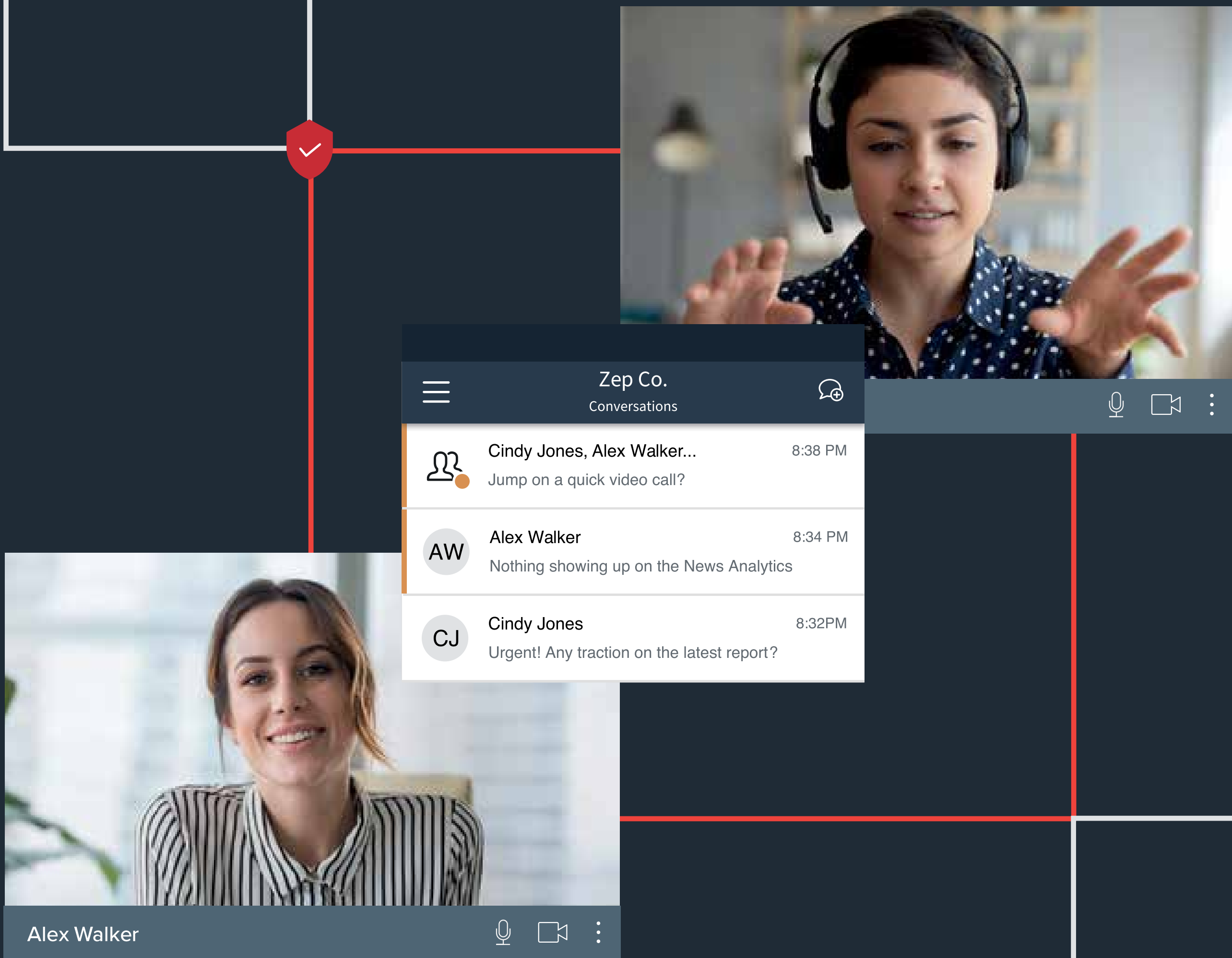
Your roles

As the corporate secretaries and governance professionals of our business community, you too are critical to effect change in this journey of post-Covid recovery. The advisory role of governance professionals and corporate secretaries is growing. Increasingly, you are expected to guide and advise boards on business ethics and help them go beyond meeting regulations to leading companies in a positive direction. As boards of directors become more involved in stakeholder engagement, you also play a key role in assisting them in that process.

Conclusion

The pandemic is not yet over, and we expect the road to recovery will be long and bumpy, but this is also an exciting time as we see the positive momentum and enthusiasm in the development of sustainability as a driving force of business and society in Asia. Corporate governance is going to be one of the major drivers of a sustainable economy in the post-Covid world. Building a truly vibrant financial system with resilience and governance, as well as international best practices, will not only reinforce Hong Kong's role as an international financial centre, but also position us as a regional hub for sustainability leadership. You, as governance professionals, are playing a critical part in this journey. We are at the beginning of this journey and we are on the right track – let's keep working together and set ambitious goals to achieve even more.

This article has been adapted from the Guest of Honour speech delivered by Laura Cha GBM GBS JP at the Institute's Online Annual Celebration 2021 on 25 January 2021. More information on the newly launched Sustainable and Green Exchange is available on the HKEX website: www.hkex.com.hk.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Conversations
Cindy Jones, Alex Walker...
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Jump on a quick video call?
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Alex Walker
8:34 PM
Nothing showing up on the News Analytics
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Cindy Jones
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Urgent! Any traction on the latest report?
Alex Walker

Corporate energy affairs

Your guide to surviving three mega-transitions

Robert Allender, Managing Director of EnergyUse Strategy Advisors, gives some advice for Hong Kong companies about the significance of their company's energy affairs to board obligations and company secretary responsibilities.

A company's energy affairs consist of all matters related to energy that affect the company's present and future success.

In the past it would have been perfectly understandable for the named company secretary of a company listed on The Stock Exchange of Hong Kong Ltd to pay little if any attention to their company's energy affairs. However, three mega-transitions have changed all that:

1. the energy transition is the change from a world where burning coal, oil and gas provided energy to a world where less and less energy is derived from those fossil fuels

2. the climate transition is the change from a planet with a climate humans have long considered to be human-friendly to one where climate is unpredictable and much less human friendly, and

3. the environmental, social and governance (ESG) transition is the change from a time when there was no requirement to disclose business impact to a time where a business is required to fully disclose its impacts on the rest of the world, and the actual and potential impacts of the rest of the world on the business.

Combined, these three mega-transitions are bringing about a new reality that will leave no company unaffected. Companies' boards will have a constant stream of megatrend decisions to make to guide the enterprise forward. Boards and company secretaries will need to become more and more conversant with the length and breadth of their company's energy affairs because a company's energy affairs are deeply entwined with not only the energy transition (not as obvious as it appears), but also the climate transition (energy use is the number one cause of climate change) and the ESG transition (reporting current greenhouse gas emissions and energy consumption is present in every ESG rating system).

The term 'energy affairs' is not difficult to grasp, even if it is not all that commonly used. Similar in some ways to government affairs or consumer affairs, the term is intended to cast a sufficiently wide net around all matters related to energy that affect the company's ongoing fortunes. Besides the two core pieces, procurement of energy and the putting of that energy to good use, today a company's energy affairs also entail dealing with the two major waste products of a company's use of energy. These are greenhouse gases (energy use is by far the dominant portion of the global total, see Figure 1: Global greenhouse gas root causes) and air pollutants (sulfur oxides, nitrogen oxides, colloquially SOx and NOx, particulate matter, as in PM 2.5, and, often, mercury). Moreover, these days a company's energy affairs do not stop at its own energy use, but extend to the energy use of its supply chain and its customer chain as well. Wrapped around every part are business continuity dimensions (always the first priority) financial dimensions, legal and regulatory dimensions and, perhaps above all, reputational dimensions.

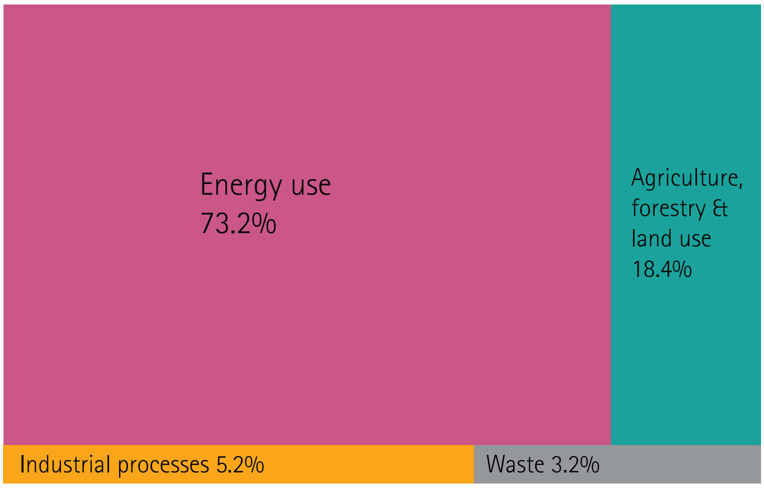
> "the most recent upgrading of HKEX's ESG Reporting Guide... specifically made board participation obligatory for Hong Kong listed companies"

For a company secretary intent on keeping board directors well informed about the company's energy affairs, and to prevent any blind spots, three areas of responsibility – governance, risk, and board updating – will need to be brought to bear. Good examples can be seen by looking at three documents most named company secretaries are familiar with: Hong Kong Exchanges and Clearing Ltd's (HKEX) ESG Reporting Guide, Hong Kong's Companies Ordinance (Cap 622) and the recommendations from the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD).

Highlights

- a company's energy affairs are deeply entwined with three mega-transitions – the energy, climate, and environmental, social and governance transitions
- governance professionals, in particular company secretaries, need to upgrade their understanding of their companies' energy affairs
- corporate energy affairs governance should be high on every board's agenda

Figure 1: Global greenhouse gas root causes



Source: World Resources Institute

HKEX's ESG Reporting Guide

Some companies have treated their energy affairs as a board issue for a very long time because, for a very long time, governments have been making commitments that were going to require massive changes on the part of companies doing business within their borders – in 1992 at the Rio Earth Summit; in 1997 with the Kyoto Protocol and then in 2004 with the Protocol's ratification; and in 2015 with the Paris Agreement.

But it was the most recent upgrading of HKEX's ESG Reporting Guide which specifically made board participation obligatory for Hong Kong listed companies.

Making the ESG report a board responsibility concurrently made energy affairs a board responsibility, even if energy affairs had never been a board agenda item before, because that document requires more disclosure about a company's energy affairs than about anything else. Consider this: a full 42% of the 48 aspects (including General Disclosures) are wholly or partly requiring disclosure about energy use or about energy-use waste products. Additional serious board obligations are imposed by doing a strict 'energy affairs' reading of the Overall Approach and the Mandatory Disclosure Requirements sections.

Company secretaries, in their roles as providers of governance and risk updates, analysis and advice, have much more to contribute than might have been the case under the two earlier versions of the ESG Reporting Guide, so this further raises the bar for their corporate energy affairs literacy.

The Hong Kong Companies Ordinance

Similar to the ESG Reporting Guide, the Hong Kong Companies Ordinance contains some heady language when read from the perspective of a company determined to master its energy affairs. For instance, the mandated business review (Schedule 5) has to include information relating to environmental matters that have a significant impact on the company. Consider the situation of a company doing business in a country where the government has declared a climate emergency, as the UK government has. Can that company's board maintain that climate change has no significant impact on their company? Moreover, that is just one dimension of corporate energy affairs governance – to be proactive in advising the board, a company secretary will need to keep abreast of all 12 (see Figure 2: The 12 dimensions of corporate energy affairs governance).

The same thinking can be applied to the Ordinance's requirement that directors have a duty to exercise care, skill and diligence. At what point in an energy transition, a climate transition or an ESG transition does that requirement translate into an obligation on a director to upgrade their understanding of the company's energy affairs, or of the

Figure 2: The 12 dimensions of corporate energy affairs governance

- Value creation
- Stakeholder expectations
- Legal
- Strategy
- Energy supply
- Energy-consuming equipment
- Knowledge management
- Communications
- Finance
- ESG
- Supply chain
- Energy transmission

Source: EnergyUse Strategy Advisors

> “making the ESG report a board responsibility concurrently made energy affairs a board responsibility”

subject of corporate energy affairs in general? Some might say as soon as the transition has been identified. Others might say when it has become a common topic of conversation. There will always be those who prefer to wait until the policies to deal with any one of these mega-transitions have been written into law. Hong Kong's Corporate Governance Code (Appendix 14 of the Listing Rules) is not prescriptive about the exact type of training the company secretary should help arrange for directors to achieve and maintain the skills they need, but could energy affairs training be a suitable inclusion?

The recommendations of the TCFD

The only completely new Aspect in the ESG Reporting Guide with the July 2020 effective date is Aspect 4, Climate Risk. As HKEX has explained, the wording of this Aspect is intentionally aligned with the TCFD Recommendations. The significance of this should not be underestimated. TCFD is so far the only globally applied climate risk 'statement of work', and already its recommendations have been made the basis for mandatory disclosure by the UK government for all companies above a certain size and by the New Zealand Stock Exchange for all listed companies. So there is little chance the company secretary of a Hong Kong listed company will not at some point be called upon to advise on the governance implications of this set of recommendations, especially when bearing in mind that it is not only governance that is required; it is also perception of governance.

Preparing a climate disclosure report to implement the TCFD recommendations requires an even deeper understanding of the company's energy affairs than the previously discussed documents, because the double materiality perspective gets even more complicated. Preparing a range of possible future scenarios for one's own company is a challenge. Layering in a range of scenarios for one's current and prospective future suppliers and customers requires a serious command of the subject.

The significance of the company secretary's role as board adviser

Where a named company secretary is responsible for any aspects of the function that could be called 'board updating', looking at the company through an energy affairs lens will produce quite a long list of items that command regular reconsideration. Something as simple as recommending a board training seminar may suffice for some companies. But for others that might require producing a constant supply of intelligence about market, regulatory and industry developments. It is no small task to map a company's energy affairs against such high-priority work as reputation management, stakeholder management, risk management and improving the company's ESG rating. Hardly less demanding is the extensive work needed to incorporate energy affairs impact questions into the company's ongoing decisions about matters as diverse as the United Nations Sustainable Development Goals (the SDGs), renewable energy, net zero, the circular economy, actual and shadow carbon pricing, green finance and its rising replacement, transition finance and the question of stranded assets if the company owns fossil fuel-powered generator sets, boilers, or other similar high capital cost long-lived assets. Navigating dynamic business influences like these will require the company secretary (and other advisers) to possess a high level of energy affairs literacy.

Twenty years ago it may have been safe to assume that any changes in a company's energy affairs (whether or not they went by that name) would have happened slowly and methodically. That had held true for decades. It would no longer be safe to make that assumption.

Robert Allender, Managing Director
EnergyUse Strategy Advisors

At long last: Hong Kong's very own corporate rescue procedure

Evelyn Chan, Partner, and Adriel Wong, Paralegal, Gall, look at the government's latest proposals to formally implement a statutory corporate rescue procedure and insolvent trading provisions in Hong Kong.

The idea of reforming Hong Kong's corporate rescue regime was first floated back in 1996. It was introduced in the form of the Companies (Corporate Rescue) Bill 2001 but got nowhere due to differences of opinion. This was returned to the table subsequently in 2003, 2009 and 2014, but nothing ever came to fruition.

On 2 November 2020, the government tabled the Companies (Corporate Rescue) Bill (the Bill) to formally implement a statutory corporate rescue procedure (CRP) and insolvent trading provisions in Hong Kong. The Bill is expected to be presented to the Legislative Council in the first quarter of 2021, together with subsidiary legislation concerning the operational and logistical matters associated with the CRP (for example, holding of creditors' meetings, organisation of committee of creditors, etc).

The current situation

In the absence of a statutory corporate rescue regime, distressed companies in Hong Kong have historically had very limited options to try to rescue themselves from going under. As the Bill acknowledges, such companies may either:

1. attempt to work out a non-statutory workout agreement with its major creditors to restructure its debts, or
2. implement a scheme of arrangement under the current regime under the Companies Ordinance (Cap 622), which facilitates a compromise between the company and its shareholders and creditors.

Schemes of arrangement, in particular, are procedurally cumbersome. However, the most notable, and at times fatal, drawback to the current options is that even if these options are implemented, there is nothing stopping the companies' creditors from taking legal action to wind the company up. Unlike the regimes for some other countries such as the US, the current Hong Kong regime does not impose what is known as a 'moratorium', which protects a company from being wound up while it attempts to rescue itself.

The CRP

The proposed CRP is a procedure aiming to facilitate distressed companies' attempts to rescue themselves from insolvency by introducing a statutory process and moratorium. It is hoped that with statutory assistance, the prospects of the company being able to continue to trade as a going concern could be maximised. The following is an overview of the CRP as proposed by the Bill. The details may be subject to change after the Legislative Council's discussion.

Commencement of the CRP

The CRP is commenced upon the appointment of a Provisional Supervisor (the PS). The PS may be appointed by the following persons if they take the view that the company is insolvent or likely to become insolvent, and that provisional supervision is likely to assist the company or its creditors:

1. the company itself (through a resolution of its members or directors), or
2. the company's liquidator or provisional liquidator, if the company has already entered into winding-up or is subject to a winding-up application.

If the company has major secured creditors (MSC), the MSC must be notified in writing of the company's

Highlights

- the proposed corporate rescue procedure (CRP) would mean that distressed businesses would be able to rely on a moratorium protecting the company from being wound up while it attempts to rescue itself
- creditors will still be free, however, to commence proceedings against the company in jurisdictions outside Hong Kong
- the CRP commences upon the appointment of a Provisional Supervisor who may perform any function the company or its officers could perform if the company were not under provisional supervision

intention to appoint a PS. The MSC will then be given five business days to object to the provisional supervision in writing, failing which the process may be initiated by the company.

The provisional supervision period will initially last 45 business days. With the consent of creditors, it may be extended up to six months. If the case is particularly complex and more time is needed to formulate a rescue plan, the company may bring an application to the court for an extension of time lasting more than six months.

During the provisional supervision, the company is also placed into a moratorium. Some terms of the moratorium under the CRP include those listed below.

1. No resolutions may be passed for the company to be wound up voluntarily. If voluntary winding-up was already commenced, such process will be suspended.

2. No court applications may be made to wind the company up, and if an application was already made, all proceedings will be suspended.

3. No court proceedings (except criminal) may be commenced or continued without consent of the PS, or leave of the court, unless otherwise permitted by the Bill.

4. No enforcement process in relation to the company's property may be commenced or continued without consent of the PS, or leave of the court, unless otherwise permitted by the Bill.

> “there is no doubt that [the corporate rescue procedure] will be welcomed as a timely and useful relief for companies in these trying times”

The PS

The PS will displace the directors and management of the company and will be vested with an array of powers. The PS must himself or herself be an independent Certified Public Accountant (CPA) or person qualified to act as a solicitor.

Importantly, the PS will gain control of the company's business, property and affairs; may dispose of or terminate any part of the company's business and property; and may perform any function the company or its officers could perform if the company were not under provisional supervision. These powers are all essential to enable the PS to consider options for rescuing the company and, where appropriate, prepare proposals for a voluntary arrangement (VA) at the end of the provisional supervision period.

At the end of the Provisional Supervision

At the end of the Provisional Supervision, the PS is required to recommend for the creditors' consideration whether:

1. the company should enter into a VA

2. it should be wound up, or

3. the Provisional Supervision should end.

If a resolution is passed to approve a VA proposal, the company will enter into the VA. During that period, a moratorium also applies to the company to facilitate its restructuring and revival.

Observations

It is important to note that the moratorium under the CRP is Hong Kong–specific. In other words, creditors will be free to commence proceedings against the company in jurisdictions outside Hong Kong, and they may also look to enforce against the company's assets located outside Hong Kong. The terms of the CRP are to be discussed at the Legislative Council, but companies should be aware that they may have to take appropriate legal actions in other jurisdictions in which they have significant assets in parallel to entering into a CRP if they wish to be completely insulated from legal and enforcement actions.

It is still early days and the terms of the CRP are subject to change, but there is no doubt that it will be welcomed as a timely and useful relief for companies in these trying times.

Evelyn Chan, Partner, and Adriel Wong, Paralegal

Gall

Evolution of cybersecurity

From securing the basics to security orchestration

Cybersecurity experts at PwC argue that cybersecurity concerns have become all the more critical as a result of the acceleration of digital transformation in today's business environment.

The world experienced one of the greatest accelerations in digital transformation due to the Covid pandemic. Organisations reported they advanced to year two or three of their five-year plans at a surprising pace. However, the fast pace of digital adoption also brought new cybersecurity risks. Kok Tin Gan, PwC Cybersecurity & Privacy Partner, says that PwC recorded the highest number of cyber attacks in 2020 and that these attacks were spread across all sectors of the economy, and affected organisations ranging from small and medium-sized businesses to large enterprises.

From the over 300 techniques documented by PwC's cyber team, we have learnt that the recurring patterns of cyber attacks include both front door break-ins, such as attacks via leaked credentials or exposed ports, and those exploiting failures of internal monitoring, such as remote access and data sharing attacks. Most attacks were due to the increase in what industry insiders call the 'attack surface' of organisations. This includes scenarios such as an organisation expanding remote work arrangements, allowing employees to work from home, and extending their digital footprint via cloud storage and computer services.

Ransomware remains the most common type of attack and early detection could help mitigate this risk. The majority of attacks could be prevented if companies adopt basic protection. For instance, companies should assess whether their virtual private network (VPN) solution has the proper security configuration to prevent exposure of ports, allowing brute force attacks. The other common attacks include those targeting compromised business emails due to a lack of multifactor authentication protection, as well as a large volume of phishing attacks related to the pandemic.

Attackers' tactics are also becoming more sophisticated. There has been a rise in 'valid accounts' attacks in which a hacker obtains the valid credentials of employees. These types of attack are more difficult to detect since companies need to understand employee behaviour and identify any abnormal activities promptly. Companies should also pay attention to any overprivileged accounts added to domain administration groups as these can provide hackers with the opportunity to harvest employee credentials.

On the other hand, legacy systems also continue to be a concern for companies, particularly where these systems are not patched in a timely manner, exposing vulnerabilities to be exploited by attackers. IT teams should work with businesses to schedule a proper maintenance window for patching and upgrades. For legacy systems that are at risk, companies should consider network segmentation to isolate the network properly to minimise the risks.

Unique challenges of group cybersecurity functions

To combat the rise in cyber attacks, many companies are considering increasing their focus on cybersecurity. According to PwC's 2021 Global Digital Trust Insights report, 96% of executives say they will adjust their cybersecurity strategy due to COVID-19. Half are more likely now to consider

> "to ensure business continuity and resilience, organisations need to actively identify and eliminate points of failure and ensure detective controls are in place"

cybersecurity in every business decision, up from 25% in the survey last year. Chief security information officers (CISOs) from top group companies in the region reveal that the challenges are even greater for them as they are responsible for managing cybersecurity risks for their subsidiaries operating in heterogeneous environments with inherent diverse cyber risks.

Some of the key challenges faced by group CISOs include data privacy and security where they need to protect large amounts of customer data, and upgrades of legacy systems to keep up with the latest technology. One critical role of the group CISO is to partner with the business to align with the business strategy and risk appetite. This needs to be a two-way dialogue to understand the risks and enable the growth of the business. It is also important to transfer cybersecurity knowledge across the group, especially during the current escalation in phishing attacks, so that businesses are aware of the issues and can address them effectively. One way to help businesses manage cyber risk is to have a set of common themes and practices. For example, a common testing template can save businesses a lot of effort. At the end of the day, cybersecurity is everyone's responsibility and businesses will need to be accountable for their own actions.

Managing cybersecurity risks at the forefront of technical innovation

In the past year, many businesses have gone digital and several virtual banks were launched in Hong Kong. Felix Kan, PwC Cybersecurity & Privacy Partner, says these organisations face a different set of challenges. One of the key differences is the widespread use of cloud-native technologies, which allow these businesses to innovate quickly but at the same time increase their attack surface. To combat more sophisticated cyber attacks, organisations have adopted different tools and practices, such as DevSecOps (see Online Links) to discover vulnerabilities and risks early on in the development cycle, a trend described as 'shift-left' in the industry.

To ensure business continuity and resilience, organisations need to actively identify and eliminate points of failure and

Highlights

- work-from-home arrangements, as well as extending employees' digital footprints via cloud storage and computer services, have expanded the opportunities for cybercrime
- there has been a rise in 'valid accounts' attacks in which a hacker obtains the valid credentials of employees
- security orchestration and automation will be key to reducing the time it takes to respond to incidents and remediate issues

> the focus on cybersecurity will continue and will become more critical as companies accelerate the growth of their online presence

ensure detective controls are in place. More advanced technologies, such as artificial intelligence and machine learning can be used to detect abnormalities and better understand customer behaviour. Beyond securing the basics, organisations should have a deep understanding of their critical systems, known as 'crown jewels', and know how to protect them. In addition to the typical controls, organisations can consider going the extra mile on detection and response, for example, identifying users who have the highest risks of cyber attacks. Extra training can be provided to these users to educate them about cybersecurity risks. Organisations need to be agile and flexible to combat cyber risks in the modern digital era.

Evolving role and priorities of cybersecurity

Experts in the cybersecurity industry believe the focus on cybersecurity will continue and will become more critical as companies accelerate the growth of their online presence and as increasing numbers of devices are connected across the world. There will also be an increasing focus on cyber analytics, threat hunting and intelligence. Security needs to be embedded into the development process and integrated into the business. In addition, security orchestration and automation will be key to reducing the time it takes to respond to incidents and remediate issues. With automation and robotics in place, security teams can focus more on governance than on hands-on activities.

One of the top ongoing challenges in the industry is acquiring the necessary talent. According to the PwC Global Digital Trust Insights 2021 survey, 51% of executives say they plan to add full-time cybersecurity personnel over the next year, with top roles in cloud solutions, security intelligence and data analysis. Many companies offer trainee and internship programmes in cybersecurity to groom new talent. PwC has an annual HackaDay Capture the Flag competition to nurture local talent by attracting top students to this hacking competition (see Online Links). In 2020, the fourth year of the competition, we observed the highest registration in the number of teams and students. Some 79 undergraduates from 21 teams from Hong Kong and Macau participated in the eight-hour, non-stop competition that required them to use their analytical skills, innovative techniques and creative thinking. Winners of the competition are offered Offensive Security Certified Professional certification and career opportunities with PwC.

Know your weaknesses

Armed with the insight and foresight that only experience and wisdom can provide, cybersecurity today stands at a critical, pivotal exciting time for the industry and the organisations and people it serves. 'Visibility and speed are the critical factors in cybersecurity', says Mr Kok. He advises organisations to "know your areas, your weaknesses and find ways to improve.'

Susan Lo, Senior Manager, Cloud & Cybersecurity
PwC DarkLab

The contact details of the PwC Partners quoted in this article are available via the following links – Kok Tin Gan: www.pwchk.com/en/contacts/k/kok-tin-gan.html, and Felix Kan: www.pwchk.com/en/contacts/f/felix-kan.html.

Online links

More information is available at the following website links:

- HackaDay: www.pwchk.com/en/events/hackaday-2020.html
- Darklab: www.pwchk.com/en/issues/cybersecurity-and-privacy/dark-lab.html, and
- DevSecOps: www.pwchk.com/en/issues/cybersecurity-and-privacy/agile-devsecops.html.

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New guidance on qualification requirements for company secretaries

Angel Wong, Partner, and Maxwell Chan, Senior Associate, ONC Lawyers, summarise a recent guidance letter on the qualification and experience requirements for company secretaries of Hong Kong listed companies.

Introduction

On 28 August 2020, The Stock Exchange of Hong Kong Ltd (the Exchange) published a new guidance letter, HKEX-GL108-20 (Guidance Letter), in relation to the qualification and experience requirements for the company secretary of issuers listed in Hong Kong. This Guidance Letter reiterates the important role played by a company secretary in supporting the board in achieving good corporate governance, and provides guidance to issuers whose company secretary's qualifications and experience do not meet the qualification and experience requirements set out in Rule 3.28 (Rule 3.28) of the Rules Governing the Listing of Securities on the Exchange (Listing Rules) (Rule 5.14 of the Rules Governing the Listing of Securities on GEM of the Exchange (the GEM Listing Rules)).

Relevant Listing Rules

Section F of the Corporate Governance Code and Corporate Governance Report under Appendix 14 to the Main Board Listing Rules (Appendix 14) (Appendix 15 to the GEM Rules) sets out the importance of the role of the company secretary, as an employee of the issuer with day-to-day knowledge of the issuer's affairs, in ensuring good information flow within the board, compliance with board policies and procedures, and advising the board on corporate governance matters.

Rule 3.28 (GEM Listing Rule 5.14) requires a company secretary of an issuer to possess:

- certain academic or professional qualifications (Acceptable Qualification), or
- relevant experience (Relevant Experience) to be considered capable of discharging the functions of a company secretary.

The Acceptable Qualification includes being: (i) a member of The Hong Kong Institute of Chartered Secretaries; (ii) a solicitor or barrister under the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or (iii) a certified public accountant under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

The Exchange's assessment criteria for Relevant Experience includes: (i) length of employment with the issuer and other issuers, and the roles the company secretary has played; (ii) familiarity with the Listing Rules and other relevant laws and regulations, including the securities and companies laws of Hong Kong and the Takeovers Code; (iii) relevant training taken and/or to be taken, in addition to the minimum requirement under Rule 3.29 of the Listing Rules (Rule 5.15 of the GEM Listing Rules) (ie 15 hours of training per financial year); and (iv) professional qualifications in other jurisdictions.

Background to the Guidance Letter

Rule 3.28 intends to ensure issuers appoint individuals who are adequately qualified to assist them in compliance with the Listing Rules, as well as the relevant laws and regulations in Hong Kong, and to achieve good corporate governance standards. However, issuers, especially those with principal business activities outside Hong Kong, may choose to appoint candidates who may not possess the Acceptable Qualification or Relevant Experience, but who are familiar with the issuers' business through serving related roles for a period of time, or who have special knowledge in local laws or industry-specific experience as company secretaries.

Therefore, the Exchange has in the past granted waivers to issuers from strict compliance with Rule 3.28 in appointing a company secretary who does not possess the Acceptable Qualification or Relevant Experience (Rule 3.28 Waiver), for a specified period, on the condition that the proposed company secretary must be assisted by a person whose qualifications or experience do fulfil Rule 3.28 (Qualified Person).

Highlights

- a new guidance letter relating to the qualifications and relevant experience required for a company secretary of Hong Kong listed issuers has recently been published by The Stock Exchange of Hong Kong Ltd (the Exchange)
- this guidance letter sets out the criteria under which the Exchange will consider whether or not to grant a waiver (Rule 3.28 Waiver) from strict compliance with these requirements
- conditions attached to such a waiver have been tightened, and the Exchange's role in assessing a company secretary's relevant qualifications and experience has been clarified

> "a Rule 3.28 Waiver, if granted, will be for a fixed period of time... of not more than three years"

In August 2019, the Exchange issued a consultation paper proposing to codify the factors to be considered when granting a Rule 3.28 Waiver (Proposal). Opposition to this Proposal was received from the market, citing concerns about a possible negative impact on corporate governance standards and investor protection in Hong Kong, with suggestions that Rule 3.28 Waiver should only be granted in exceptional cases. As a result, the Exchange did not proceed with the Proposal and instead issued the Guidance Letter to provide further guidance on the Rule 3.28 Waiver.

Rule 3.28 Waiver

The Guidance Letter provides that the Exchange will consider the following factors in determining whether or not to grant a Rule 3.28 Waiver:

- whether the issuer has principal business activities primarily outside Hong Kong
- whether the issuer is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification or Relevant Experience as a company secretary, and
- why the directors consider the individual to be suitable to act as the issuer's company secretary.

A Rule 3.28 Waiver, if granted, will be for a fixed period of time (Waiver Period) of not more than three years, and on the condition that the proposed company secretary must be assisted by a Qualified Person, who will be appointed as a joint company secretary throughout the Waiver Period. Compared with the Rule 3.28 Waiver granted prior to the issuance of the Guidance Letter, the Exchange has also tightened the conditions attached to a Rule 3.28 Waiver, as a Rule 3.28 Waiver can now be revoked if there are subsequent material breaches of the Listing Rules by the issuer.

The length of the Waiver Period is determined on a case-by-case basis, after the following factors have been taken into account: (i) the proposed company secretary's experience in handling company secretarial matters and his/her relevant professional qualifications and/or academic background; (ii) the measures and systems in place to facilitate the proposed company secretary in discharging his/her duties as a company secretary; and (iii) the issuer's regulatory compliance and/or material deficiencies/weaknesses in internal controls.

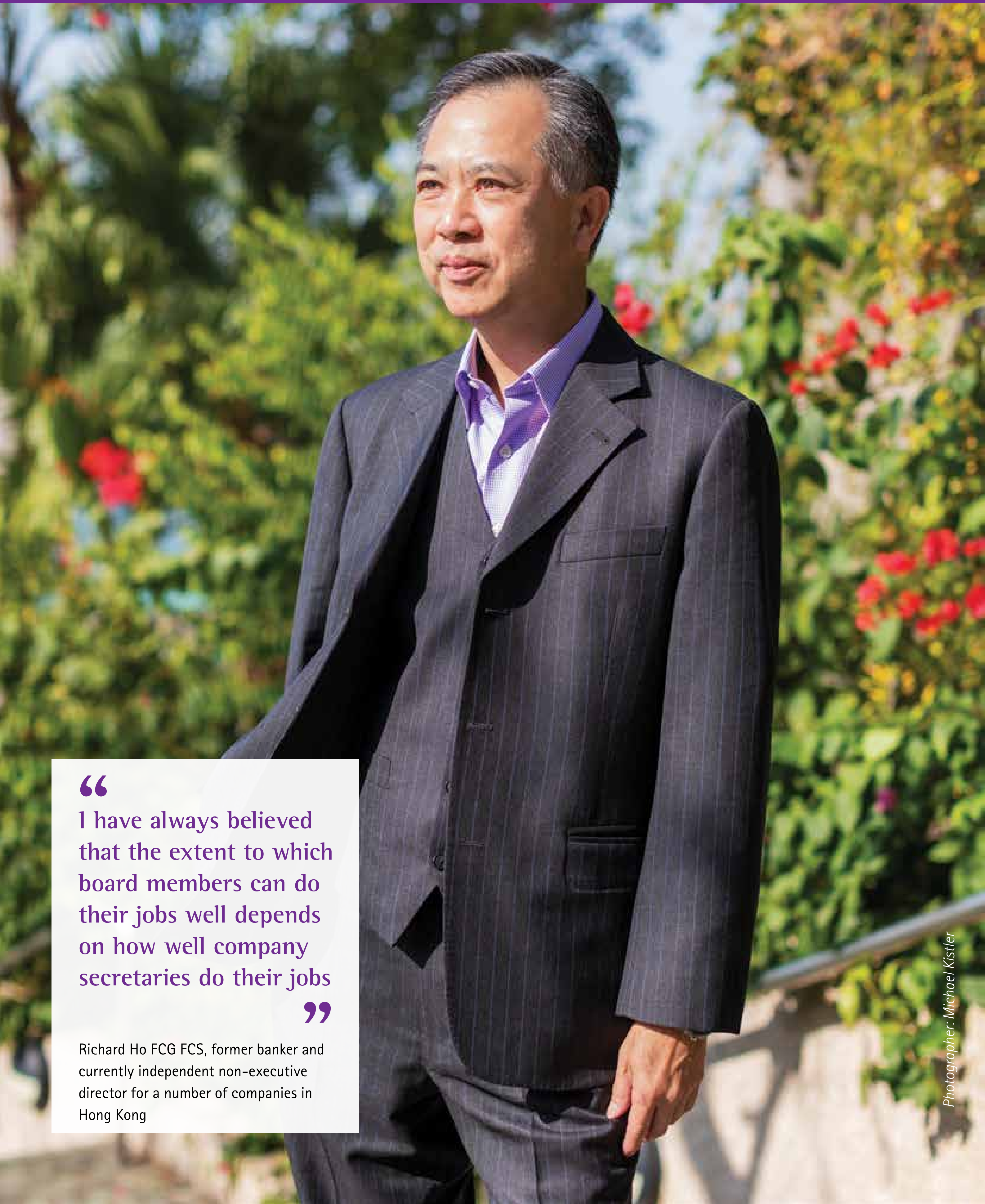
Applicants for a Rule 3.28 Waiver are also required to disclose, in the case of a new listing applicant, in the listing document and, in case of an issuer, the announcement (where applicable) the following information: (i) reasons for making a Rule 3.28 Waiver; (ii) details and conditions of the Rule 3.28 Waiver; and (iii) the qualifications and experience of both the proposed company secretary and the Qualified Person.

Prior to the lapse of the Waiver Period, the Exchange will not automatically deem the proposed company secretary to be qualified under Rule 3.28. The issuer is expected to demonstrate to the Exchange that the proposed company secretary, having had the benefit of the Qualified Person's assistance during the Waiver Period, has acquired the Relevant Experience under Rule 3.28, such that a further Rule 3.28 Waiver is not necessary. The Exchange will assess whether the proposed company secretary has attained the Relevant Experience and is capable of discharging the functions of a company secretary by considering the following factors: (i) compliance history of the listed issuer during the Waiver Period; and (ii) the relevant training undertaken by the proposed company secretary during the Waiver Period.

Conclusion

Although the Guidance Letter sets out clear criteria under which the Exchange will consider whether or not to grant a Rule 3.28 Waiver, since each application is determined on a case-by-case basis, listed issuers or listing applicants are therefore advised to seek a professional opinion before appointing any person as the company secretary who does not possess the Acceptable Qualification or Relevant Experience.

Angel Wong, Partner, and Maxwell Chan, Senior Associate
ONC Lawyers



> “I have always believed that the extent to which board members can do their jobs well depends on how well company secretaries do their jobs”

Richard Ho FCG FCS, former banker and currently independent non-executive director for a number of companies in Hong Kong

Photographer: Michael Kistler

Richard Ho FCG FCS

What is your role as a governance professional?

'The majority of my career was spent in corporate banking. Most of my clients were large listed and non-listed companies from Hong Kong and the Mainland. One of my key responsibilities was to assess my clients' corporate governance standards and directors' integrity. In my current role as an independent non-executive director for a number of different companies, I have a responsibility to ensure that the board safeguards the interests not only of the major shareholders, but of all stakeholders. I have to ensure that there is an effective governance framework in place and that the board, the management and the company as a whole upholds the highest possible standards of ethics and integrity.'

What was your career path to your current role?

'I trained as a Chartered Secretary and this training, particularly in company and business law, accountancy and finance, administration and company secretarial practices, equipped me with a good across-the-board awareness of issues relevant to my career. It also helped me to transition from being a corporate banker to being a director. Of course, it also gave me good knowledge of the important role a company secretary plays in ensuring an efficient and effective board.'

What value does governance bring to organisations and to wider society?

'Good governance is key to ensuring sustainable growth and enhancing long-term shareholder value. Companies with good governance tend to survive bad times because they have good policies and procedures in place, and they are more accountable and transparent to their stakeholders during a crisis. Companies with good environmental, social and governance (ESG) standards are better able to attract talent, institutional investors and business partners. Investors are ready to pay a premium for, and financial institutions to offer preferential lending terms to, companies with good governance.'

What qualities do you think are needed to be a successful governance professional?

'Governance is not just about fulfilling internal procedures and ensuring compliance with external regulations and guidelines. Other than having sound knowledge of the subject, to be a successful governance professional you have to have a strong belief in the importance of good governance for the long-term survival and sustainable growth of the company. You yourself have to have very high ethical standards and a strong determination to uphold these standards and to ensure that those working with you are similarly minded. I have always believed that the extent to which board members can do their jobs well depends on how well company secretaries do their jobs.'

How do you think governance will evolve in the future?

'The board agenda will include more discussions about strategy on technology and information governance. The work of governance professionals will inevitably need to be more digitalised, and increased use of tools such as artificial intelligence and blockchain will make their jobs more efficient. I think we will also see further professionalisation of governance work due to increasing demand from regulators.'

What inspires you in your life and work?

'To be successful in my career, I needed to know what my corporate customers really needed. I derived a lot of satisfaction from building their trust and providing solutions that helped them tackle their problems. Many of my clients became my good friends, which also became a strong driver for my daily work.'

How do you fill your time outside work?

'I like playing golf and travelling overseas to experience different cultures and customs. Due to the travel restrictions in place during the pandemic, I have been doing more hiking in Hong Kong and have found just how many beautiful scenic places we have here in Hong Kong that we should not miss.'

"a governance professional should not be afraid of speaking out and should act in the best interest of the company and the market as a whole"

Michael Li ACG ACS, Head of Compliance, Nomura Asset Management Hong Kong Ltd

Photographer: Michael Kistler

Michael Li ACG ACS

What is your role as a governance professional?

'I joined Nomura Asset Management Hong Kong Ltd in 2013, initially focusing on the firm's regulatory compliance activities, but gradually my roles and responsibilities expanded to cover corporate governance and risk management as well.'

What was your career path to your current role?

'I was an accountancy graduate and began my career in one of the Big Four audit firms as a professional. I started my compliance career in 2003 when the new Securities and Futures Ordinance was introduced. Since then, I have worked for different financial institutions conducting different regulated activities. Working for multinational financial institutions has given me valuable and practical experience in handling corporate governance, compliance and risk management matters.'

What value does governance bring to organisations and to wider society?

'Governance is a culture which should be embedded into the value of every organisation. Every individual staff member plays an important role in the whole governance structure. As long as we understand our roles in the governance system, we can contribute to better governance outcomes by following and implementing the organisation's governance policies and procedures. Good corporate governance builds an organisation's reputation and reliability. When the majority of market players possesses a strong corporate governance culture, there's hope for a more stable and transparent society.'

What qualities do you think are needed to be a successful governance professional?

'A good understanding of the governance system is the basic requirement. Without understanding the system, you will not be able to identify your roles, let alone implement the organisation's policies and contribute to overall performance. Critical thinking and evaluation will help identify the weaknesses and areas for improvement. Proactively identifying weaknesses and taking a preventive approach rather than a remedial one is also desirable. Integrity is equally important – a governance professional should not be afraid of speaking out and should act in the best interest of the company and the market as a whole. He or she should also be able to deal with staff members at different levels in order to keep enhancing the governance structure and system, so excellent communication skills are also needed.'

How do you think governance will evolve in the future?

'Governance will become a core value for every organisation. In the past, only shareholders were interested in understanding the governance structure, but nowadays governance has become a concern for every stakeholder of an organisation, including the government, regulatory authorities, environmental protection organisations and the general public. They would like to learn and understand the important role governance is playing to ensure that the organisation is operating in accordance with the required governance standards and public expectations. More resources and training are required to meet these expectations, but I think organisations will use their best endeavours to embed governance in their corporate values for every staff member to follow and work towards the same goal.'

What inspires you in your life and work?

'Commitment to excellence. I come from a middle-class family and my parents always inspire me to do better in my daily life because this will become my lifelong asset. I do my best to improve my performance and knowledge, not only in work but also in personal development, even leisure. In a rapidly changing environment, continuous learning will help us raise our game. Also, it has always been my aspiration to repay society. I work with HKU Space to deliver courses on compliance with an aim to share my knowledge in the industry and help develop more compliance professionals.'

How do you fill your time outside work?

'I usually spend my time with my family. I play board and electronic games with them and I like cooking for them too. I also enjoy playing football with friends but recently, due to the pandemic situation, I often go jogging alone. I also like singing.' CSj

Professional Development

Seminars: December 2020

3 December

Company secretarial practical training series: personal data privacy protection – the role of the company secretary

Speaker: Ricky Lai FCG FCS, Company Secretary, HKC (Holdings) Ltd

7 December

Mainland company secretarial practical training series: representative office – setup, compliance, alteration and deregistration

Speaker: Desmond Lau ACG ACS, Institute Professional Development Director

8 December

Evolving trends governance professionals should know affecting sustainable investing – where have we come from and where is this going? To help governance professionals understand what investors look for in a company's ESG/ sustainability report

Chair: Ellie Pang, Institute Chief Executive

Speakers: Pru Bennett, Senior Advisor, and Will Carnwath, Partner, Head of Office, Singapore, Brunswick Group

15 December

Statutory amalgamations under the Companies Ordinance

Chair: Loretta Chan FCG FCS, Institute Council member and Professional Development Committee Chairman, and Partner, Tax – Corporate Services, PricewaterhouseCoopers Ltd

Speakers: Benita Yu, Partner, and Peter Lake, Partner, Slaughter and May; and Jim Tang, Principal, Professional Practice, and Kasheen Grewal, Director, Deal Advisory & M&A Tax, KPMG China

16 December

Practical employment issues: COVID-19 and generally

Chair: Ernest Lee FCG FCS, Institute Vice-President and Audit Committee Chairman, and Technical Partner, Deloitte China

Speaker: Helen Colquhoun, Partner and Head of Employment, Hong Kong, DLA Piper

Video-recorded CPD seminars

Some of the Institute's previous ECPD seminars/webinars can now be viewed from the video-recorded CPD seminars platform of The Open University of Hong Kong.

For details of the Institute's video-recorded CPD seminars, please visit the CPD section of the Institute's website: www.hkics.org.hk.
For enquiries, please contact the Institute's Professional Development Section: 2830 6011, or email: cpd@hkics.org.hk.

ECPD forthcoming webinars

Date	Time	Topic	ECPD points
8 March 2021	2.00pm–3.30pm	Missing opportunities? A review of gender diversity on Hong Kong boards	1.5
11 March 2021	3.00pm–4.30pm	Debunking the cloud transformation mystery: case studies to enhance cybersecurity, data confidentiality and compliance when working away from the office	1.5
17 March 2021	6.45pm–8.15pm	Privatisation via a scheme of arrangement: overview and case studies	1.5
18 March 2021	4.00pm–5.30pm	Navigating the next chapter in U.S.-China trade	1.5

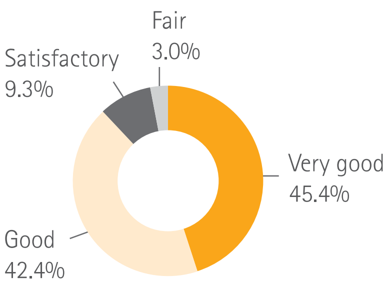
For details of forthcoming seminars/webinars, please visit the CPD section of the Institute's website: www.hkics.org.hk.

Professional Development (continued)

Feedback on webinars

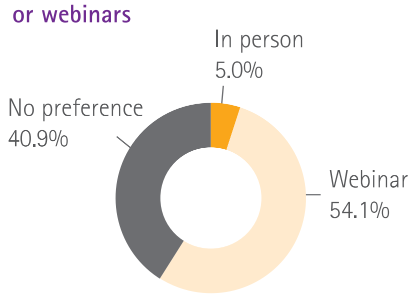
Due to the COVID-19 pandemic, and to safeguard the health and safety of our members, graduates and students, the Institute converted all Enhanced Continuing Professional Development (ECPD) seminars into webinars in February 2020. During the period from 5 October to 16 December 2020, 26 webinars were held with a total of 3,736 participants. As a professional body established by members and for members, the Institute surveyed the participants about the webinars, eliciting a total of 596 (16%) responses. A summary of the feedback is as follows.

Quality of the webinars



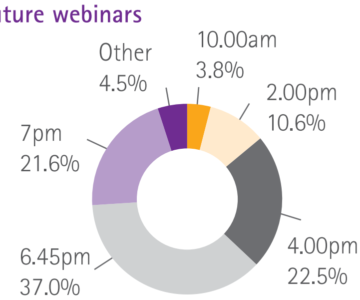
97% of respondents were satisfied with the quality of the webinars.

Preference for physical seminars or webinars



54% of respondents preferred webinars to physical seminars, whilst 41% did not have any preference.

Preferred starting time of future webinars



59% of respondents preferred the webinars to start at or after 6.45pm.

Other comments received about the webinar format included:

- the presentation style was good
- the content was sufficient
- the content was useful for daily practice
- the presentations were clear and easy to understand
- the content provided useful and contemporary methodology and policies

Suggestions for improvement:

- there should be more elaboration, giving actual cases and examples
- there should be more use of graphics, charts and tables
- the PowerPoint presentations should be more detailed
- the presentation materials should be sent a day in advance for the participants to study
- the follow-up questions were not answered because of time limitations
- there should be more interactive sessions to better engage the participants

The Institute would like to thank all respondents for their feedback, which will help shape the format of future ECPD seminars.

Membership

New Fellows

The Institute would like to congratulate the following Fellows elected in late November 2020.

Chen Liping FCG FCS

Mr Chen is Executive Director and General Manager of CSSC Offshore and Marine Engineering (Group) Co Ltd (Stock Code: 317). During his tenure, Mr Chen has improved the company's operational governance.

Mr Chen Liping possesses higher level academic qualifications and extensive experience in theoretical practice. He graduated from Harbin Institute of Technology, South China University of Technology and the University of Warwick in the UK, and has obtained CMA accreditation. He has been engaged as a senior accountant (researcher level) and senior economist, and has served as a lecturer for the China Corporate and Regulatory Update and Regional Board Secretary Panel seminars for the Institute. He is also an external instructor and professor of practice for Sun Yat-sen University and Jinan University. He has published a number of research articles in various academic journals.

Fu Rong FCG FCS

Ms Fu has served as Board Secretary of Shanghai Electric Group Co Ltd (Stock Code: 2727) since June 2005. During her tenure as Board Secretary, Ms Fu has been in charge of corporate governance matters, including matters in relation to shareholder meetings, meetings of the board of directors and of related committees. She is also responsible for the company's disclosure of information and other compliance management matters pursuant to the Listing Rules. She is also in charge of investor relations and the capital operation activities of the company, including its A share listing, the spin-off and listing of a subsidiary company, and the issuance of non-public shares. Ms Fu holds a master's degree in business administration and is an economist.

Wei Fang FCG FCS

Mr Wei is the Assistant Secretary to the Board of Directors and Head of Investor Relations of PetroChina Co Ltd (Stock Code: 857). He oversees corporate compliance, investor relations and public relations for PetroChina. For many years he has been recognised as a Top Investor Relations Professional in Asia by renowned international institutions such as IR Magazine, and Institutional Investor and Corporate Governance Asia. Before joining PetroChina, Mr Wei held different managerial positions, overseeing project development and operations for China National Petroleum Corp (CNPC) and its overseas subsidiaries. Mr Wei holds an MBA from the University of Houston and a bachelor's degree of arts from Xi'an Petroleum University. He is a member of the Petroleum Economics Committee of Chinese Petroleum Society and a member of the Hong Kong Institute of Directors (HKIoD).

Yao Yongjia FCG FCS

Mr Yao is a senior engineer with a master's degree. Mr Yao is Executive Director, Deputy General Manager and Secretary to the Board of Directors, and Company Secretary of Jiangsu Expressway Company Ltd (Stock Code: 177). Mr Yao is mainly responsible for supporting the board of directors, corporate governance, investor relationship management, and the investment and acquisition business. Mr Yao has had extensive experience in engineering management, investment analysis, financing and securities affairs during his career. He obtained a board secretary certification from the Shanghai Stock Exchange in 2000, and has actively participated in the professional seminars organised by the Institute since 2004. Mr Yao is a member of the first and second council of China Association for Public Companies.

Membership (continued)

New Associates

The Institute would like to congratulate our new Associates listed below.

Au Pak Lun, Patrick
Au Yeung Ho Yin
Chan Chi Ming
Chan Hiu Wah
Chan Ka Yi
Chan Ting Yan
Chan Ying Yu
Chau Sze Yue, Clinton
Chau Tat Hang, Barry
Chee Charlotte
Cheng Lai Wan
Cheung Hoi Yan
Cheung Hoi Yi
Cheung Hoi Yin
Cheung Wa Sin
Ching Shuk Wah, Shirley
Chiu Shuk Man
Choi Shui Sum
Chow Fuk Ching, Jimmy
Chow Wai Shing, David
Chu Man King, Grace
Chung Ka Ping, Eliza
Fong Mei Yin
Fong Oi Yan
Fung Hon Wa
Fung Yan Yi
Han Yu
Hau Hong Kiu
Ho Man Shuen
Huang Huajuan
Huang Man Suet, Michelle
Huang Yang
Hui Cheuk Ying
Hui Pui Shan
Ip Hok Hin
Ko Pui Wai, Pearly
Ko Yat Fei
Kwok Wan Ying
Kwong Hoi Ngai, Anna
Lai Lok Kwan
Lai Siu Ki, Vicki
Lai Wai Hang
Lai Yin Ling
Lam Chik Tong
Lam Ka Chung
Lam Ying Wai
Lau King Ho
Lau Kong
Lau Nga Ting
Lee Kit Ling
Lee Pui Yu, Alison
Lee Wun San, Vincent
Lee Yee Ting
Li Chiu Kuen
Li Ho Fung
Li Ka Fai
Li Kin Fung
Li Kin Wai
Li On Lok
Lin Sze Ning, Elaine
Liu Ka Lun, Oscar
Liu Ling Chun
Liu Shujun
Lo Chun Ki
Lo Lai Fan
Lo Michael Chitung
Lok Wai Fan
Mak Lai Man
Mui Ying Han, Angela
Ng Ka Yee
Ng Shi Kwan
Ng Tsz Hei
Poon Yiu Hung
Shek Yat Him
Shum Man Yiu
Siu Wai Kwan
So Wai Yin
Tam Tsz Yan
Tang Wing Sze
Tang Xiaojiao
Tsang Wai Yan, Wayne
Tse Chung Man
Tse Tsz Him
Wan Chi Hei
Wan Oi Yan
Wong Chi Yeung, William
Wong Kit Leung
Wong Lok Yiu
Wong Shuk Man, Mandy
Wong Suk Ting
Wong Yee Ting
Wong Yue Shan
Woo Catherine Lok See
Woo Yuen Ping
Wu Ka Yi
Wu King Keung
Wu Pui Hang
Yang Wenyun
Yau Hiu Lai
Yeung Pui Ying
Yeung Siu Lam
Yeung So Ying
Yin Hang
Yiu Ka Wai
Yu Lap Pan
Yuen Chi Kwong
Yuen Hoi Ka
Yuen Wai Keung
Zhang Kaiyang
Zhu Wenting

New graduates

The Institute would like to congratulate our new graduates listed below.

Ho Lok Hei
Leung Pok Sum
Li Meng
Yang Ka Man

Maintaining professional standards

Member, graduate and student discipline

The Institute requires its members, graduates and students to comply with the requisite standards of professional ethics and conduct, as well as the Institute's regulations. The Investigation Group, Disciplinary Tribunal and Appeal Tribunal are the Institute's independent disciplinary bodies, as stipulated in the Byelaws of The Chartered Governance Institute and the Articles of Association of the Institute.

Notice of Disciplinary Tribunal decision

The Institute publicly reprimands one member for professional misconduct, with an order to pay costs in the sum of HK$5,000:

- Chan Mei Mei

The Institute publicly reprimands one member and has suspended him from membership for two years for professional misconduct (relating to insider dealing conviction), with an order to pay costs in the sum of HK$10,000:

- Yiu Ka Lun, Ken

For details of member, graduate and student disciplinary matters, please visit the Discipline page under the Membership section of the Institute's website: www.hkics.org.hk.

Advocacy

Online Annual Celebration 2021

The Institute held its Online Annual Celebration 2021 on 25 January 2021, with over 120 enrolments.

Institute Chief Executive Ellie Pang provided the welcoming remarks and the distinguished Guest of Honour Mrs Laura Cha GBM GBS JP, Chairman of Hong Kong Exchanges and Clearing Ltd, highlighted the importance played by the governance professional in her keynote speech. Institute President Gillian Meller FCG FCS delivered the President's speech, discussing the Institute's major achievements in 2020; the accelerated pace of recognition of the governance professional in Hong Kong, the Mainland and internationally; and the challenges brought about by COVID-19, along with the resilience of the profession in the face of these challenges. A highlight of the evening was the presentation of The Hong Kong Institute of Chartered Secretaries Prize 2020. The celebration ended with the awards for the winners of the Face Mask Design Competition and A Work-Hard Play-Hard Governance Professional photo competition.

Face Mask Design Competition

The Institute's Face Mask Becomes a Fashion Statement design competition was judged by a panel who selected the five finalists on 18 January 2021, using the criteria of creativity, aesthetic quality, craftsmanship and environmental friendliness. The finalists showcased their ideas on stage at the Institute's Online Annual Celebration 2021, where the judging panel and participants voted for the winners of the Face Mask Design Competition and the Audience's Favourite Mask, respectively.

The Institute would like to express its gratitude to the members of the judging panel: Anthony Rogers GBS QC JP FCG FCS (Chair), Institute Vice-President, Council member and Audit Committee Chairman Ernest Lee FCG FCS, and Institute Council member and Education Committee Vice-Chairman Stella Lo FCG FCS(PE), as well as to all participants at the event.

The Institute congratulates the following winners:

Face Mask Design Competition winner:
Ms Lai On Ki ACG ACS

Face Mask Design Competition merit prizes (in alphabetical order):
Mr Chan Kin Man, Jacky FCG FCS

Ms Kwong Hoi Ngai, Anna ACG ACS

Ms Leung Sze Man, Alice FCG FCS(PE)

Ms Tsoi Hoi Yin

Audience's Favourite Mask winner:
Ms Kwong Hoi Ngai, Anna ACG ACS

A Work-Hard Play-Hard Governance Professional photo competition

The Institute's photo competition, entitled A Work-Hard Play-Hard Governance Professional, showcased how the governance professional lives life to the fullest. Prizes were awarded to the three finalists selected by the judging panel, comprising Michael Kistler (Chair), Institute Past President Neil McNamara FCG FCS, and Institute Council member and Professional Development Committee Chairman Loretta Chan FCG FCS. The photo on the Institute's Instagram page with the highest number of likes received the Most Popular Photo award. Prizes were presented at the Institute's Online Annual Celebration 2021. The Institute sincerely congratulates all winners as follows:

Photo competition winner:
Ms Cheng Sin ACG ACS(PE)

Photo competition merit prizes (in alphabetical order):
Ms Cheung Wing Suet ACG ACS

Mr Wong Chun Sek Edmund FCG FCS

Most Popular Photo winner:
Ms Yeung King ACG ACS

The Institute would like to express its gratitude to the Guest of Honour, as well as to the Institute President, Vice-President, Council members, members, graduates, students and friends who attended the Annual Celebration, and to Institute Chief Executive Ellie Pang and everyone who helped organise the event.

Advocacy (continued)

HKICS Prize 2020

The Hong Kong Institute of Chartered Secretaries Prize (HKICS Prize) celebrates the achievements of champions of the governance profession. The HKICS Prize 2020 was awarded to Ms Ada Chung JP FCG FCS, Privacy Commissioner for Personal Data. Ms Chung has been a Fellow of the Institute since 2008. She began her career with the HKSAR Government as an Assistant Assessor at the Inland Revenue Department.

Ms Chung served as Registrar of Companies from 2007 to 2020. She is credited with the rewriting of the Companies Ordinance, adopting the recent Trust or Company Service Providers' licensing regime, and being a core government team member in defending Hong Kong's hard-earned AML/CFT reputation with the Financial Action Task Force at their recent Hong Kong Mutual Evaluation. These are amongst her many remarkable achievements in promoting Hong Kong as a leading financial centre.

Ms Chung is also a long-standing supporter of the Institute. She has spoken at our Annual Corporate and Regulatory Update events and has been our Guest of Honour at many important occasions, including the Passing the Torch project of The Hong Kong Institute of Chartered Secretaries Foundation Ltd (HKICS Foundation), the Institute's Corporate Governance Paper Competition and Governance Professionals Career Day, where she shared her insights with the Institute's students and undergratudates.

Institute President Gillian Meller FCG FCS announced the award and CGI Immediate Past International President and Institute Past President Ms Edith Shih FCG(CS, CGP) FCS(CS, CGP)(PE) presented the prize to Ms Chung at the Online Annual Celebration 2021.

Look out for the interview with Ms Chung in a forthcoming edition of CSj.

14th Asian Financial Forum 2021

The 14th Asian Financial Forum (AFF), jointly organised by the HKSAR Government and the Hong Kong Trade Development Council (HKTDC), was held online from 18 to 19 January 2021. Institute President Gillian Meller FCG FCS served on the AFF's Steering Committee.

The Institute also conducted a webinar, entitled Purposeful Governance: A Stakeholder Responsive Approach to Surviving/Flourishing under a New Economic Order – To Learn and Respond to Where Practical Governance is Heading & Attract Investor Interests on 21 January 2021, as part of the International Financial Week, which coincided with the AFF.

Gratitude is expressed to the Institute President Gillian Meller FCG FCS, who acted as Chair at the webinar, as well as to all the speakers for their valuable insights.

Correction

'Institute Vice-President attends 2021/2022 Budget Consultation Session', page 41 of the January 2021 edition of *CSj* contained an error. It should read 'Institute Vice-President Ernest Lee FCG FCS attends the 2021/2022 Budget Consultation Session on behalf of HKICS'. The 2021/2022 Budget Consultation Session was held for the professional services sector. The corrections have been added to the e-CSj version (http://csj.hkics.org.hk).

Chartered Governance Qualifying Programme (CGQP)

November 2020 examination diet

The examination results of the November 2020 diet were released on 10 February 2021. Candidates can access their examination results from their accounts on the Institute's website. The examination papers, mark schemes and examiners' reports are also available to download from the login area of the Institute's website.

Candidates may apply for a review of their examination results by submitting a completed examination review application form, along with the review application fee of HK$2,200 per module, to the Institute by Wednesday 24 February 2021.

For details, please visit the Examinations page under the Studentship section of the Institute's website: www.hkics.org.hk.

June 2021 examination diet timetable

The June 2021 examination diet of the CGQP is open for enrolment from 16 February 2021 to 31 March 2021. All examination enrolments must be made online via the login area of the Institute's website.

Week one

Time	1 June Tuesday	2 June Wednesday	3 June Thursday	4 June Friday
9.15am–12.30pm*	Hong Kong Taxation	Hong Kong Company Law	Interpreting Financial and Accounting Information	Corporate Secretaryship and Compliance

Week two

Time	8 June Tuesday	9 June Wednesday	10 June Thursday	11 June Friday
9.15am–12.30pm*	Corporate Governance	Risk Management	Strategic Management	Boardroom Dynamics

* Including 15 minutes reading time (9.15am–9.30am).

The Institute reserves the right to change the dates and details without prior notice.

For enquiries, please contact Leaf Tai: 2830 6010, or email: exam@hkics.org.hk.

Learning support

CGQP examination technique workshops

The CGQP examination technique workshops will be held online between mid-March and April 2021. These workshops are in two parts: in part one, students will attend a two-hour workshop and receive one take-home mock examination paper; in part two, students who have attended and submitted their answers to the mock examination paper will receive feedback and guidance on their answers.
For details and registration, please visit the Event section of the Institute's website: www.hkics.org.hk.

Studentship activities: January 2021

28 January

HKICS Chartered Governance Qualifying Programme: introduction to the Fast Track Professional route

Forthcoming studentship activities

Date	Time	Event
9 March 2021	7.00pm–8.30pm	Student Gathering (2): how to study for the CGQP modules – session one (Law, Governance and Compliance modules)
23 March 2021	7.00pm–8.30pm	Student Gathering (3): how to study for the CGQP modules – session two (Accounting and Management modules)
27 March 2021	9.30am–1.30pm	Governance Professionals Career Day 2021

Featured job openings

Company name	Position
Shenzhen International Holdings Ltd	Senior Manager – Company Secretarial Department
Regent Pacific Group Ltd	Company Secretary
CK Asset Holdings Ltd	Manager, Company Secretarial Department (Ref: DYI-CSM)
Pacific Basin Shipping (HK) Ltd	Company Secretarial Assistant – Hong Kong
The Hong Kong Institute of Bankers	Institute Secretary
LCCS Ltd	Company Secretary
Hong Kong Applied Science and Technology Research Institute Company Ltd	Head of Corporate Secretariat
Ocorian Corporate Services (HK) Ltd	Senior Corporate Administrator
Ocorian Corporate Services (HK) Ltd	Corporate Administrator

For details of job openings, please visit the Job Openings section of the Institute's website: www.hkics.org.hk

Chartered Governance Qualifying Programme (CGQP) (continued)

Notice

Reminder – updated CGQP syllabus and recommended study materials

The updated syllabus and recommended study materials are now available online.

For details, please visit the Syllabus page under the Studentship section of the Institute's website: www.hkics.org.hk.

Reminder – new Fast Track Professional route

With effect from 1 January 2021, a new Fast Track Professional route is available for qualified lawyers or accountants who wish to become a Chartered Secretary and Chartered Governance Professional.

For details, please visit the Fast Track Professional page under the Studentship section of the Institute's website: www.hkics.org.hk.

Reminder – HKU SPACE CGQP Examination Preparatory Programme

The spring 2021 intake of the HKU SPACE CGQP Examination Preparatory Programme will commence on 1 March 2021.

For details, please contact HKU SPACE: 2867 8317, or email: hkics@hkuspace.hku.hk.

Policy – payment reminder

Studentship renewal

Students whose studentship expired in December 2020 are reminded to settle the renewal payment by Tuesday 23 February 2021.

HKICS
Video-recorded CPD seminars
CHARTERED SECRETARIES
特許秘書
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