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Chartered Governance Institute

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

The Institute was first established in 1949 as an association of Hong Kong members of The Chartered Governance Institute (CGI). In 1994 the Institute became CGI's Hong Kong Division and, since 2005, has been CGI's Hong Kong/China Division.

The Institute is a founder member of Corporate Secretaries International Association Ltd (CSIA), which was established in March 2010 in Geneva, Switzerland. Relocated to Hong Kong in 2017, where it operates as a company limited by guarantee, CSIA aims to give a global voice to corporate secretaries and governance professionals.

HKCGI has about 10,000 members, graduates and students.

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As of 31 October 2025, the statistics were as follows:

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### The Hong Kong Chartered Governance Institute

(Incorporated in Hong Kong with limited liability by guarantee)  
 3/F, Hong Kong Diamond Exchange Building,  
 8 Duddell Street, Central, Hong Kong  
 Tel: (852) 2881 6177 Fax: (852) 2881 5050  
 Email: ask@hkcg.org.hk (general)  
 cpd@hkcg.org.hk (professional development)  
 member@hkcg.org.hk (member)  
 student@hkcg.org.hk (student)  
 Website: www.hkcg.org.hk

### Beijing Representative Office

Room 1220, Jinyu Tower,  
 No 129, Xuanwumen West Street,  
 Xicheng District, Beijing, 100031, PRC  
 Tel: (86) 10 6641 9368/6641 9190  
 Email: bro@hkcg.org.hk  
 Website: www.hkcg.org.cn

### The Chartered Governance Institute

**The Chartered Governance Institute**  
 CGI Global  
 Saffron House  
 6-10 Kirby Street  
 London EC1N 8TS  
 United Kingdom  
 Tel: (44) 1730 715 226

**MAICSA**  
 No 57 The Boulevard  
 Mid Valley City  
 Lingkaran Syed Putra  
 59200 Kuala Lumpur  
 Malaysia  
 Tel: (60) 3 2282 9276  
 Fax: (60) 3 2282 9281

**Chartered Governance Institute of Southern Africa**  
 PO Box 3146  
 Houghton 2041  
 Republic of South Africa  
 Tel: (27) 11 551 4000  
 Fax: (27) 11 551 4027

**The Chartered Governance Institute UK & Ireland**  
 Saffron House, 6-10 Kirby Street  
 London EC1N 8TS  
 United Kingdom  
 Tel: (44) 20 7580 4741

**Governance Institute of Australia**  
 Level 11, 10 Carrington Street  
 Sydney, NSW 2000  
 Australia  
 Tel: 1800 251 849

**Governance New Zealand**  
 PO Box 444  
 Shortland Street  
 Auckland 1140  
 New Zealand  
 Tel: (64) 9 377 0130

**Chartered Governance and Accountability Institute in Zimbabwe**  
 Cnr 3rd St & Nelson Mandela  
 PO Box 2417  
 Zimbabwe  
 Tel: (263) 242 707582/3/5/6

**The Chartered Governance Institute of Canada**  
 1568 Merivale Road, Suite 739  
 Ottawa, ON Canada K2G 5Y7  
 Tel: (1) 613 595 1151  
 Fax: (1) 613 595 1155

**SAICSA**  
 149 Rochor Road  
 #04-05 Fu Lu Shou Complex  
 Singapore 188425  
 Tel: (65) 6334 4302  
 Fax: (65) 6334 4669

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<b>Editors</b>	<b>Getty Images</b>
<b>Ester Wensing</b>	
<b>Art Director</b>	

### Contributors to this edition

**Chris Brooke**  
 Hong Kong China Rugby  
**Gabriela Kennedy**  
**Joanna KC Wong**  
 Mayer Brown Hong Kong  
**Andrew Chung**  
**Denise Fung**  
**Justin Tang**  
 Linklaters

### Advertising sales enquiries

Ninehills Media Ltd  
 Tel: (852) 3796 3060  
**Jennifer Luk**  
 Email: jennifer@ninehillsmedia.com

### Ninehills Media Ltd

12/F, Infinitus Plaza  
 199 Des Voeux Road  
 Sheung Wan  
 Hong Kong  
 Tel: (852) 3796 3060  
 Fax: (852) 3020 7442  
 www.ninehillsmedia.com  
 Email: enquiries@ninehillsmedia.com  
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本栏专访奉献时间与专业知识以支持理事会工作的会员。本期的访谈是这新专栏的第二篇，受访者为香港公司治理公会会长、中电控股有限公司策略、可持续发展及管治总裁司馬志先生 FCG HKFCG。



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# Sports governance

Regular readers of this journal will be well aware that our Institute has been diversifying its training, research and advocacy work in recent years. This month's journal updates us on the latest developments in this trend – the launch of several initiatives designed to enhance governance standards in the sports sector.

The first of these initiatives got underway on 28 August this year when the Independent Commission Against Corruption (ICAC), in conjunction with The Hong Kong Jockey Club (HKJC), the Sports Federation & Olympic Committee (SF&OC) of Hong Kong, China and our Institute, launched the new Sports Governance and Integrity Alliance.

This Alliance brings together an impressive combination of expertise and resources. As the principal standard-setter and supervisor of the local sports scene, the SF&OC brings to the Alliance a valuable understanding of the challenges facing governance reform in this sector. Its Corporate Governance Review Report, published in late 2024, highlights a number of weaknesses in the governance practices of local national sports associations (NSAs). It simultaneously released its Code of Governance

and has since been conducting workshops to help its member NSAs implement the Code.

The ICAC and HKJC have increased their focus on building governance capacity in the sports sector in recent years. Last year, for example, the ICAC published its Integrity and Corruption Prevention Guide for NSAs, which outlines the key principles and standards for good governance and internal control in the sports sector. Moreover, this year, HKJC has partnered with the Institute to set up the Jockey Club HKCGI Sports Governance Programme, which will lead to the launch of our Sports Governance Certification Course in the first quarter of 2026.

As a best-in-class governance educator in Hong Kong, our Institute brings to this Alliance valuable expertise in developing targeted and accessible training. Our Sports Governance Certification Course will comprise an 18-hour professional training course offering free governance training for NSA members. Supported by The Hong Kong Jockey Club Charities Trust and The Hong Kong Chartered Governance Institute Foundation Ltd, this course builds on our experience of running similar accredited certification courses – namely the ESG Reporting Certification Course launched in February 2023 and the AML/CFT Certification Course launched in March 2024.

In addition to our new Director Training Package and our regular ECPD seminars and conferences, our accredited certification courses have helped us hone our long-term strategies in professional development. Rest assured, therefore, that our Sports Governance Certification Course will only be the beginning of our efforts to enhance governance professionalism in the sports sector in Hong Kong. We intend to use the course as a stepping stone to a networking platform along the lines of the Institute's Sustainability Governance Academy launched in July 2024. Like its precursor, our Sports Governance Academy will be designed as a hub for learning resources, workshops and sharing best practice, as well as being a professional sports governance community forum.

With that, I leave you to the first edition of this journal dedicated to sports governance. I am sure we will be hearing more about sports governance in future editions as our Institute continues to play its part in helping to position Hong Kong as a centre of sporting excellence.

David Simmonds FCG HKFCG

# 体育治理

会刊的忠实读者们应该已经注意到，近年来公会持续拓展培训、研究及倡议工作的多元领域。本期会刊将向各位汇报这一趋势的最新进展——公会已推出一系列旨在提升体育领域治理标准的举措。

今年8月28日，首项倡议正式启动。廉政公署携手香港赛马会、中国香港体育协会暨奥林匹克委员会以及公会，共同成立了全新的“体育治理与诚信联盟”。

该联盟汇聚了多方卓越的专业知识与资源。作为本地体育领域的主要标准制定及监督机构，中国香港体育协会暨奥林匹克委员会为联盟带来了对于体育治理改革所面临挑战的深刻理解。该机构于2024年末发布的《公司治理评估报告》，指出了本地体育总会在治理实践中存在的若干不足。同时，该机构已通过工作坊这种方式，来协助所属各体育总会贯彻实施其发布的《治理守则》。

近年来，廉政公署与香港赛马会也日益重视体育领域治理能力的建设。

例如，廉政公署去年发布了《体育总会诚信与防贪指南》，系统阐述了体育领域良好治理与内部控制的关键原则与标准。此外，今年香港赛马会亦与公会合作设立了“赛马会香港公司治理公会体育治理计划”，相关成果“体育治理认证课程”将于2026年第一季度正式推出。

作为香港地区标杆性的治理教育机构，公会凭借在开发针对性、普惠型培训课程方面的宝贵经验，将为该联盟贡献重要专业力量。“体育治理认证课程”将为体育总会成员提供为期18小时的专业治理培训。该课程由香港赛马会慈善信托基金及香港公司治理公会基金有限公司提供支持，并借鉴公会以往开展同类认证课程的成功经验——包括2023年2月推出的“ESG报告认证课程”及2024年3月推出的“反洗钱及反恐怖融资认证课程”。

除新推出的董事培训计划及常规的强化持续专业发展讲座与会议外，公会的认证课程体系亦助力公会持续完善专业发展的长远战略。因此敬请各界放心，体育治理认证课程仅是公会

提升香港体育领域治理专业水平的开端。公会计划以该课程为基石，逐步构建一个类似于公会于2024年7月成立的“可持续发展治理学院”那样的交流平台。与前身一样，“体育治理学院”将建设成为集学习资源、专题研讨、最佳实践分享于一体的枢纽，并发展成为专业的体育治理社群论坛。

在此，我将首次聚焦体育治理的本期会刊呈献给大家。随着公会持续助力香港建设成为卓越体育中心，相信在未来的各期会刊中，我们将共同见证更多体育治理领域的丰硕成果。



司马志先生 FCG HKFCG



# The future of sports governance

As Hong Kong's sports sector moves toward greater formalisation and the implementation of higher standards, governance professionals are leading the transformation toward integrity, accountability and public trust in sport.



### Sports governance in transition

Globally, sports governance has entered a period of transformation. Integrity scandals, conflicts of interest and governance gaps in major sporting organisations such as FIFA and national federations have exposed deep vulnerabilities. Hong Kong's sports ecosystem, though smaller in scale, faces parallel challenges – conflicts of interest within selection committees, inconsistent oversight mechanisms, limited board diversity and inadequate transparency in funding and decision-making.

For decades, many national sports associations (NSAs) operated under informal systems built on trust and volunteerism. While that community spirit remains vital, it often comes at the expense of transparency and consistency. 'Stakeholder demands, media exposure and international scandals have challenged the sports sector to move on from its historic preference for autonomy and self-regulation, and to enter the professional sphere of corporate governance,' explained Dr Trisha Leahy PhD JD SBS BBS, former Chief Executive of the Hong Kong Sports Institute.

Dr Leahy emphasised that this shift requires more than mere compliance. She described sport as a permitted social institution that delivers significant physical, psychological and social benefits – from national identity to inclusion and public health – yet also one that must now operate under increasing scrutiny. 'The key challenges for sports organisations in moving from autonomy to

corporate-style governance should not be underestimated,' she warned. 'Resources and corporate governance expertise are needed to facilitate this development.'

Gill Meller FCG HKFCG(PE), International Vice President and Institute Past President, and Legal and Governance Director, MTR Corporation Ltd, observed that while financial sustainability remains fundamental, the governance expectations placed on sports bodies extend far beyond the corporate realm. Unlike listed companies, which are accountable mainly to shareholders or investors, sports organisations must answer to a far wider range of stakeholders – athletes, coaches, fans, sponsors and the broader community. 'Their purpose is both social and competitive – and that creates a complex governance environment.'

An effective governance framework, therefore, must go beyond financial prudence to embrace social and environmental responsibility. It should consider the needs of staff,

business partners, players, fans and the communities in which the organisation operates. Ms Meller added that good governance in sport depends not only on formal mechanisms – such as committee structures, internal controls and clear procedures – but also on softer elements like organisational culture and ethical leadership. At the same time, sports bodies face distinct governance challenges of their own, which means that their governance frameworks should also include themes such as safeguarding athletes, ensuring fairness in selection and maintaining integrity in competitions.

### Hong Kong's sports governance reform and the role of governance professionals

Hong Kong has already taken decisive steps toward this balance. In November 2024, the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) introduced its Code of Governance, which provides a comprehensive framework that will soon be a prerequisite for NSAs to receive government funding.

## Highlights

- Hong Kong's sports ecosystem is currently facing challenges such as conflicts of interest within selection committees, weak oversight mechanisms, lack of board diversity, and deficiencies in transparency and accountability
- the Sports Governance and Integrity Alliance signals a unified effort to strengthen integrity and accountability across the sports community
- company secretaries and governance professionals are emerging as key partners in guiding sports bodies toward compliance, transparency and ethical leadership

“

**governance professionals need to be prepared to take what they have learned in the corporate sector and apply it to a different kind of organisation, which may be smaller and more financially constrained, often run by volunteers and with a different risk profile**

”

**Gill Meller FCG HKFCG(PE), International Vice President and Institute Past President, and Legal and Governance Director, MTR Corporation Ltd**

The SF&OC's Code offers clear guidance on accountability, board diversity, conflict-of-interest management and transparency in funding. For sports bodies long reliant on voluntary leadership, this transition is both significant and demanding.

'Resources and corporate governance expertise are needed to facilitate this development,' Dr Leahy stressed.

As a result, Ms Meller noted, 'there is also an opportunity for company secretaries and governance professionals to support the Institute in providing training to NSAs to upskill their management and their boards of directors on the principles and practicalities of good governance.'

The SF&OC now requires every NSA to appoint a company secretary, pursuant to Section 474 of the Companies Ordinance, recognising that governance professionals are essential for accountability. Company secretaries are uniquely positioned to translate governance principles into practice. 'Company secretaries and governance specialists will be a key resource for NSAs,' remarked Dr

Leahy. 'They can advise the board, assist with standard-setting and compliance monitoring, and facilitate capacity-building and positive growth of the personnel behind the organisation.'

Ms Meller agreed, stating that governance professionals can help NSAs design and implement frameworks that fit their size and stage of development. 'Governance professionals need to be prepared to take what they have learned in the corporate sector and apply it to a different kind of organisation, which may be smaller and more financially constrained, often run by volunteers and with a different risk profile,' Ms Meller said. 'They probably also need to be prepared to roll up their sleeves and help find and implement solutions, as well as providing advice.'

Both Dr Leahy and Ms Meller agreed that governance professionals should bring not just technical knowledge but also relational skills. 'In sport, relationships are highly valued,' Dr Leahy explained. 'Teamwork is at the centre of sports excellence. For

governance experts to be regarded as trusted members of the ecosystem, authentic communication and a genuine interest in sport are essential.'

#### **Governance landscape: progress and gaps**

The Corporate Governance Review Report, published in late 2024 by the SF&OC, revealed both progress and persistent gaps across 77 NSAs. While some larger associations have adopted board committees and formal risk management systems, many smaller ones remain reliant on informal decision-making and part-time staff. Only 13% of the NSAs had audit committees, while fewer than 26% had achieved gender diversity on their boards.

Matthew Young FCG HKFCG(PE), Institute Council member, and Deputy Company Secretary, The Hong Kong Jockey Club highlighted a clear correlation between governance maturity and public funding. NSAs receiving government subventions consistently scored higher on governance indicators, suggesting that structured accountability frameworks drive improvement.





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”

**Dr Trisha Leahy PhD JD SBS BBS,  
former Chief Executive of the Hong  
Kong Sports Institute**

He believes that the governance profession can help close these gaps. ‘Some NSAs have no salaried staff at all, which shows how limited their resources are. That’s why company secretaries – a compulsory role under section 1.9.1 of the SF&OC’s Code of Governance – must take an active leadership role in promoting integrity, professionalism and transparency,’ Mr Young proposed. ‘This is not just about compliance, it’s about setting the tone for how public trust is earned and sustained in sport. Governance professionals should be visible leaders, helping boards navigate challenges, build systems and embed integrity as a culture.’

#### **Building integrity from the ground up**

Beyond compliance, Hong Kong’s sports governance reform movement seeks to embed integrity as a cultural norm. The Independent Commission Against Corruption (ICAC) has long advocated for preventive approaches, promoting ethical decision-making

at all levels of sports administration. Formed through collaboration between the ICAC, the SF&OC, the Jockey Club and the Institute, the new Sports Governance and Integrity Alliance was launched on 28 August 2025, marking a pivotal moment for Hong Kong’s sports community. Through this Alliance, the Institute is now working to codevelop practical training and case-based materials for the sector, and is helping to strengthen integrity and accountability across the sports community.

Dr Lobo Louie, Senior Lecturer, Department of Health and Physical Education, The Education University of Hong Kong, believes the focus on integrity is well timed. ‘Transparency is the most urgent issue to address,’ he said. ‘Publishing financial reports, setting term limits for council members and forming independent ethics or audit committees are essential steps. These measures build public trust and prevent the consolidation of power.’

Dr Louie added that Hong Kong’s sports sector is caught between its ambitions and its constraints. On one hand, the government is investing heavily in sports infrastructure and talent development, while on the other hand, governance maturity among NSAs varies widely. ‘Addressing these challenges requires a balanced strategy that not only supports elite success, but also strongly invests in and revitalises the grassroots foundation of sport for all, particularly in team sports,’ he recommended.


Dr Leahy agreed, adding that across all sectors of sport, from

youth, persons with disabilities, community participants and elite performers, the issues of integrity and safeguarding have received much media attention internationally. ‘Evolving business models and approaches to sponsorship, as well as new challenges to doping controls, present a myriad of risk factors that sports organisations without robust governance systems in place will fail to negotiate, resulting in a reputational risk for the sport and, in some jurisdictions, risking access to public funding,’ she cautioned.

#### **Looking ahead**

As Hong Kong prepares to position itself as a regional sports hub, governance will increasingly define its credibility on the global stage. With initiatives like the SF&OC’s Code of Governance, the city is setting benchmarks that align with international standards such as the International Olympic Committee’s governance indicators and the UK’s Code for Sports Governance.

‘At a time when Hong Kong is promoting sport and mega events, building trust in the sports sector through good governance, with its key pillars of accountability, fairness, transparency and responsibility, will create solid foundations to support this growth,’ said Ms Meller.

For Mr Young, the message is one of civic duty as much as professional responsibility. ‘The growth of Hong Kong as an international sports hub will depend on governance that’s credible and transparent,’ he asserted. ‘Our profession has the skills and the duty to make that happen.’ 

# A new era of collaboration

The Sports Governance and Integrity Alliance and the upcoming Jockey Club HKCGI Sports Governance Programme signal a new era of collaboration – where integrity, accountability and professionalism become the foundation for lasting reform in sports governance.



### From principles to practice

As the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC)'s Code of Governance for national sports associations (NSAs) takes effect, the challenge now is to ensure that reforms translate into sustainable systems, rather than just short-term compliance.

The Institute sees this as an opportunity to demonstrate the broader social value of governance professionals. The new Sports Governance and Integrity Alliance, launched on 28 August 2025, represents a shared commitment by the Independent Commission Against Corruption (ICAC), the SF&OC, The Hong Kong Jockey Club and the Institute to elevate the integrity, transparency and professionalism of Hong Kong's sporting ecosystem.

The Sports Governance and Integrity Alliance acts as a unifying platform to promote good practice and resource sharing, bringing together the three core elements of integrity, governance and sport. By embedding ethics and transparency into decision-making, sports organisations can build resilience against crises and enhance their international reputation. This translates directly into better outcomes, fewer disputes, stronger sponsorships and a more credible sports ecosystem.

The Alliance also brings together stakeholders from across government, sport and civil society in a coordinated effort to raise standards. Under the Alliance, the Institute is contributing its governance expertise to the

development of guidelines, training and public education campaigns.

Dr Lobo Louie, Senior Lecturer, Department of Health and Physical Education, The Education University of Hong Kong, called the Alliance 'a long-awaited bridge between ethics, compliance and sport'. He believes it will play a pivotal role in preventing misconduct and building public confidence, especially as Hong Kong hosts more international events and attracts sponsorships.

### Building competence

As sports bodies adopt more formal governance frameworks, the expertise of company secretaries and governance professionals is becoming indispensable to ensuring accountability and trust in a field once defined by autonomy and tradition. In the first quarter of 2026, the Institute will launch the Jockey Club HKCGI Sports Governance Programme. Supported by The Hong Kong Jockey Club Charities Trust, the initiative will begin with an 18-hour Sports Governance Certification Course, the first structured programme of its kind

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NSAs that require their board members and senior staff to be certified can use this as a public signal of their commitment to reform, helping to rebuild trust with the public, as well as with sponsors and fans  
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**Dr Lobo Louie, Senior Lecturer, Department of Health and Physical Education, The Education University of Hong Kong**

in Hong Kong dedicated to equipping NSAs and sports administrators with governance expertise.

The course is part of a long-term strategy to institutionalise governance standards across the sports ecosystem. It aims to build a pool of qualified professionals who

### Highlights

- the Sports Governance and Integrity Alliance unites key stakeholders to raise integrity and governance standards across Hong Kong's sporting landscape
- the Jockey Club HKCGI Sports Governance Programme will equip national sports associations and administrators with the requisite knowledge and tools to embed good governance in daily operations
- by linking governance education, professional certification and athlete engagement, the Institute is fostering a culture of transparency and trust that supports sustainable sporting excellence



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**the Sports Governance Certification Course will provide practical advice to NSAs to enable them to understand why good governance is so important and how to go about designing and implementing an appropriate governance framework**

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**Gill Meller FCG HKFCG(PE), International Vice President and Institute Past President, and Legal and Governance Director, MTR Corporation Ltd**

understand not only compliance requirements but also the ethical, managerial and cultural dimensions of good governance.

The structure of the course reflects the challenges currently facing the sports sector. Topics will include the fundamentals of board governance, risk management, integrity and anti-corruption measures, as well as financial oversight and stakeholder engagement. The curriculum also emphasises the softer aspects of governance – ethical leadership, decision-making transparency, diversity and athlete welfare.

Participants will be drawn from a wide range of sports bodies – from large, government-funded associations to smaller, volunteer-run clubs. This diversity is deliberate. By bringing these organisations together under one programme, a platform for shared learning and collective progress will be created.

Gill Meller FCG HKFCG(PE), International Vice President and Institute Past President, and Legal

and Governance Director, MTR Corporation Ltd, views this initiative as a crucial step toward building Hong Kong's governance capacity in sport. 'The Sports Governance Certification Course will provide practical advice to NSAs to enable them to understand why good governance is so important and how to go about designing and implementing an appropriate governance framework,' she explained.

#### **The road to an academy**

While the Certification Course represents an immediate step forward, the Institute's long-term vision is the establishment of a Sports Governance Academy – a permanent institution devoted to education, research and knowledge exchange in the field. The model draws inspiration from the UK's Sports Governance Academy, a unique partnership between The Chartered Governance Institute UK & Ireland and Sport England, which combines online learning resources, workshops and a professional community forum.

'The UK's Sports Governance Academy's success lies in its multilayered approach,' Ms Meller clarified. 'It provides training, certification and a community, but equally important is its strategic relationship with key bodies such as UK Sport and the Chartered Institute for the Management of Sport and Physical Activity. That connection ensures that governance excellence is not just recognised but rewarded.'

The Institute envisions a similar ecosystem for Hong Kong, one where governance education is linked to funding eligibility, accreditation and recognition. 'Having such an academy in Hong Kong will help nurture a community of individuals involved or interested in sports governance with a view to sharing best practice and supporting each other along the journey,' Ms Meller affirmed.

#### **Investing in professionalisation**

Dr Louie described the Institute's new initiatives as capacity-building investments in the future of sport. 'Many NSA leaders are former athletes or volunteers who, while passionate, may lack formal training in finance, governance or ethics,' Dr Louie pointed out. 'Ensuring that certification in sports governance is available, if not essential, signals a genuine commitment to reform. NSAs that require their board members and senior staff to be certified can use this as a public signal of their commitment to reform, helping to rebuild trust with the public, as well as with sponsors and fans.'

Dr Louie believes that embedding professional governance practices

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Simmi Chan, Hong Kong's top-ranked squash player and the  
Institute's newly appointed Sports Governance Ambassador



will help attract sponsors, reassure government partners and enhance Hong Kong's reputation as an emerging sports hub. Sponsors and fans need to see that decisions are made fairly and that the system rewards merit, not favouritism. 'Transparency and accountability are key to trust,' he stressed.

#### From classroom to playing field

The Institute's initiatives are not confined to the boardroom, instead they seek to bridge the gap between administrative governance and on-the-ground impact. That connection is exemplified by Simmi Chan, Hong Kong's top-ranked squash player and the Institute's newly appointed Sports Governance Ambassador.


For Ms Chan, governance directly affects how athletes experience fairness, motivation and trust. 'Transparency is the top priority,' she asserted. 'While general guidelines for selection and resource allocation do exist, they're not always clearly defined, which can sometimes lead to confusion or even controversy.'

Ms Chan believes that establishing clear, predisposed selection criteria and regular performance evaluations is critical to maintaining athletes' confidence. 'When athletes fully understand the assessment standards and know that selections are based strictly on performance within the stated timeframe, trust and motivation naturally follow. Regular performance evaluations can further strengthen transparency by offering ongoing feedback. This assures athletes that decisions are consistent, merit-based and impartial, maintaining long-term motivation and trust.'

Her own journey – balancing elite competition with an academic life at Columbia University – has reinforced her appreciation of robust support systems. 'At Columbia, there was a strong network to help athletes manage academics, performance and wellbeing,' she recalled. 'My experience there taught me how important it is to have a clear goal and to think independently about

what's best to help me achieve what I want. The constructive support systems in place at both Columbia and the Hong Kong Sports Institute have been key to keeping me focused and consistent on the path toward becoming a professional athlete.'

Ms Chan's role as the Institute's new Sports Governance Ambassador has been made possible thanks to donations from Edith Shih FCG(CS, CGP) HKFCG(CS, CGP)(PE), Honorary Adviser to Council, Past International President and Institute Past President, and Executive Director and Company Secretary, CK Hutchison Holdings Ltd.

Through mentorship and engagement, Ms Chan aims to show how governance principles can enhance both athlete experience and organisational performance. 'Good governance plays a crucial role in educating stakeholders, ensuring accountability, and maintaining a fair and safe environment for all athletes,' she concluded. 

# Stakeholder engagement in sports governance

Chris Brooke, Chairman of Hong Kong China Rugby, discusses how proactive stakeholder engagement underpins effective governance and long-term sustainability in sports organisations.





## Introduction

When sports organisations consider how best to approach governance, there is often a tendency to focus upon internal processes and protocols, as opposed to wider stakeholder considerations.

However, given that stakeholder engagement represents a key element of governance for any sports-related governing body, it is vital to not only identify the relevant stakeholders but to also establish an engagement strategy for each category of stakeholder in order to support both successful performance and long-term sustainability.

## Who are the relevant stakeholders?

Every organisation will have different resources, priorities and capabilities in relation to stakeholder engagement. However, the key stakeholders are likely to be similar for any sports organisation. These stakeholders, as well as some of the primary considerations associated with each category, are outlined below.

### Athletes – principal areas of engagement

The first group of stakeholders are the athletes who are involved in the sport over which the governing body has jurisdiction. Given that the objective of most sports governing bodies is to promote the specific sport that they govern, as well as to increase levels of participation, it is critical to create an environment that encourages both elite and community involvement in the sport.

For elite athletes, there must be clear and transparent selection policies,

support in terms of access to facilities and the training infrastructure, and fit-for-purpose safeguarding and player welfare guidelines. In addition, there is an increasing need to provide mental health and lifestyle support, as well as advice regarding post-career education and employment opportunities.

It is also essential that the governing body provides appropriate competition structures for both elite athletes and for those involved in community participation. This will include access to regional and international events, as well the oversight of domestic competitions. Furthermore, the promotion of the sport across all forms of media and other platforms will enhance engagement and encourage wider participation.

### Family members – major considerations

One stakeholder group that cannot be overlooked is the family members of the athletes participating in a sport. Whilst this might appear to be more relevant to elite athletes, it is also an important consideration in the community environment.

The family members of elite athletes will need to understand items such as the existence and operation of selection and safeguarding policies, competition structures and access to the training infrastructure. They will want to be sure that the governing body is acting in a fair and equitable manner, and that it is supporting the sporting career of their family member. They will also be concerned about transparency, consistency and clarity of communication.

In terms of wider participation, the parents of any child athlete will want to be sure that the governing body is being operated efficiently, and that it has fit-for-purpose policies and guidelines in place. Additionally, there needs to be clarity with regard to rules, regulations and codes of conduct. In return, the governing body should also set out clear expectations for the standards of behaviour that it expects from parents and family members, particularly when they are spectating at events.

### Coaches and officials – what is necessary

In connection with coaches and officials, transparency of policies is also central. This may relate to athlete

## Highlights

- strong stakeholder engagement helps sports organisations anticipate challenges, align objectives and sustain long-term growth
- transparent communication and clear role definitions between boards, management and members are essential to good governance
- building trust with athletes, sponsors, the government and the wider community strengthens both participation and public confidence in sport

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the senior leadership team within the organisation must ensure that there is a positive culture and that staff see opportunities for training, knowledge acquisition and career development  
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selection, safeguarding and athlete welfare, ethical behaviour or the appointment of officials to adjudicate at specific events. The parameters within which the coaches and officials operate must be very clear, while the criteria involved must be transparent and objective.

In return, it is necessary for the governing body to offer clear terms of appointment or employment to coaches and officials, and these must be aligned with the strategy and objectives of the organisation. Any key performance indicators must be transparent and clearly understood by all parties. There must also be a clear opportunity for coaches and officials to progress within an organisation with the aim of supporting career development. This would include opportunities for continuous professional development, training and exposure to different environments, as a means of enhancing expertise and broadening perspectives.

#### **Board members and elected representatives – how to optimise value**

The board of any sports governing body is a valuable resource for the

organisation. This is the entity that is responsible for the formulation of strategy, the oversight of governance and the management of risk, and as a result it is imperative that the composition and performance of the board is optimised.

In order to encourage individuals to participate as voluntary board members or elected officials, there must be a transparent and fair selection and appointment process. Clear governance protocols must be in place in respect of board responsibilities, the delegation of authority to professional staff, and the committee structures and terms of reference. There must also be clarity about the non-executive role of the board and the executive role of the professional staff.

To support board performance, it is also crucial for an organisation to ensure that the board is adopting best practice with regard to onboarding, training of board members, board evaluations and codes of conduct. Moreover, it is advisable to adopt a collaborative approach between the board and the professional staff, with the board acting as a resource to support the strategic development

and long-term resilience of the organisation.

#### **Senior management/professional staff – clarity of roles is critical**

The effective delivery of a strategy will be reliant upon the professional staff within an organisation. It is therefore critical that all members of the professional staff are clear about their roles and responsibilities, have fit-for-purpose job descriptions, and enjoy fair and reasonable employment conditions.

In addition, the senior leadership team within the organisation must ensure that there is a positive culture and that staff see opportunities for training, knowledge acquisition and career development. There must also be strong alignment between the board and the senior leadership team in terms of the strategic objectives and priorities of the organisation, as well as the responsibility and accountability within areas such as stakeholder engagement, funding and commercial sponsorship.

#### **Members and member organisations – key to success**

Strong and proactive engagement with the members and member

organisations within any governing body is pivotal to success, given that the members are directly affected by the decisions reached by the governing body. From a member perspective, there needs to be alignment of objectives and governance processes in order to allow the members to understand the strategy and to operate within the governance framework of the organisation.

Other key success factors include transparent and regular communication, and the creation of a sense of common purpose, as well as the involvement of members in salient aspects of strategy and other matters impacting upon the future of the organisation. It is extremely useful to develop a member engagement strategy involving communications, social media, town hall meetings and events. It is also vital to ensure that members feel that the governing body is providing support and benefit to members, and that it is focused on the best interests of the organisation and the sport as a driving principle.

#### **International and regional governing bodies – important to maintain a positive relationship**

Most local sports governing bodies in Hong Kong will also have a responsibility or opportunity to engage with international and regional organisations that oversee specific sports. This is likely to cover the areas of governance, competitions, rules and regulations, and other broader initiatives relating to training, development or knowledge sharing.

It is important to establish clear lines of communication with these bodies

and to ensure there are mechanisms in place to verify compliance with any directives issued by these organisations. There can also be funding benefits from proactive engagement with these governing bodies. It is therefore prudent to demonstrate that the benefit and positive contribution being achieved in Hong Kong also contributes to the wider benefit of the sport on a regional or global basis.

#### **Government – ongoing interaction**

There are clearly a number of pertinent bureaus and departments within the HKSAR Government with which it is meaningful to engage. These include the Culture, Sports and Tourism Bureau, the Home Affairs and Youth Bureau and the Leisure and Cultural Services Department. It is also invaluable to engage with the district offices and the sports associations at a more local level.

From a policy perspective, it is beneficial to be able to demonstrate support of the five main policy objectives associated with sport in Hong Kong – namely, supporting elite sports, maintaining Hong Kong as a centre for major international events, enhancing professionalism, developing sports as an industry and promoting sports in the community. The government is also a key stakeholder in terms of funding, subventions and facilities, and it is therefore essential to engage on a positive and consistent basis.

#### **Sponsors and commercial partners – indispensable to support future growth**

As the sports industry continues to become more sophisticated in Hong Kong, sponsors and commercial

partners are becoming increasingly indispensable in supporting the future growth and development of sporting organisations. In parallel, sponsors and commercial partners are looking for more than a traditional donor or funding relationship – rather, they are seeking more tangible and measurable returns upon investment.

As a result, there are higher expectations from sponsors concerning the governance and financial management standards of sports governing bodies. Sponsors and commercial partners wish to understand the strategy of the organisation and to secure a clear demonstration of how sponsorship will be used, as well as how the sponsorship will add value to both the sponsor and the governing body. There is also an increasing focus upon reporting, social impact measurement and community engagement, in addition to major events, while sponsors wish to see creativity and proactivity in relation to the deployment of funds.

#### **Media – can be more challenging to manage**

A positive relationship with the media can be very beneficial to a sports governing body. This can be achieved via proactive engagement with media platforms, the use of role models to promote specific events and initiatives, and the ongoing provision of quality content to generate opportunities for positive media coverage.

It is, of course, not possible to control the media narrative at all times. However, a positive relationship with



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the ability to understand key stakeholder priorities and concerns informs both strategy and execution, and can allow an organisation to better anticipate challenges and opportunities  
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the media can both help promote participation and help if difficult situations arise that generate significant media attention. In terms of engagement strategy, it is now fundamental to focus upon both traditional and social media platforms, as well as to identify the predominant markets and audiences that are the target of any media coverage.

#### **Broader public/community – not to be forgotten**

The views of the wider community towards a sports governing body are also very important. The public needs to have confidence that the governing body is well governed and properly managed, that it has a clear strategy and that it is focused upon the long-term development of the sport for the benefit of the wider community. The positive perception of a governing body can assist with growth in participation, government support and sponsorship commitments.

A governing body can also demonstrate community support via philanthropic activities, collaboration with charities and other non-profit organisations, and by using sport to assist less-advantaged members of

society. All these activities can help add credibility to the activities and profile of the governing body for those not directly involved in the sport.

#### **How can diverse stakeholder interests be balanced?**

It is recognised that there will always be competing priorities and agendas when dealing with stakeholder engagement. The board and senior management of an organisation will need to set key objectives relating to stakeholder engagement, and these will be dependent upon both the strategic priorities of the governing body and the level of resources available.

Certain stakeholders, such as athletes and the government, will be relevant to all governing bodies, but others may need to be prioritised in line with strategy and resources. Nevertheless, all of the stakeholders identified above are relevant and some form of approach to each group will need to be formulated, given that a proactive understanding of the concerns of the stakeholders can assist with the anticipation of both challenges and opportunities.

#### **Why is stakeholder engagement key to good governance?**

All stakeholders need to be managed to some extent by a sports governing body. The ability to understand key stakeholder priorities and concerns informs both strategy and execution, and can allow an organisation to better anticipate challenges and opportunities. On the other hand, a lack of communication with stakeholders can lead to misunderstandings and confusion, as well as create potentially difficult situations for a governing body. Over time, stakeholder engagement can be incorporated into ways of working to optimise resources and enhance efficiencies, which can in turn then support the long-term sustainability and resilience of a sports governing body.

#### **Chris Brooke, Chairman**

*Hong Kong China Rugby*

*In addition to his role at Hong Kong China Rugby, Chris is also an Independent Non-Executive Director of Link Asset Management Ltd and IBI Group Holdings Ltd, as well as a member of the advisory boards of Kerb Holdings Co Pty Ltd, VationX and Peace Inc.*



# Certificate for Module









## (The Hong Kong Chartered Governance Institute Examinations Preparatory Programme)

This programme is endorsed by The Hong Kong Chartered Governance Institute (HKCGI). The aim is to develop students with the knowledge and skills necessary to write the professional examinations of the Chartered Governance Qualifying Programme (CGQP), which is recognized worldwide.

### COURSE INFORMATION

Intake: 3 intakes per year (Spring, Summer & Autumn)

Teaching Venue: Any of the HKU SPACE's Learning Centres on Hong Kong Island


Programme Title	QF level	QR Registration No.	QR Registration Validity Period
Boardroom Dynamics  4	4	21/001317/L4	01 Dec 2021 - on-going
Corporate Governance  4	4	21/001318/L4	01 Dec 2021 - on-going
Corporate Secretaryship and Compliance  4	4	21/001319/L4	01 Dec 2021 - on-going
Hong Kong Company Law  4	4	21/001320/L4	01 Dec 2021 - on-going
Hong Kong Taxation  4	4	21/001321/L4	01 Dec 2021 - on-going
Interpreting Financial and Accounting Information  4	4	21/001322/L4	01 Dec 2021 - on-going
Risk Management  4	4	21/001323/L4	01 Dec 2021 - on-going
Strategic Management  4	4	21/001324/L4	01 Dec 2021 - on-going


### TARGET STUDENTS

1. Be 21 years old or above. (Students should be either a Hong Kong permanent resident or have valid permit to study in Hong Kong)
2. Students aiming to prepare for the HKCGI CGQP examinations.

### Award:

Certificate for Module

 This course has been included in the list of reimbursable courses under the Continuing Education Fund.

 This course is recognised under the Qualifications Framework (QF Level 4).



### Fee per subject:

**HK\$5,300** (36-hour lectures)

**HK\$6,900** (45-hour lectures)

All fees paid are NOT refundable, unless the programme is oversubscribed or cancelled. All fees are subject to revision.

CONTACT INFORMATION  
Programme Enquiries (HKU SPACE)

 (852) 2867 8485  
 [hkcgi@hkuspace.hku.hk](mailto:hkcgi@hkuspace.hku.hk)



# How emerging technologies are reshaping corporate fraud

CGj reviews an Institute seminar held in May 2025 that explored how emerging technologies are redefining the landscape of corporate operations – and how innovation is fuelling increasingly sophisticated fraud – as well as what governance professionals can do to stay ahead.





### The evolving sphere of digital deception

As technology reshapes every aspect of business, it is also rewriting the playbook for corporate fraud. At an Institute seminar held on 8 May 2025, titled Digital Deception: Navigating Fraud in the Era of Emerging Technology, expert speakers discussed how tools like AI, blockchain and biometrics have become both enablers and defenders of deception.

In the first part of the seminar, Henry Chambers, Managing Director and Co-leader, Disputes and Investigations Asia, Alvarez & Marsal, set the stage with an overview of the technologies reshaping the fraud landscape, and clarified how they are being weaponised against individuals and corporations.

Mr Chambers highlighted four technological domains driving new forms of digital deception – artificial intelligence (AI), blockchain, quantum computing and biometrics. Each, he explained, comes with both extraordinary opportunities and escalating vulnerabilities.

Beginning with AI, Mr Chambers outlined its layered evolution, from machine learning and deep learning to the recent rise of generative AI. These technologies enable machines to perceive, interact, understand and make decisions, driving advances in content creation while also introducing new risks. ‘The longer we spend doing this process, the more realistic these outputs become – and what we also see is fraudsters using the same technologies,’ Mr Chambers said.

AI’s ability to fabricate convincing imagery and voices has already fuelled large-scale scams. Mr Chambers cited a local example in which a finance worker at a multinational firm was incited to send over HK\$200 million to fraudulent bank accounts after attending a fake Zoom call, where all participants were AI-generated deepfakes. ‘This incident illustrates how the barriers to entry for a scammer using AI are incredibly low – you now only need a room and the ability to use ChatGPT or its equivalent,’ he said.

Turning to blockchain and cryptocurrency, Mr Chambers described this as ‘a well-trodden path for threat actors’, pointing to anonymity, decentralisation and limited regulation as risk factors. Despite growing awareness, cryptocurrency-related fraud remains rampant. ‘My team and I are still making regular calls related to problems generated by investments into crypto or exfiltration from cryptocurrency accounts,’ he said, adding that many scams rely on unrealistic promises such as guaranteed 1,000% returns.

The discussion then turned to quantum computing, an area Mr

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**Henry Chambers, Managing Director and Co-leader, Disputes and Investigations Asia, Alvarez & Marsal**

Chambers characterised as both exciting and problematic. By allowing computers to operate in multiple states simultaneously, quantum technology promises exponential processing power, but could also break the secure hash algorithms that protect our bank accounts, cryptocurrency and even nuclear codes. ‘When quantum computers become mainstream, it will be a global problem that financial institutions will have to address by creating new post-quantum security systems,’ he said.

Mr Chambers also touched on biometric vulnerabilities, remarking

### Highlights

- emerging technologies such as AI, blockchain and biometrics have created new opportunities for fraudsters, but also provide new tools for defenders
- experts warn that poor data handling and lack of clear investigation policies can compromise evidence and breach privacy laws
- governance professionals are urged to combine technological safeguards with professional scepticism and sound data governance practices

that voice and facial recognition systems are no longer foolproof. With personal data and voice samples widely available online, such systems can be easily manipulated. 'Each of these areas is evolving almost weekly and, as professionals, our challenge is not only to understand how they work, but also how they can and will be used against us,' he concluded.

### The dos and don'ts of digital investigations

Following Mr Chambers' deep dive into the evolving fraud landscape, Davin Teo, Managing Director and Co-leader, Disputes and Investigations Asia, Alvarez & Marsal, turned to the practical realities of digital investigations in the corporate world.

Mr Teo walked attendees through the dos and don'ts of internal investigations. 'It's critical to understand what you can and cannot do legally.' He warned that without proper consent, especially when employees use personal devices for work, companies risk breaching privacy rules. 'If someone says "I've been doing company work on my personal phone," we need to ask whether that company has a bring-your-own-device policy. If not, you will need the individual's consent to check their phone data.'

Another recurring mistake, he noted, is letting internal IT teams collect sensitive evidence. 'Your IT team can look at data, but you have to be careful,' Mr Teo cautioned. 'Metadata – the data about data – can be changed simply by copying a file to a USB stick and that could compromise your evidence.' He emphasised the

importance of maintaining a forensic chain of custody, ensuring that evidence is collected and preserved properly in case it ever goes to court.

Mr Teo also shed light on the new realities of communication data. With multiple platforms such as Teams, WeChat, WhatsApp and others becoming entrenched in business communications, companies must ensure they can access and preserve these datasets when needed. 'You really need to look internally and ask: "Do we have policies in place to safeguard and retrieve this type of data?"'

The challenge, he added, is compounded by auto-deleting or encrypted messaging apps. 'These apps are designed to be user-friendly, not investigator-friendly,' he observed. 'They're thinking about how to get rid of data, not how to keep it.' Still, his team often finds creative ways to retrieve hidden or deleted information by tracing backups across devices, laptops and cloud servers.

Mr Teo urged governance professionals to be proactive. 'You may never have to deal with an investigation, but if you do, make sure your company has clear policies, proper authorisation processes and a single point of contact. And most importantly, handle data in the right forensic manner,' Mr Teo suggested.

### Turning technology into your ally

Concluding the presentation, Mr Chambers highlighted how organisations can harness emerging technologies as part of the solution, not just as a source of new risks.

He pointed out that many corporations are already leveraging AI within their enterprise resource planning systems to strengthen fraud detection. 'There is so much data being fed into companies, from finance and human resources to inventory and logistics, that it's almost impossible for one individual – even a chief compliance officer or internal counsel – to monitor everything, but AI can make that much more efficient.'

Mr Chambers illustrated how machine learning algorithms can be trained to understand what 'normal' looks like for a particular business, then flag anomalies in real time. In the same way, AI can detect irregularities in transaction patterns, inventory fluctuations or staffing anomalies, helping auditors and investigators focus their attention on potential red flags.

Turning to biometric and voice authentication, Mr Chambers outlined practical measures to safeguard against impersonation and system compromise. 'Multifactor authentication remains crucial,' he said. 'Don't just rely on a single input, combine face or voice recognition with PINs or security tokens.' He added that continuous monitoring, regular software updates and user education were essential to maintaining robust defence systems.

Mr Chambers recommended that companies do not abandon human-based controls, even as they embrace new technologies. 'Some of the simplest controls can still be the most effective,' he said. Referencing the earlier case of a finance worker

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**Angelina Kwan, Senior Advisor, IMC Asia Pacific**

deceived by an AI deepfake video call, he noted that if someone had simply picked up the phone to confirm the instruction, the fraud could have been prevented.

#### Professional scepticism

The panel discussion that followed the speaker presentations delved deeper into the human, regulatory and technological dimensions of fraud prevention and digital asset security.

Opening the session, Angelina Kwan, Senior Advisor, IMC Asia Pacific, drew on real-life experiences to illustrate how easily even seasoned professionals can fall prey to scams. She stressed that vigilance and verification were indispensable, especially as fraudsters' methods have grown more sophisticated. 'I've seen scams from accounting firms supposedly calling in asking for transfers and I've seen staff from other offices supposedly calling in asking for money to be moved. But what's really scary is how easily scammers can obtain your personal or company information, because once they get a bit here and a bit there, they can piece it all together.'

She recalled an incident from a former workplace in which a managing director approved a fraudulent transfer without verifying the caller's identity. 'It was just one misstep. It's so worth it to take additional steps to protect yourself and it's just one more call, one more check. It's going to save you a whole lifetime of agony.'

Mr Chambers echoed her view, defining this mindset as professional scepticism. 'We should be sceptical of everything that is presented to us. It may seem like a sad way to live, but you need to question everything. Don't robo-click, sign or approve anything without being sure it's legitimate.'

Mr Teo added that security awareness must extend beyond senior management. 'Your secretary at the front desk is the gatekeeper to your office,' he said, recalling how easily his team once talked their way into a client's data centre during a security audit. 'It proved how you need to secure things even at that front line.'

#### Data governance and cybersecurity

As the conversation turned to corporate data governance, Mr Teo highlighted the need to localise and secure data even within cloud environments. 'Even if your systems are cloud-based, you can still direct them to a particular region and ensure they comply with local data rules,' he said.


Mr Chambers specified that using third-party AI plugins may inadvertently expose sensitive corporate data. 'If you're using an external plugin in your Teams channel, that data is going to someone else,'

he said. 'You're exporting company data outside the four walls.' He recommended that organisations develop or procure in-house AI summarisation tools, rather than relying on external providers.

Ms Kwan raised an important question about the growing concentration of digital assets and corporate data on cloud service providers such as Amazon Web Services. Mr Teo responded that firms should never rely solely on the provider's assurances. 'Do your own independent assessment and ask questions. When was your last security audit? How often do you test for vulnerabilities? Do you have two-factor authentication in place?'

Mr Chambers added that, while cloud providers have strong incentives to maintain security, firms must still conduct regular audits and contingency planning. 'It's about ensuring you're comfortable that your cloud provider is fit for purpose,' he said.

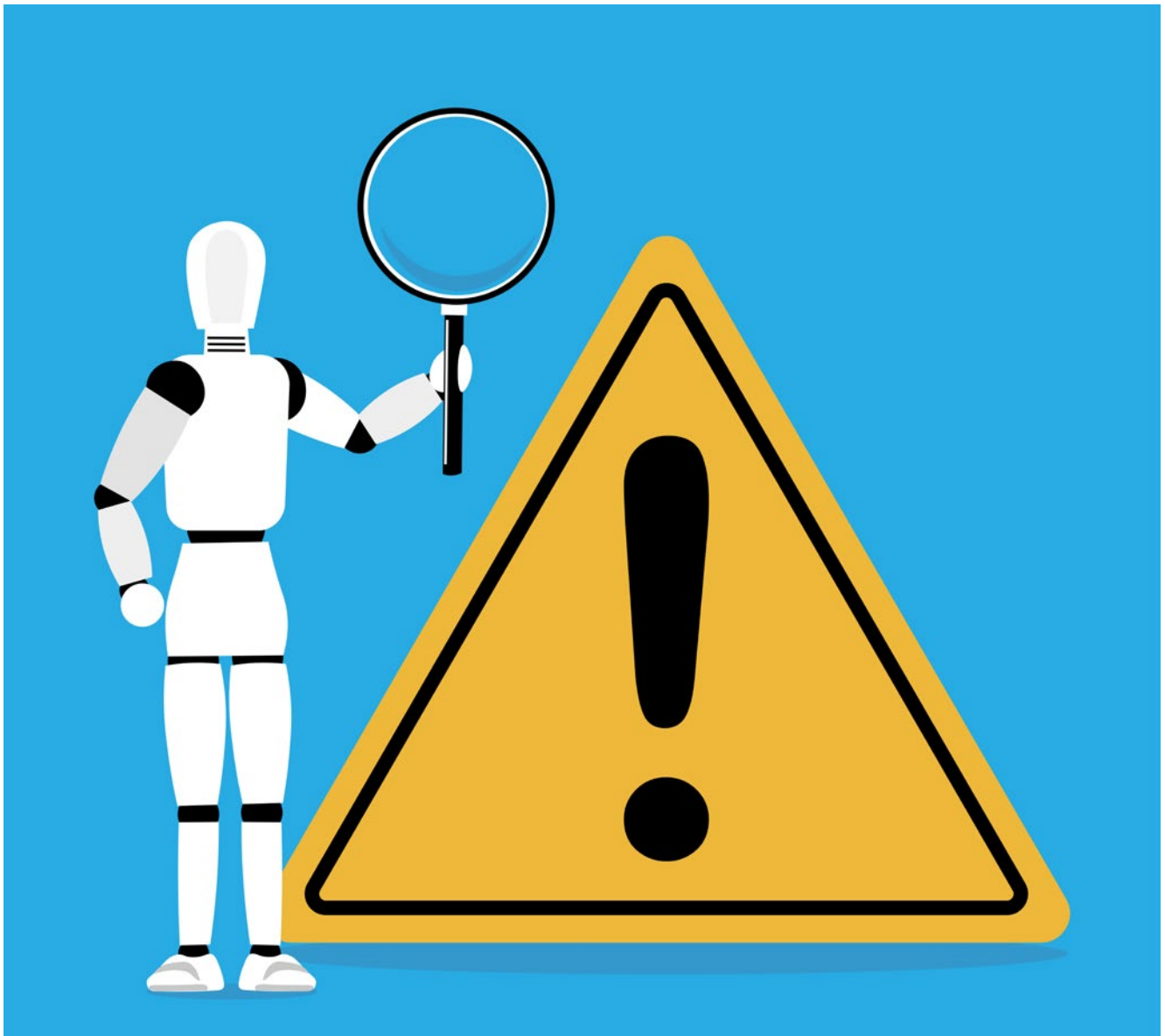
Ms Kwan agreed, recalling her experience as a former global CEO of several exchanges. 'We hired the best of the best security consultants and worked with firms like Alvarez & Marsal for constant reviews. Having the best staff and continuous checks is what protects you.'

She praised regulators for tightening oversight of the digital asset sector, especially in Hong Kong. 'Traditional finance is moving into digital assets. Within the next three to five years, every major firm will be offering them. You just have to have your controls in place.' 



# Artificial intelligence

**A brave new world – China formulates a new AI global governance action plan, and issues draft ethics rules and AI labelling rules**



Gabriela Kennedy, Partner, and Joanna KC Wong, Associate, Mayer Brown Hong Kong, explore the latest updates on AI governance in the Chinese mainland, and assess their implications for the national and global deployment of ethical AI technologies.

**A**rtificial Intelligence (AI) development and deployment have been at the forefront of the national agenda in the Chinese mainland for quite some time, with the government identifying AI as a key driver for economic growth and technological advancement. Over the last couple of years, significant investment, research and widespread industry adoption have positioned the mainland at the forefront of global AI innovation.

The AI Plus initiative implementation guideline, issued in August 2025, sets out ambitious goals for the country – a penetration rate of new-generation intelligent terminals and AI agents set to exceed 70% by 2027 and 90% by 2030. This dynamic growth has prompted the introduction of AI-related regulations aimed at ensuring the safe, ethical and inclusive development and deployment of AI technologies nationwide. China has recently announced three significant developments for the rapidly evolving AI regulatory landscape, including the release of:

1. the Global AI Governance Action Plan (AI Action Plan)
2. the Draft Administrative Measures for the Ethical Management of Artificial Intelligence Technology (Trial) (Draft Measures), and

3. the Measures for Labelling of AI-Generated Synthetic Content (Labelling Measures).

These initiatives reflect the ambitions the country has to shape and influence international AI governance, while also establishing robust domestic safeguards for AI research, development and deployment. We discuss these recent updates and their potential impact on businesses operating in or engaging with the Chinese mainland across the AI value chain.

### Global AI Governance Action Plan

On 26 July 2025, China issued its AI Action Plan at the World Artificial Intelligence Conference 2025. The AI Action Plan sets out intended action areas spanning innovation, infrastructure, open ecosystems, high-quality data, green AI, standards and multi-stakeholder governance. We highlight the key elements particularly relevant for businesses.

- **Innovation and industry adoption.** Innovation and experimentation, international collaboration and the transformation of research outcomes into real-world applications are encouraged. Businesses are urged to participate in cross-border technological cooperation, adopt AI in various sectors (such as industrial manufacturing, healthcare, education and smart cities) and share best practices. This opens up opportunities for partnerships, technology transfer and market expansion.
- **Open-source and data sharing.** The AI Action Plan calls for the development of secure, cross-border open-source communities and platforms to promote the sharing of resources, lower barriers to innovation and improve accessibility. The AI Action Plan also highlights the importance

## Highlights

- China's Global AI Governance Action Plan outlines priorities in innovation, data quality, open-source collaboration and AI safety, reflecting its ambition to influence international standards
- the Draft Administrative Measures for the Ethical Management of AI Technology introduces formal ethics review requirements for AI projects that may pose risks to human, environmental or societal wellbeing
- the Labelling Measures for AI-Generated Content establish explicit and implicit labelling obligations to ensure transparency and traceability of AI-generated materials

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of open-source compliance and technical safety guidelines, and promotes the open sharing of non-sensitive development resources (such as technical documentation and API documentation). The AI Action Plan also promotes enhanced compatibility between upstream and downstream products to foster a more inclusive and efficient AI environment.

- **High-quality data and privacy.**

The AI Action Plan promotes the lawful, orderly and free flow of data, supports the establishment of global data-sharing mechanisms and platforms, and encourages the creation of high-quality datasets. It places strong emphasis on safeguarding privacy and data security, while also prioritising the diversification of data to help eliminate discrimination and bias in AI systems.

- **Governance of AI safety.** The AI Action Plan prioritises robust AI safety governance by calling

for regular risk assessments, targeted prevention measures and the development of a widely recognised safety framework. It advocates for tiered management approaches, risk testing systems, and improved data security and personal information protection. The AI Action Plan also encourages stakeholders to explore the implementation of traceability management systems to prevent misuse of AI technologies.

- **Capacity building and inclusion.** AI capacity building is important and this can be achieved through initiatives such as infrastructure development, joint laboratories, safety assessment platforms, education and training programmes, and joint development of high-quality datasets. Importance is also given to improving public AI literacy and skills to help bridge the digital divide.

The AI Action Plan focuses on new opportunities for industry collaboration, innovation and access to shared resources, while encouraging companies to adopt sustainable and inclusive AI development models. It also sets overarching standards for businesses to comply with in areas such as AI safety, governance, data protection and ethical practices, with a view to fostering a business environment that prioritises the responsible use of AI.

#### **Draft Administrative Measures for the Ethical Management of AI Technology (Trial)**

On 22 August 2025, the Chinese mainland's Ministry of Industry and Information Technology, together with nine other central regulators and two national associations, issued the Draft Measures for public comment. The Draft Measures focus on fostering responsible AI innovation, enhancing ethical oversight and protecting the public interest in the development and use of AI.



### Broad application

The Draft Measures apply to AI research, development and application within China that may pose ethical risks to life and health, human dignity, the environment, public order or sustainable development, as well as other AI activities subject to an ethics review under Chinese laws.

Organisations involved in regulated AI activities, including tertiary education institutions, research institutes, medical institutions and enterprises are designated as 'responsible entities'. Where feasible, these organisations shall establish independent AI technology ethics committees (Ethics Committees), and ensure that such committees are adequately resourced and composed of experts in technology, ethics and law to effectively support the work of the committee. Local or sectoral authorities may establish specialised AI ethics service centres (Ethics Service Centres), which are responsible for offering an ethics review, training and advisory services.

### Procedures and timeframe

AI projects governed by the Draft Measures will need to undertake an ethics review. This may be conducted either by the organisation's own Ethics Committee or by a qualified Ethics Service Centre.

To initiate an ethics review, an application must be submitted with a detailed activity plan (including research background and purpose, implementation plan, algorithmic mechanism, types of data involved,

sources of the data, testing and evaluation methodology, intended outcome and products, and the intended use case and target users). Applicants are also required to submit an ethics risk assessment and risk mitigation plan regarding the intended use, details of potential risks of misuse or abuse of AI technologies and a compliance undertaking.

Ethics Committees or Ethics Service Centres will determine whether to accept an application for an ethics review and, if accepted, shall conduct the review in accordance with applicable procedures. A decision in an ethics review shall be issued within 30 days. Once approval is granted, the responsible person for an AI project is required to promptly report any changes in ethical risks to the Ethics Committee or the Ethics Service Centre. The Ethics Committee or Ethics Service Centre will have ongoing oversight over approved AI projects, including follow-up reviews at intervals generally not exceeding 12 months, and will have the power to suspend or terminate AI projects if significant ethical risks arise.

The key focus areas for the AI ethics review include:

- fairness and non-discrimination
- robust and controllable system design
- transparency and explainability of the algorithms, and
- clear accountability through traceable processes.

The ethics review also examines the qualifications of project personnel, the scientific and social value of the research, the balance between risks and benefits, and the adequacy of risk controls and emergency response plans.

The Draft Measures introduce a 'list of AI technology activities requiring expert second review', which designates certain high-risk AI activities for mandatory expert re-examination following an initial review by the Ethics Committee or an Ethics Service Centre. Currently, the list includes human-machine integration systems that significantly affect human behaviour, emotions or health, algorithmic applications with the capacity to mobilise public opinion or shape social consciousness, and highly autonomous decision-making systems deployed in high-risk scenarios, such as those involving human health and safety. This list may be updated as regulatory needs evolve.

Businesses involved in AI research, development or services in the Chinese mainland should proactively evaluate their activities for potential ethical risks and determine whether their projects fall within the scope of the Draft Measures. Companies that are contemplating AI projects subject to the Draft Measures should begin to think about establishing an Ethics Committee, if feasible, compile thorough documentation for an ethics review, implement a strong risk assessment framework and mitigation-deployment strategies, and maintain ongoing oversight and reporting mechanisms to address ethical issues as they arise

throughout the life cycle of their AI initiatives.

### Measures for Labelling of AI-Generated Synthetic Content

The Labelling Measures, released by the Cyberspace Administration of China and other authorities on 14 March 2025, took effect on 1 September 2025. The technical standard on AI content labelling, Cybersecurity Technology – Labelling Method for Content Generated by Artificial Intelligence (GB 45438-2025) (Labelling Standard), also became effective on the same date. Together, the Labelling Measures and the Labelling Standard provide much-needed clarity on the content labelling requirements under the Interim Measures for the Administration of Generative Artificial Intelligence Services (GenAI Interim Measures).

#### Scope of application

The Labelling Measures apply to internet information service providers that use AI to generate text, images, audio, video, virtual scenes or other content – these service providers are already subject to the following existing regulations:

- Internet Information Service Algorithmic Recommendation Management Provisions (Algorithmic Provisions, in force March 2022), which impose obligations on algorithm transparency, fairness, content moderation and algorithm filing to the regulatory authority.
- Internet Information Service Deep Synthesis Management Provisions (Deep Synthesis

Provisions, in force January 2023), which regulate the use of deep synthesis technologies for internet information services.

- The GenAI Interim Measures (in force August 2023) provide baseline obligations concerning training data legitimacy, personal information protection, algorithmic transparency, security assessments and model filing.

#### Key requirements

The Labelling Measures require both explicit and implicit labelling of AI-generated content (AIGC). Explicit labelling refers to labels that are added to AIGC or interactive scenario interfaces and are presented in a manner (such as through text, audio, graphics or other means) that can be clearly perceived by users. Service providers may refer to the Labelling Measures and Labelling Standards for the specific operational and technical requirements of the labelling of AIGC (text, audio, images, videos and virtual scenarios). Where AIGC can be downloaded, reproduced or exported, explicit labels must remain embedded within the file.

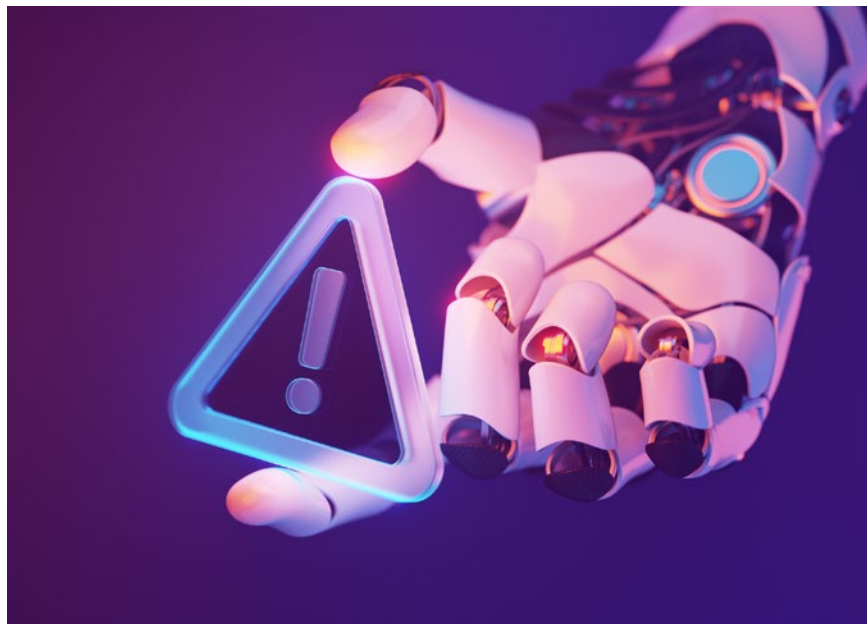
Implicit labelling refers to labels that are added to the data files of AIGC through technical means and are not easily perceived by users. An implicit label should be added to the metadata of the AIGC file and should include key information such as content attributes, the name or code/identifier of the service provider and a content reference number.

The Labelling Measures also outline the obligations of service

providers that offer online content distribution services with respect to AIGC. Specifically, they require these providers to verify whether implicit labels are present in the file metadata. If implicit labels are detected, the provider must add prominent explicit labels around the published content to clearly inform the public that the content is AI-generated. If no implicit label is found, but the user declares the content as AI-generated, the provider should still add an explicit label to alert the public that the content may be AI-generated. In cases where neither implicit labels nor user declarations are present, but the provider detects explicit labels or other signs of AI generation, the content should be identified as suspected AI-generated and labelled accordingly. For all such scenarios, the provider must also add relevant key information – such as content attributes, platform name or code and content reference number – into the file metadata. Additionally, providers are required to offer necessary labelling functions and to prompt users to declare whether their content includes AI-generated material.

The Labelling Measures require all service providers to clearly specify in their user service agreements the methods, formats and standards for labelling AIGC, and to remind users to carefully read and understand the relevant content labelling requirements. Where a user requests the provision of AIGC without explicit labelling, the service provider may do so only after clearly outlining the user's labelling obligations and other responsibilities in the user

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the recent updates on AI  
governance and content  
labelling in China mark a  
significant step toward  
fostering responsible,  
transparent and ethical  
AI development  
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service agreement, and must retain relevant logs and information about the recipients of such content for no less than six months (see Articles 8 and 9 of the Labelling Measures). Users who disseminate AIGC through online platforms shall declare and use the labelling functions provided by the service provider. The Labelling Measures also prohibit any organisation or individual from maliciously deleting, altering, forging or concealing the required labels, or from providing tools or services to facilitate such actions, and from using improper labelling methods to infringe upon the lawful rights and interests of others.

Where the provisions of the Labelling Measures are violated, relevant regulatory departments such as the departments for internet information, telecommunications, public security and broadcasting may address such violations in accordance with

the relevant laws, administrative regulations and departmental rules. In particular, overseas Gen AI providers should be aware that the GenAI Interim Measures expressly empower the regulators to take technical measures (such as shutting down network access) against companies providing Gen AI services to the Chinese mainland from overseas that have violated the Chinese laws and regulations.

#### Takeaways

The recent updates on AI governance and content labelling in China mark a significant step toward fostering responsible, transparent and ethical AI development. Businesses developing or adopting AI technologies in the mainland should proactively review and update their internal policies, technical processes and product designs to prepare for compliance with the new requirements on ethical risk management and content

labelling. Establishing dedicated AI governance committees, investing in staff training and integrating robust labelling and traceability mechanisms will be essential to mitigating risks and building trust with regulators and users. As the AI regulatory landscape in the Chinese mainland continues to evolve, businesses should keep an eye out for policy and regulatory developments and should proactively align their policies with emerging standards to effectively manage compliance risks.

**Gabriela Kennedy, Partner, and  
Joanna KC Wong, Associate**

*Mayer Brown Hong Kong LLP*

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# Navigating senior management accountability in large financial institutions

Authors from Linklaters examine two recent SFC enforcement cases that show how senior executives can face severe sanctions for supervisory failures, despite having no direct or actual knowledge or participation in the misconduct.





Two recent enforcement actions in September 2025 against senior executives by the Securities and Futures Commission (SFC) demonstrate the regulator's approach to management accountability in financial institutions. The SFC has suspended a former responsible officer of an asset management company for 12 months, whilst banning another former responsible officer, Manager-In-Charge of Key Business Line, board member and Head of Pan-Asia Equities of a major international investment bank from re-entering the industry for five years. Both cases involved supervisory failures only; neither executive had actual knowledge of or involvement in the underlying misconduct.

#### Key supervisory failures across different types of financial institution

##### Investment banking

From 2008 to 2018, the cash equity desk of a major international investment bank sent mislabelled indications of interest (IOIs) to clients when there was no genuine client interest, with the purported purpose of provoking client enquiries in the belief that traders would be able to find natural opposite flows to cross with client orders. Contemporaneous correspondence revealed that the executive should have known of this practice. By exerting significant pressure on his subordinates to grow the bank's market share while failing to remain vigilant for signs that this growth was achieved through dishonest means, the SFC found that the executive enabled a culture of prioritising revenue generation over client interests and basic standards of honesty to take root within the bank.

A number of clients had also complained about the quality and accuracy of the firm's IOIs, and had emphasised the importance of accuracy around IOIs in meetings with the heads and members of the Desks. Whilst these complaints were recorded in writing and sent to the executive as one of the recipients on a wide distribution list, he claimed that he did not read the relevant reports at the material time. Consequently, he did not take any steps to investigate or address the client complaints, and therefore no measures were taken to stop the dissemination of mislabelled IOIs.

In addition, the SFC found serious and systemic internal control failures, which the executive failed to identify or rectify, notwithstanding that he had a number of opportunities to do so. For example:

- He attended a roundtable meeting with the SFC on behalf of the firm, during which time the attendees' attention was drawn to common deficiencies found in client facilitation activities in the market.

- Following a limited review of the bank's business, which revealed some operational control deficiencies around IOIs, the SFC set out its concerns in a management letter addressed to the executive in his capacity as the bank's responsible officer.
- The SFC issued a circular to licensed corporations on client facilitation to remind intermediaries that when they assume a risk-taking principal position in client facilitation activities, the nature of the trades should be disclosed to the clients and their prior consent should be obtained.

In September 2025, the SFC banned this individual from re-entering the industry for five years.

##### Asset management – conflicts of interest and risk management failures

This case involves a Hong Kong-based asset management company that served as an investment manager for Cayman-incorporated funds. One responsible officer, who was the firm's

## Highlights

- two SFC enforcement cases in September 2025 illustrate the regulator's firm stance on holding senior management personally accountable for supervisory failures
- the cases highlight how commercial pressure, inadequate oversight and weak escalation channels can foster misconduct even without executives' direct knowledge
- regulators expect senior management to identify and act on red flags, ensuring that compliance and integrity are not compromised by business performance goals

sole shareholder and director, was found to be responsible for serious misconduct, including window-dressing the firm's financial resources during licence applications and systematically mismanaging fund assets by investing the assets in companies he personally controlled. In December 2024, the SFC banned that individual for life and fined him \$1.7 million.

The other responsible officer in the case served as Manager-In-Charge of Compliance, Anti-Money Laundering, Operational Control and Review, and Risk Management. Whilst this individual was not found to have acted dishonestly, the SFC did find that he was aware of these transactions and did not raise any concerns regarding the apparent conflicts of interest, and that he failed to discharge his supervisory duties to prevent conflicts of interest and to protect investors' interests. In September 2025, the SFC suspended him for 12 months.

#### Similar enforcement actions in the UK

These decisions follow and are consistent with similar findings in the UK, where sanctions for supervisory failings have been part of the regulatory landscape for many years. In 2023, the UK's Prudential Regulatory Authority (PRA) fined the former chief information officer of a large British bank for failing to take reasonable steps to ensure that his bank complied with outsourcing regulations during an IT migration exercise. The following year, it found that the former CEO of another bank had failed to take steps to ensure that his firm had adequate systems and controls in relation to the large exposures regime and the PRA record-keeping requirements.

The PRA acted against this individual, despite accepting that he had taken steps to develop and embed the firm's risk management framework with the assistance of external professional advisers.

#### What this means for financial institutions

These cases establish several critical principles for senior management in large organisations.

- Supervisory failings may come in one or more forms – failure to put in place adequate controls, failure to exercise appropriate oversight or act on red flags, and prioritising commercial performance while not recognising the risks that come with that. Senior managers must be alert to the regulatory obligations they assume and take active steps to discharge them.
- Senior management cannot rely on claims of ignorance or delegation to avoid personal liability. The individuals were found to have failed in their supervisory obligations in that the firm's breaches and failings were attributable to the executive's failure to discharge his duties as a responsible officer, Manager-In-Charge and a member of senior management, despite not having actual knowledge of or involvement in the misconduct.
- The most senior individuals can be held accountable even where other senior individuals below them are closer to day-to-day supervision. Senior management must actively seek out potential compliance

issues rather than waiting for escalation through reporting lines.

- Senior management must actively monitor business operations and investigate warning signs of potential misconduct. Red flags may be dispersed in time and focus, but will be clear to a regulator with the benefit of hindsight.
- All communications received by senior management will be scrutinised by regulators. Client complaints must be properly investigated and addressed by senior management, irrespective of how such complaints are communicated or distributed. Firms should implement systems to ensure that material compliance-related communications are properly flagged and addressed, with documented follow-up actions.
- Commercial pressures cannot excuse compliance failures and senior management must ensure that commercial objectives do not override regulatory obligations.

These cases demonstrate that regulators will not hesitate to impose severe personal consequences on executives who fail in their supervisory duties, particularly where revenue-driven misconduct is allowed to persist despite clear warning signs.

**Andrew Chung, Denise Fung and Justin Tang, Partners, Litigation, Arbitration & Investigations, Hong Kong SAR**

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## David Simmonds FCG HKFCG

Institute President, and Chief Strategy, Sustainability and Governance Officer of CLP Holdings Ltd



***How and when did you first get involved with the Institute?  
And what was your professional position at that time?***

'I first became involved with the Institute around 2016 when I was Group General Counsel at CLP. Our company has a long and proud tradition in Hong Kong of being at the forefront of good corporate governance – it's in our DNA. At the time, our Company Secretary April Chan, who was also a former Institute President, encouraged me to get involved.

I started out by giving presentations and seminars on amendments to the Companies Ordinance, and also became a member of the Company Secretaries Panel and the Technical Consultation Panel in 2016. From there, my

relationship with the Institute grew quite naturally. Later, after I became CLP's Company Secretary, it felt fitting to take on a more active role at the Institute. I then became a Fellow of the Institute and later stood for election to Council, becoming a Council member in January 2018, and have served at the Institute ever since.'

***You took on your current role of Institute President in January 2024. What led you to that decision?***

'I see the Institute as the front runner in Hong Kong in thought leadership and advocacy for good corporate governance. All of us in the market benefit when governance standards are strong – the rising tide lifts all boats. So, for



those of us working in major listed companies, I believe there's a responsibility to contribute to the ecosystem and to help sustain high standards in the market.

The presidency is not only a figurehead role, it also helps set the strategic direction of the Institute. For me, the timing was right. My role at CLP covers strategy, sustainability and governance, and I felt there was an important opportunity to give sustainability governance greater prominence, especially as Hong Kong pushes to strengthen its green finance and sustainability reporting landscape.'

#### ***What aspect of the Institute's activities and initiatives inspire and engage you the most?***

'One of the initiatives I'm proudest of is the Sustainability Governance Academy, which grew out of one of my ideas. The goal was twofold – first, to provide thought leadership on why sustainability reporting and governance are so important, and second, to give our members the tools, training and community support they need to implement these frameworks effectively.

Beyond that, there's a much broader sustainability community in Hong Kong that hadn't been well served by a professional body. Through the Academy, the Institute can fill that gap, creating a platform for information-sharing, professional development and networking for everyone involved in sustainability and ESG practices.'

#### ***Why do you feel giving back is important?***

'Part of it comes from a sense of responsibility. Working at CLP, a company that's deeply rooted in the Hong Kong community, there's always been an emphasis on contributing beyond our day-to-day work. But more personally, I genuinely believe you get more satisfaction from giving than from receiving. Knowing that I've played even a small part in Hong Kong's corporate governance work is very rewarding.'

#### ***Over the years, many individuals have contributed behind the scenes to the Institute's growth. From your perspective, how have the efforts of these volunteers shaped the Institute's development and success?***

'We've been incredibly fortunate to have a core group of very senior practitioners who devote their time and

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**the work of our volunteers has been instrumental in building the Institute's credibility and influence in both the business and government arenas.**

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energy to the Institute's work. The Secretariat is excellent, but achieving our goals requires active engagement from members across the market. The work of our volunteers has been instrumental in building the Institute's credibility and influence in both the business and government arenas.

The sense of community is one of the Institute's greatest strengths. You see people who have retired from full-time roles still coming back as mentors and volunteers, working alongside those who are in very demanding jobs. It's a virtuous circle. The more people see senior members giving their time, the more inspired others are to do the same.'

#### ***Could you tell us a little about your personal philosophy or guiding principles for both your professional and personal life?***

'I have two guiding principles. The first is simple – try to be useful. If you make yourself useful, you'll always have something to do and opportunities will follow. The second is to go where the ball is, to use a sporting metaphor. You can have the most impact if you focus your energy on areas where it really matters.'

#### ***What value do you believe governance brings to organisations and the wider society, and how does the Institute contribute to that?***

'At its core, good governance is about doing the right thing for the long-term benefit of the organisation and all its stakeholders, not just for the loudest or most immediate voices. If every organisation operated on that basis, the entire community would benefit. Governance provides the values, principles and guardrails that allow organisations to consistently do what's right. The Institute plays a vital role in articulating both the why and the how of good governance, helping to ensure that it remains a force for sustainable growth and trust in Hong Kong's market.'

## 司馬志先生 FCG HKFCG

香港公司治理公会会长、中电控股有限公司策略、可持续发展及管治总裁



### 您最初是如何、又在何时开始参与公会工作的？当时的职务是什么？

‘我第一次参与公会的工作，大约是在2016年，当时我担任中电集团总法律顾问。中电在香港一直有着良好企业管治的悠久传统，这已经深植于公司的基因中。当时我们的公司秘书陈姚慧儿女士鼓励我参与公会事务，她也是公会的前会长。我最初是参与讲座和研讨会，为公会讲解《公司条例》的修订内容，并在2016年成为公司秘书专责小组和专业知识咨询小组成员。从那时起，我与公会的关系便自然而然地建立起来。后来，我成为中电的公司秘书，更觉得自己适宜在公会中担任更积极的角色。我随后成为公会资深会员，最终参加了理事会选举，于2018年1月当选为理事，并一直在公会服务至今。’

### 您于2024年1月出任公会会长，是什么促使您作出这个决定？

‘我认为公会是香港公司治理领域中具思想领导力及倡议影响力的领军机构。公司治理标准高时，整个市场都会受惠，所谓水涨船高。因此，对于我们这些在大型上市公司工作的人来说，我认为有责任为整个生态系统作出贡献，推动市场保持高水平的治理标准。’

会长的角色不仅是象征性的，更要协助制定公会的战略方向。对我来说，时机也非常合适。我的中电职务涵盖策略、可持续发展及治理三大范畴，而我认为当时正是推动可持续发展治理、并配合香港在绿色金融与可持续汇报领域深化发展的重要契机。’



“  
义工成员的努力在建立公会于商界和政府层面的声誉与影响力方面，发挥了至关重要的作用。  
”

#### 公会的哪些工作或活动最令您投入或受到启发？

‘我最自豪的一项计划是可持续发展治理学院，它其实是源自我的构想。这个计划有两个目标：首先是在理念层面引领业界，阐述为何可持续汇报与可持续治理如此重要，其次是为会员提供所需的工具、培训及社群支持，协助他们在所属机构中有效落实这些框架。’

除此之外，香港还有更广泛的可持续发展群体，长期以来缺乏一个专业机构来服务他们。通过可持续发展治理学院，公会能够填补这一空白，建立一个信息交流、专业发展及人脉网络的平台，服务所有从事可持续发展与ESG工作的专业人士。’

#### 为什么回馈社会对您如此重要？

‘部分原因来自一种责任感。中电是一家深耕香港社区的公司，一直以来都强调应当在日常工作之外，为社会作出贡献。但从个人角度而言，我真心相信施比受更有福。知道自己在推动香港企业治理方面哪怕只是作出了小小的一点贡献，对我来说已经是莫大的满足。’

#### 多年来，许多人默默付出，推动了公会的发展。从您的角度来看，这些志愿者的努力如何塑造了公会的发展与成功？

‘我们非常幸运，有一群资深的专业人士核心团队投入大量时间和精力支持公会的工作。秘书处的团队非常出色，但要实现公会的目标，仍需要市场各界会员的积极参与。’

义工成员的努力在建立公会于商界和政府层面的声誉与影响力方面，发挥了至关重要的作用。

这种社群精神正是公会最宝贵的资产之一。我们看到，许多已经退休的会员仍然回来担任导师或义工，与工作繁重的在职专业人士并肩合作。这是一种良性循环，越多资深会员以身作则地投入时间，就越能激励更多人效法与参与。’

#### 您的人生与工作哲学或原则是什么？

‘我有两个行事原则。第一条很简单，要努力做有用的人。只要让自己有用，就永远会有事可做，也会有机会随之而来。第二条，借用一个运动比喻，是走向球所在的位置，就是要把精力投入到真正重要的领域，才能发挥最大的影响力。’

#### 您认为良好的治理对机构与社会有何价值？公会又如何推动这种价值？

‘从根本上说，良好的公司治理就是做正确的事，不仅仅是回应最强烈或最迫切的声音，而是为机构及其所有持份者的长远利益着想。若每个机构都能以此为准则运作，整个社会都会受益。治理提供了价值观、原则与制度框架，使机构能持续地做正确的事。公会在其中扮演着关键角色，不仅阐明为何要维持良好治理，也说明如何去落实，从而确保企业治理持续成为推动香港市场可持续增长的力量，维持各界对市场的信任。’



## Professional Development

### Seminars: October 2025

10 October

**Recent developments in the Cayman Islands, Bermuda and BVI, and practical guidance for reorganisation and redomiciliation**



**Chair:** Ivy Chow FCG HKFCG(PE), Institute Council member, Professional Development Committee Vice-Chairman, Membership Committee member, and Professional Services Panel and Assessment Review Panel member

**Speaker:** Vincent Chan, Partner, Appleby

15 October

**2025 Director Training Series – dialogue with regulators (session three: board governance – driving audit quality and credible disclosures)**



**Chair:** Ernest Lee FCG HKFCG(PE), Institute Past President, and Technical Partner, Deloitte China

**Speakers:** Janey Lai, Chief Executive Officer and Executive Director, Fiona Yip, Associate Director, Policy, Registration and Oversight, and Yap-Kim Bong, Head of Policy, Registration and Oversight, Accounting and Financial Reporting Council; Elsa Chan, Vice President, Listing Regulation and Enforcement, Listing, and Patrick Yu, Senior Vice President, Listing Regulation and Enforcement, Listing, HKEX; Edward Lau, Executive Director, Chief Financial Officer and Joint Company Secretary, New World Development Co Ltd; Joe Ng, Partner, Professional Practice, EY; and William Lo, former CFO of Wheelock Properties and Airport Authority (panellist)

16 October

**Employment termination or transfer in China: legal insights and practical strategies**



**Chair:** Michelle Ho FCG HKFCG(PE), Institute Professional Development Committee member and Professional Services Panel member, and Managing Director of Entity Solutions, Computershare Asia

**Speakers:** April Yan, Partner, Zhonglun; and Carrie An, Head of Payroll, and Angela Li, Head of Corporate Secretarial Services, CSC

21 October

**AI, ethics and governance: some major risks**



**Chair:** Mohan Datwani FCG HKFCG(PE), Institute Deputy Chief Executive

**Speakers:** William Tam ACG HKACG, Forensic Partner, Deloitte China; and Cerman Cheung, Consultant, Oldham, Li & Nie

22 October

**Stablecoins: opportunities and regulations**



**Chair:** Mohan Datwani FCG HKFCG(PE), Institute Deputy Chief Executive

**Speakers:** Donald Day, COO, VDX and Adjunct Professor, CUHK; Vincent Chan, Partner, and Lydia Kungsen, Senior Knowledge Lawyer, Slaughter and May; and Hailiang Zhang FCG HKFCG, Regional Managing Director, Greater China Region, Vistra (panellist)



**30 October**

**In public or behind closed doors – how should shareholder and creditor disputes be resolved?**



*Chair: Richard Leung JP FCG HKFCG, Barrister-at-Law, Des Voeux Chambers*

*Speakers: Oliver Payne, Partner, and Michaela Lam, Senior Legal Manager, Ogier; and James Wood, Barrister, Denis Chang's Chambers*

**31 October**

**CSP training series: continuing obligations of listed companies – practice and application**

*Speaker: Ricky Lai FCG HKFCG(PE), Company Secretary, China Renewable Energy Investment Ltd*

### ECPD seminars/Videos on Demand

ECPD training is organised by the Institute to facilitate its members and other governance professionals to acquire governance knowledge, corporate secretarial skills, and related thought leadership and best practices.

In addition to in-person seminars, ECPD training is delivered via live webinars or pre-recorded videos for maximum accessibility and flexibility.

*Details of the Institute's forthcoming ECPD seminars and ECPD Videos on Demand are available in the Professional Development section of the Institute's website: [www.hkcg.org.hk](http://www.hkcg.org.hk).*

*For enquiries, please contact the Institute's Professional Development Section: (852) 2830 6011, or email: [cpd@hkcg.org.hk](mailto:cpd@hkcg.org.hk).*

## Membership

### New Fellows

The Institute would like to congratulate the following Fellows elected in September 2025.

#### Cheung Kin Yan FCG HKFCG

Ms Cheung is currently the Assistant Financial Controller of CNT Group Ltd (Stock Code: 701). Ms Cheung has over 15 years of experience in Hong Kong listed companies. She obtained a master's degree with distinction in corporate governance from The Hong Kong Polytechnic University. She also holds professional qualifications as a Fellow of the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong. She is a member of the Chartered Institute for Securities & Investment

and the Hong Kong Securities and Investment Institute.

#### Ding Jianzhong FCG HKFCG

Mr Ding serves as Board Secretary, Company Secretary and General Manager of the Securities and Tax Department of the Financial System of ZTE Corporation. Mr Ding has extensive professional experience in finance, engineering commerce and supply chain management. He oversees the company's information disclosure, optimises corporate governance, maintains investor relations, and researches and executes capital market projects. He is also responsible for the group's tax management, covering tax compliance, tax planning, risk management, tax filing and output value implementation.

Mr Ding holds a master's degree in management from Anhui Agricultural University and is a non-practicing member of The Chinese Institute of Certified Public Accountants and the China Certified Tax Agents Association.

#### Fan Kit Man FCG HKFCG

Ms Fan is an Assistant Company Secretary of Standard Chartered Bank (Hong Kong) Ltd. Ms Fan holds a master's degree in corporate governance from City University of Hong Kong, an LLB (Hons) from Manchester Metropolitan University of the UK and a BBA (Hons) from City University of Hong Kong. She is also a General Mediator accredited by The Hong Kong Mediation Accreditation Association Ltd.

## Membership (continued)

### Ho Pui Lam Joseph FCG HKFCG

Mr Ho serves as the CFO and Company Secretary of China Risun Group Ltd (Stock Code: 1907). He has extensive experience in auditing, financial management, capital markets and corporate governance. He holds a bachelor's degree in business administration from the University of Hong Kong and a master of science degree from City University of Hong Kong. He is also a Fellow of the Hong Kong Institute of Certified Public Accountants and an Associate of the Institute of Chartered Accountants in England and Wales.

### Li Hongshuan FCG HKFCG

Ms Li is a PRC certified public accountant. She joined Great Wall Motor Co Ltd (Stock Code: 2333) in 2007 and has over 18 years of experience in the automobile industry. She has presided over core businesses of the company, including the development and management of the financial system, compliance governance, investor relations, ESG management, share incentive schemes and capital market operations. She currently serves as the company's Executive Director, Chief Financial Controller, Secretary to the Board and Company Secretary.

### Liu Gang FCG HKFCG

Mr Liu is currently the Secretary to the Board, Joint Company Secretary, Assistant President, General Counsel and Chief Compliance Officer of Sinopec Shanghai Petrochemical Co Ltd (Stock Code: 338). Mr Liu is responsible for the company's legal compliance affairs, partnerships

and joint ventures, and the strategic planning of the carbon fibre business, as well as the execution of such plans, while also fulfilling the duties of the Board Secretary. Mr Liu is a professional senior economist with a master's degree from East China University of Science and Technology.

### Tam Wai Nam William FCG HKFCG

Mr Tam is a Partner in Deloitte China's Risk, Regulatory & Forensic practice, with over 20 years of experience in investigations and forensic accounting. He has led numerous fraud investigations, risk and compliance reviews, and financial crime assignments for multinational clients. Mr Tam provides forensic analysis, litigation support and expert witness testimony in commercial disputes involving forensic accounting and assessing the quantum of losses. He holds multiple professional qualifications, including FCPA, CFE, CIA and CAMS.

### Yin Engang FCG HKFCG

Mr Yin is the Chief Financial Officer, Secretary of the Board and Joint Company Secretary of CGN Power Co Ltd (Stock Code: 1816). Mr Yin has over 25 years of experience in finance and auditing. He holds a master's degree from Shaanxi University of Technology.

### Yin Yue FCG HKFCG

Ms Yin is a Counsel at Davis Polk & Wardwell, specialising in capital market transactions. Her practice focuses on Hong Kong's regulatory compliance, corporate governance and public M&As for listed companies.

She holds an LLM from the University of Michigan Law School and an LLB from Tsinghua University, and is admitted in New York and registered with the Beijing Ministry of Justice.

### Zhang Hailiang FCG HKFCG

Mr Zhang serves as Business Head and Executive Vice President of Vistra North Asia, overseeing the Chinese mainland, Hong Kong, Macau, Taiwan, Japan and South Korea. With over 20 years of executive experience in consulting and professional services, he brings extensive expertise in cross-border business growth and integration. Mr Zhang holds an EMBA from China Europe International Business School and is a Fellow of CPA Australia.

### Hei Aijuan FCG HKFCG

Senior Compliance Manager, China Tobacco Import & Export Hunan Co Ltd

### Ko Leong FCG HKFCG

Financial Controller, DL Holdings Group Ltd (Stock Code: 1709)

### Lee Leong Yin FCG HKFCG(PE)

Senior Manager, Company Secretarial Department, Tricor Services Ltd

### Lo Yiu Man FCG HKFCG

Non-executive Director, Phoenix International Ltd

### Ng Tung Ching Raphael FCG HKFCG(PE)

Assistant Vice President, Computershare Hong Kong Investor Services Ltd

## New graduates

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

Au Yuen Yi	Cheung Wai Yu, Vicky	Lau Chi Kit	Tai Ying Ying
Bai Ling	Cheung Wing Sum, Natalie	Lau Siu Fung	Tang Siu Hei
Bao Yishan	Chu Ching Man	Law Yuk Kwan	To Sze Wing, Yuki
Chan Yuet Tung, Venus	Feng Lirui	Lee Hoi Ki	Tong Hing Yu
Chan Ka Yi, Clare	Gan Yilan	Leung Jason Hok Shan	Tse Cheong Wing
Chan Wai Nam	Han Tianyi	Leung Man Yi	Tse Shing Lam
Chan Wing Kei	He Wenxuan	Liang Ye	Wang Junlin
Chan Yee Lam	Hsia Man Chun, Ernest	Lo Lai Shan	Wang Yilan
Chan Yuet Ka	Huang Fengjie	Lui Fong Sau	Wang Yudongyang
Cheng Nga Mui	Hui Wing Yan	Ma Wing Yin	Wong Cho Kiu
Cheung Cheuk Nam	Ip Tsun Yu	Mak Hiu Suet, Cythnia	Yang Xiaoni
Cheung Chung Kwan	Ip Wing Sum	Ng Man Wai	Yu Shu
Cheung Po Yi	Kwok Friedman Owen	Shang Quanxi	

## Advocacy

### RTHK video on the company redomiciliation regime

RTHK has released a video on the company redomiciliation regime, featuring Institute Vice-President Tom Chau FCG HKFCG(PE), alongside representatives from the Financial Services and the Treasury Bureau (FSTB) and the Companies Registry.

As the first organisation to officially propose a redomiciliation regime to the FSTB, the Institute is delighted to see this major policy initiative gain traction and prominence, and is confident that the new regime will strengthen Hong Kong's position as an international financial centre.



The Institute remains committed to fostering thought leadership that is practical and relevant, pushing the needle forward. [Watch the video](#) (Cantonese only) now to learn more about this new regime.

## Advocacy (continued)



### The Institute attends the Outstanding ESG Enterprises Recognition Ceremony and Sustainable Development Forum 2025

On 21 October, Institute Vice-President Tom Chau FCG HKFCG(PE) attended the Outstanding ESG Enterprises Recognition Ceremony and Sustainable Development Forum 2025, sponsored by Sing Tao News Corporation. Mr Chau accepted a souvenir on behalf of the Institute in recognition of its role as a supporting organisation of the event.



### Gill Meller talks to The Standard about how the Institute's dual qualification unlocks the gateway to the worldwide governance profession

On 13 October 2025, The Standard newspaper published an exclusive interview featuring Gill Meller FCG HKFCG(PE), International Vice President and Institute Past President, and Legal and Governance Director, MTR Corporation Ltd.

In the article, Ms Meller addresses the increasing demand for governance expertise and explains how the Institute's globally recognised and transferable dual qualification opens up worldwide opportunities. She highlights the vital role of governance in driving organisational growth, reinforcing Hong Kong's role as a global financial centre, as well as in shaping a better future.

### The Institute's new thought leadership guide to AI policy development

On 13 October 2025, the Institute published an authoritative guide for governance professionals on the development of an artificial intelligence (AI) policy, titled Responsible AI Policy Development: A Governance Playbook.

This new resource equips boards, senior management and governance professionals with practical tools to navigate one of the most pressing strategic challenges of our time – the responsible adoption of AI. This important research report enables organisations to innovate with confidence, while embedding strong governance, risk management and accountability practices into their AI policy development across the organisation.

For details, download the full report from the Research Papers page under the Thought Leadership section of the Institute's website: [www.hkcg.org.hk](http://www.hkcg.org.hk).





## Good MPF Employer Award 2024–2025

The Institute is pleased to announce that it has been awarded the Good MPF Employer and the MPF Support Award for 2024–2025 from the Mandatory Provident Fund Schemes Authority. This marks the ninth consecutive year that the Institute has received this honour. We remain committed to supporting our employees' retirement protection.



## Student Ambassadors Programme 2024/2025: career experience in corporate governance

Every year, the Institute invites companies and organisations to offer summer internship positions to undergraduates participating in its Student Ambassadors Programme (SAP), with the aim of giving them the opportunity to experience the business operations and working environment of a governance professional, as well as to explore their future career paths.

The internship programme has been extended beyond summer internships, to include both part-time and full-time positions.

This year, a total of 14 companies and organisations offered job opportunities to the student ambassadors. The Institute would like to thank the following companies

and organisations for their support of the programme, listed in alphabetical order.

- Annatto Consultancy Ltd
- CK Hutchison Holdings Ltd
- CLP Holdings Ltd
- Companies Registry
- Foxtrot Partner Ltd
- GIL (HK) Ltd
- Global Vision CPA Ltd
- Hugo Leung & Lawyers
- Lenovo Group Ltd
- LT Business Consultants Ltd
- Reanda EFA Secretarial Ltd



- SWCS Corporate Services Group (Hong Kong) Ltd
- Trident Corporate Services (Asia) Ltd
- Wah Kwong Maritime Agency Co Ltd

## Chartered Governance Qualifying Programme (CGQP)

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### November 2025 examination diet

#### Examination postponement application: REMINDER

Candidates who were unable to attend the scheduled CGQP November 2025 examinations may apply for an examination postponement by submitting a completed application form with a fee of HK\$1,000 per module, along with a relevant medical certificate and/or supporting document(s). All applications must be submitted to the Institute on or before Thursday 18 December 2025.

#### Key dates

Key dates	Description
18 December 2025	Closing date for examination postponement applications
Late February 2026	Release of examination results
Late February 2026	Release of examination papers, mark schemes and examiners' reports
Mid-March 2026	Closing date for examination results review applications

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

For details, please visit the *Examinations page* under the *Chartered Governance Qualifying Programme subpage* of the *Studentship section* of the Institute's website: [www.hkcg.org.hk](http://www.hkcg.org.hk).

For enquiries, please contact the *Qualifications and Assessments Section*: (852) 2830 6010, or email: [exam@hkcg.org.hk](mailto:exam@hkcg.org.hk).



# HKCGI



## ECPD Videos on Demand

### Board Effectiveness Series:

HK Listing Rules New Board  
Effectiveness Evaluation Requirements -  
Sharing on International Best Practice

Future-Proofing Governance: From  
Paper to Platforms as a Key to Board  
Effectiveness

Onboarding - A Practical Guide for  
Directors

### Wealth Management Series

New Company Re-Domiciliation Regime  
and Latest Trends in Tax Controversy

Hong Kong Payroll Management: Practical  
Brief and Update

Overview of Taxation for Doing Business  
in China

Anytime anywhere at your convenience

Register  
*now!*



For more details, please check the Professional Development section of HKCGI website: [www.hkcg.org.hk](http://www.hkcg.org.hk)

Enquiries: 2830 6011 / 2881 6177 / [cpd@hkcg.org.hk](mailto:cpd@hkcg.org.hk)

## SFC advances the development of Hong Kong's REIT market

On 13 October 2025, the Securities and Futures Commission (SFC) launched the REIT Channel, a new one-stop confidential consultation platform to support both local and international applicants seeking authorisation of real estate investment trusts (REITs) for public offerings. The initiative forms part of the SFC's ongoing efforts to enhance the development and competitiveness of Hong Kong's REIT market.

The SFC has also streamlined the REIT authorisation process and documentary requirements, reflecting the latest updates to the Listing Rules and prevailing market practices. The updated documents on the newly streamlined process for REIT authorisation applications include:

- the Checklist on REIT Authorisation and Documentary Requirements
- the Checklist for Application for Authorisation of Real Estate Investment Trusts, and

- FAQs relating to REITs.

Under the new arrangements, the SFC expects that decisions on new REIT authorisation applications will be reached within four weeks from take-up, under normal circumstances.

'By enhancing the regulatory transparency and efficiency for REIT applicants, the latest initiatives underscore the SFC's commitment to driving the long-term growth of Hong Kong's REIT market and the city's appeal as a vibrant fundraising and investment hub,' explained Christina Choi, Executive Director of Investment Products, SFC. 'We welcome both local and international REIT managers and asset owners to set up their REITs in Hong Kong. With the new initiatives, applicants can seize REIT sector opportunities as they arise and navigate Hong Kong's dynamic capital markets with confidence.'

In addition, to facilitate secondary offerings by existing SFC-authorised

REITs, the SFC has issued a circular setting out the streamlined documentary requirements. REITs may now adopt disclosure requirements aligned with those for listed companies under the Listing Rules, with necessary modifications. A new REIT FAQ Question 63A provides additional practical guidance. Disclosure obligations under the Code on Real Estate Investment Trusts continue to apply. The SFC has also updated the size tests for notifiable transactions and connected party transactions.

*More information is available on the SFC website: [www.sfc.hk](http://www.sfc.hk).*



## SFC consults on enhancements to Hong Kong's retail fund code

On 22 October 2025, the SFC issued a three-month consultation on proposed amendments to the Code on Unit Trusts and Mutual Funds (UT Code), aiming to align Hong Kong's regulatory regime for SFC-authorised funds with the latest international regulatory standards, as well as to expand product choices for investors. Stakeholders are invited to submit their feedback by 21 January 2026.

Key proposals include:

- **Derivatives use.** Introducing the Value-at-Risk approach as an alternative to the existing net derivative exposure limit, giving experienced fund managers greater flexibility and aligning Hong Kong with major global fund jurisdictions.
- **Liquidity risk management.** Incorporating the latest International Organization of

Securities Commissions standards, including requirements for liquidity-redemption alignment and the use of anti-dilution liquidity management tools for funds investing predominantly in less liquid assets.

- **Phased retail access to private markets.** Allowing SFC-authorised unlisted funds, on a case-by-case basis and with safeguards, to invest in illiquid and private market assets beyond the current 15% limit.
- **Money market funds.** Strengthening regulation by mandating at least one anti-dilution liquidity management tool, introducing more transparent requirements criteria for eligible high-quality instruments and allowing money market funds to offer constant net asset value products.

- **Operational efficiency measures.** Refinements include updated requirements for management companies, greater flexibility for feeder funds investing in SFC-approved master funds and consolidation of rules for specialised schemes.

'These enhancements reflect the SFC's firm commitment to advancing the public fund market through robust regulations and reinforcing Hong Kong's position as a leading international asset and wealth management centre,' said Christina Choi, Executive Director of Investment Products, SFC. 'We are dedicated to ensuring our regulatory regime remains competitive globally by fostering product innovation and upholding investor protection.'

*More information is available on the SFC website: [www.sfc.hk](http://www.sfc.hk), or by emailing [utc-consultation@sfc.hk](mailto:utc-consultation@sfc.hk).*

## Fighting scams in the digital age

The SFC's October issue of its Enforcement Reporter offers a timely overview of Hong Kong's escalating financial-scam landscape and the multi-agency response of regulators. This newsletter comes amid a sharp surge in fraud cases – the Hong Kong Police Force recorded more than 44,000 deception cases in 2024, quadruple the volume from five years earlier, while scam-related complaints in the first half of 2025 have already exceeded that of the equivalent period in the previous year.

### Emerging digital-age threats

The newsletter outlines the dominant scam trends facing investors, including cross-border fraud, impersonation on social media, the growing influence of 'finfluencers' who may promote unauthorised products or offer paid investment advice without a licence, cryptocurrency-related fraud, market manipulation on social media platforms and increasingly sophisticated SMS phishing schemes.

### Regulatory tools and takedown mechanisms

To combat these threats, the SFC has expanded its digital surveillance capabilities through SENSOR, its Social Media Monitoring System, to detect suspicious content and

possible fraud signals online, while its Alert List provides real-time warnings to the public.

The SFC is also deepening cooperation with major platform operators. Following its first takedown protocol established in October 2024, the regulator is working with additional platforms to implement more streamlined notification-and-removal processes, ultimately moving towards a proactive detect-and-remove model aimed at preventing investors from encountering fraudulent materials in the first place.

### Anti-Scam Consumer Protection Charter 3.0

A centrepiece referenced in the October issue of the Enforcement Reporter is the Anti-Scam Consumer Protection Charter 3.0, inaugurated in July 2025. The initiative represents a broad collaboration between Hong Kong's financial regulators, major technology companies and telecommunications providers to strengthen cross-sector defences against online fraud.

Jointly launched by the SFC, the Hong Kong Monetary Authority (HKMA), the Insurance Authority and the Mandatory Provident Fund

Schemes Authority, this Charter is also fully supported by the Consumer Council, the Hong Kong Association of Banks, the Hong Kong Police Force and the Office of the Communications Authority. It sets commitments to ensuring faster information-sharing, stronger detection technologies, enhanced public-education efforts and clearer response mechanisms for scam victims.

### Recent enforcement actions and practical guidance

The SFC's October issue of its Enforcement Reporter also features recent cases against unlicensed finfluencers engaged in promoting investment products and other unlawful activities. It sets out a series of practical tips for investors, reiterating the importance of verifying licences, avoiding offers on social media channels and consulting official regulatory sources.

*More details on the Anti-Scam Consumer Protection Charter 3.0 and related consumer-protection measures are available on the HKMA's [dedicated page](#), while the full version of the October issue of the Enforcement Reporter newsletter can be accessed via the [Published resources section of the SFC website: www.sfc.hk](#).*



# THE UNIVERSITY ROUTE TO CHARTERED GOVERNANCE

Explore the HKCGI Collaborative Course Agreement (CCA) programmes with Hong Kong's leading universities.

The Hong Kong Chartered Governance Institute (HKCGI) has partnered with top local universities to offer an alternative route to membership. The Collaborative Course Agreement (CCA) programmes allow you to pursue a relevant Master's degree that, upon successful completion, grants you full exemption from the Chartered Governance Qualifying Programme (CGQP). It's the perfect integration of postgraduate education and professional qualification.



**CCA**

**This route is ideal for:**

- Aspiring company secretaries and governance leaders.
- Professionals in accounting, finance or law seeking to specialise.
- Recent graduates wanting a direct entry into the governance profession.

\*HKCGI accredited Master's Degree leading to full exemption from the CGQP.



## Our University Partners and Programmes

### City University of Hong Kong

- ✓ **Programme:** Master of Science in Professional Accounting and Corporate Governance (CG Stream)
- ✓ **Mode:** Full-time (1 year) / Part-time (2 years)

### Hong Kong Baptist University

- ✓ **Programme:** Master of Science in Corporate Governance and Compliance
- ✓ **Mode:** Full-time (1 year) / Part-time (1.5 years)

### Hong Kong Metropolitan University

- ✓ **Programme:** Master of Corporate Governance and Compliance (Face-to-face)
- ✓ **Mode:** Full-time (1 year) / Part-time (2 years)
- ✓ **Programme:** Master of Corporate Governance and Compliance (Distant learning)
- ✓ **Mode:** Part-time (2 years)

### Saint Francis University

- ✓ **Programme:** Master of Corporate Governance
- ✓ **Mode:** Part-time (1.5 years)

## Your 3-Step Journey

### Step 1: Enrol

Apply to and gain admission into one of the accredited CCA Master's programmes at our partner universities.

### Step 2: Register

Once your Master's programme begins, register as an HKCGI student to officially start your journey with the Institute.

### Step 3: Graduate and Qualify

Upon successful graduation, apply for full exemption from the CGQP, paving your way to becoming a member of HKCGI.

For programme details, admission requirements and application deadlines, please visit the respective university websites.

**Contact HKCGI**  
Qualifications and Assessments Section

- ☎ 2881 6177
- ✉ [student@hkcgi.org.hk](mailto:student@hkcgi.org.hk)

CCA programmes

