

# CSj

October 2014

Chartered Secretaries.  
More than meets the eye.

特許秘書. 潛能. 超越所見.

The journal of The Hong Kong  
Institute of Chartered Secretaries

香港特許秘書公會會刊



## Asking difficult questions

CGC 2014 review

Directors' delegation  
Inside information  
Know your Institute

65  CHARTERED  
SECRETARIES  
特許秘書  
Years in Hong Kong



# tricor

The Business Enablers



## Your Registrar of Choice

### Total Investor Solutions

Tricor Investor Services is part of the Tricor Group global network, which offers professional services in 30 cities across 17 countries/territories.

Tricor Investor Services offers seamless multiple solutions for all investor and related corporate issues.

Our expert services are supported by:

- Experienced professionals
- State-of-the-art information technology
- Efficient securities application service via electronic and physical means
- One-stop total solutions from all Tricor business lines covering corporate governance, compliance and secretarial among others

Listed clients include some 850 companies whose shares, warrants and/or REIT units are listed on the Hong Kong Stock Exchange.

### Tricor Investor Services Limited

Level 54  
Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2980 1888  
Fax: (852) 2861 0285  
Email: info@hk.tricorglobal.com

### Share Registration Public Office

Level 22  
Hopewell Queen's Road East  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2980 1333  
Fax: (852) 2810 8185  
Email: is-enquiries@hk.tricorglobal.com

[www.hk.tricorglobal.com](http://www.hk.tricorglobal.com)  
[www.tricoris.com](http://www.tricoris.com)  
[www.hkeipo.hk](http://www.hkeipo.hk)

*Member of BEA Group*

# *Creating confidence in your biggest asset*



An organisation's culture is defined by the sum of its behaviours. Trade-offs are often made – for example, what takes priority – profit or customer? Having confidence that your people are making the right decision at key moments is fundamental to the success of your business. As such conversations about the impact of culture, conduct and behaviours need to be taking place at board level.

To find out more about how PwC can help you to measure and develop a stronger culture and enhance conduct and behaviours, please contact:

***Timothy Clough***  
Partner, Risk assurance  
+852 2289 1955  
[tim.a.clough@hk.pwc.com](mailto:tim.a.clough@hk.pwc.com)

## Good governance comes with membership

### About The Hong Kong Institute of Chartered Secretaries

The Hong Kong Institute of Chartered Secretaries (HKICS) is an independent professional body dedicated to the promotion of its members' role in the formulation and effective implementation of good governance policies in Hong Kong and throughout China, as well as the development of the profession of the Chartered Secretary. The HKICS was first established in 1949 as an association of Hong Kong members of the Institute of Chartered Secretaries and Administrators (ICSA) of London. It became a branch of ICSA in 1990 before gaining local status in 1994, and today has over 5,800 members and 3,200 students.

### Council 2014

**Edith Shih** FCIS FCS(PE) – President  
**Ivan Tam** FCIS FCS – Vice-President  
**Dr Gao Wei** FCIS FCS – Vice-President  
**Bernard Wu** FCIS FCS – Treasurer  
**Dr Eva Chan** FCIS FCS(PE)  
**Susie Cheung** FCIS FCS(PE)  
**Jack Chow** FCIS FCS  
**David Fu** FCIS FCS(PE)  
**Paul Moyes** FCIS FCS  
**Douglas Oxley** FCIS FCS  
**Paul Stafford** FCIS FCS  
**Polly Wong** FCIS FCS(PE)  
**April Chan** FCIS FCS(PE) – Ex Officio

### Membership statistics update

As of 10 September 2014, the Institute's membership statistics were as follows:

**Students:** 3,297  
**Graduates:** 483  
**Associates:** 4,912  
**Fellows:** 514

### The Hong Kong Institute of Chartered Secretaries

(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@hkics.org.hk](mailto:ask@hkics.org.hk) (general)

[member@hkics.org.hk](mailto:member@hkics.org.hk) (member)

[ecpd@hkics.org.hk](mailto:ecpd@hkics.org.hk) (Professional Development)

[student@hkics.org.hk](mailto:student@hkics.org.hk) (student)

Website: [www.hkics.org.hk](http://www.hkics.org.hk)

### Beijing Representative Office

Rm 15A04, 15A/F, Dacheng Tower, No 127 Xuanwumen West Street

Xicheng District, Beijing, 100031, China

Tel: (86) 10 6641 9368

Fax: (86) 10 6641 9078

Email: [bro@hkics.org.hk](mailto:bro@hkics.org.hk)

### Institute of Chartered Secretaries and Administrators

#### Governance Institute of Australia

Level 10, 5 Hunter Street

Sydney, NSW 2000

Australia

Tel: (61) 2 9223 5744

Fax: (61) 2 9232 7174

#### Chartered Secretaries Canada

202-300 March Road

Ottawa, ON, Canada K2K 2E2

Tel: (1) 613 595 1151

Fax: (1) 613 595 1155

#### The Malaysian Institute of Chartered Secretaries and Administrators

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 Secretaries New Zealand

PO Box 444

Shortland Street

Auckland 1015

New Zealand

Tel: (64) 9 377 0130

Fax: (64) 9 366 3979

### Committee chairmen 2014

#### Audit Committee:

**Paul Moyes** FCIS FCS

#### Education Committee:

**Polly Wong** FCIS FCS(PE)

#### Human Resources Committee:

**April Chan** FCIS FCS(PE)

#### Membership Committee:

**Susie Cheung** FCIS FCS(PE)

#### Professional Development Committee:

**Jack Chow** FCIS FCS

#### Nomination Committee:

**Neil McNamara** FCIS FCS (Past President)

#### Secretariat

**Samantha Suen** FCIS FCS(PE) Chief Executive

**Louisa Lau** FCIS FCS(PE) General Manager

& Company Secretary

**Candy Wong** Director, Education and Examinations

**Mohan Datwani** FCIS FCS, Solicitor and Accredited

Mediator, Director, Technical and Research, HKICS

**Cherry Chan** Director, Membership

**Lydia Kan** ACIS ACS Director, Professional Development

**Kenneth Jiang** FCIS FCS, BRO Chief Representative

**Karen Ho** Senior Manager, Finance and Accounting

## October 2014

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

Views expressed are not necessarily the views of The Hong Kong Institute of Chartered Secretaries or Ninehills Media. Any views or comments are for reference only and do not constitute investment or legal advice. No part of this magazine may be reproduced without the permission of the publisher or The Hong Kong Institute of Chartered Secretaries.

Circulation: 9,100

Annual subscription: HK\$2600 (US\$340)

To subscribe call: (852) 3796 3060 or

email: [enquiries@ninehillsmedia.com](mailto:enquiries@ninehillsmedia.com)

### Editorial Committee

**Kieran Colvert**

**Mohan Datwani**

**Paul Davis**

**Lydia Kan**

**Ernest Lee**

**Low Chee Keong**

**Samantha Suen**

**Xie Bing**

### Credits

**Kieran Colvert**

Editor

**Terence Fung**

China Editor

**Ester Wensing**

Art Director

**Harry Harrison**

Illustrator (cover)

**Images**

iStockphoto

### Contributors to this edition

**Low Chee Keong**

CUHK

**Michael Duignan**

SFC

### Advertising sales enquiries

Ninehills Media Ltd

Tel: (852) 3796 3060

**Abid Shaikh**

Email: [abid@ninehillsmedia.com](mailto:abid@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

Internet: [www.ninehillsmedia.com](http://www.ninehillsmedia.com)

Email: [enquiries@ninehillsmedia.com](mailto:enquiries@ninehillsmedia.com)

© Copyright reserved

ISSN 1023-4128

# Contents

## Cover Story

### CGC 2014 review 08

CSj reviews the HKICS Corporate Governance Conference 2014.

## In Focus

### Know your Institute: fostering talent 18

This third article in our 'Know your Institute' series looks at how the HKICS helps students and members acquire the skills they need for a successful career as a Chartered Secretary.

## Viewpoint

### Delegation of duties 24

Low Chee Keong FCIS FCS, Associate Professor in Corporate Law, The Chinese University of Hong Kong Business School, argues that a recent controversy involving the MTR Corporation Ltd in Hong Kong raises an important issue in corporate law – to what extent can directors delegate to, and rely on, others?

## Get the FAQs

### Inside information disclosure 28

The Securities and Futures Commission answers technical questions relating to inside information disclosure.

## HKICS News

### President's Message 04

### Institute News 32

### Student News 39

## Ask the Expert 07

Your technical questions answered.

## Bulletin Board 45

New items and regulatory changes of relevance to members.

## Careers 47





This year our Institute is celebrating a double anniversary – it is 20 years since the incorporation of the HKICS in Hong Kong and 65 years since the first local association of Chartered Secretaries was set up back in 1949. Our celebrations will culminate later this month with our anniversary cocktails, to be held on 20 October. This event will not only be about the extraordinary journey we have travelled in those 20+65 years, but also about where we are heading.

Our membership numbers have almost doubled since 1994 (from about 3,000 to over 5,800) and our student numbers have been maintained at over 3,000 annually. Back in 1994, our secretariat comprised eight staff members – today we have 30 in Hong Kong and four in Beijing. And we are still growing. Indeed, the potential for growth in student numbers in Mainland China is quite staggering. This growth is redrawing the map of the global corporate secretarial profession. We are moving towards a multipolar world, not only economically and politically, but also professionally.

On 17–19 October, our Institute will be hosting an ICSA International Council meeting in Hong Kong. Representatives of all nine divisions of ICSA and their chief executives will meet here for the third time. Such meetings were previously held here in 2002 and 2006, but this will

# Looking ahead

be the first meeting to be held in Hong Kong since reforms were made to the ICSA Charter to ensure proportionate representation of the ICSA divisions on International Council. The ICSA has realigned itself as a global organisation, founded and based in the UK, but ready to take up the challenges of promoting the profession globally. This is going to be an important meeting for ICSA as the International Council will discuss and formulate new strategies for the global institute going forward. Our Council is very excited about the visit.

As you might expect, there has been a lot of interest in the development of the profession in Mainland China. After the International Council meeting in Hong Kong, I will be accompanying the ICSA International President, the other Vice-President and other delegates from our Institute to meet with regulators and HKICS affiliated persons, members and students in Shanghai.

This visit will be more than a courtesy call. For the ICSA and HKICS delegates, the visit will be a welcome opportunity to get a better picture of where the profession is at the moment on the Mainland and, more importantly, where it is heading. It will also improve our understanding of the key corporate and regulatory developments in the PRC. But the visit, as ever, will be a two-way exchange. Our Mainland stakeholders are interested in learning about the profession in Hong Kong and globally, and I am sure the visit will help further the understanding of both hosts and guests of the potential for cooperation and joint promotion of good governance and our profession.

This month, then, will be a busy one for our Institute. In addition to the events above,

we will also be convening our annual Convocation. This event, to be held on 18 October, is an opportunity to welcome newly elected members (on this occasion 33 Fellows and 220 Associates) into the profession. Dr PM Kam FCIS FCS, former Chief Executive Officer of the Financial Reporting Council, will be the Guest of Honour at this event which the visiting ICSA Council members will also attend.

I look forward to welcoming our overseas guests from ICSA at the ICSA Council Meeting, congratulating our new Associates and Fellows at the Convocation, as well as meeting our members and other stakeholders at the 20+65 anniversary cocktail reception.

Our other international affiliation, the Corporate Secretaries International Association (CSIA) will be holding its Council Meeting in Sao Paulo, Brazil. On this occasion it will be welcoming its newest affiliate member – the Thai Listed Companies Association, and it aims to establish friendship with corporate secretarial and governance professionals in South America.

I am excited about all these new initiatives and good news. Let's celebrate together!

A handwritten signature in black ink, appearing to read 'Edith Shih'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Edith Shih FCIS FCS(PE)

# 展望未来

公会今年适逢双重志庆 - 香港特许秘书公会在香港成立20周年，也是自1949年本地特许秘书首次聚会迄今65周年。10月20日隆重举行的周年誌庆酒会将成为公会庆祝活动的高峰。是次活动不仅回顾公会在这段「20+65」岁月中的不凡经历，也会展望公会的未来发展路向。

公会的会员人数自1994年至今几乎增加了一倍（从约3,000人增至目前超过5,800人），而每年的学员人数也维持在3,000人以上。回想在1994年时，公会的秘书处只有八名职员，但现今香港办事处的员工共有三十人，而北京则有四人。我们仍在不断成长之中。此外，内地学员人数的增长潜力也不容忽视，此增长正在重塑公司秘书专业的环球版图。我们正迈向一个多极化的世界，这不限于经济和政治的范畴内，也见于专业领域之中。

公会将于10月17-19日筹办英国特许秘书及行政人员公会 (ICSA) 在香港举行的国际理事会会议，届时ICSA所有九个分部的代表及总裁，将会第三度于本港聚首一堂。ICSA国际理事会会议曾先后于2002年和2006年在本港举行，但是次会议乃ICSA组织章程修订（以确保ICSA国际理事会中的各分部代表人数符合比例）后在香港举行的首个会议。ICSA将其自身重新定位为一个在英国成立及总部设于当地的全球性组织，积极迎向推广环球公司秘书专业的挑战。是次会议对ICSA来说十分重要，因为其国际理事会将会为这个全球性组织的未来路向制定新策略，而公会也热切期待是次会议的来临。

正如大家可能预料的一样，中国内地对这门专业的发展怀着浓厚兴趣。当ICSA国际理事会在香港举行的会议结束后，我本人将陪同其国际会长、另一位副会长和公会其他代表前往上海，与当地监管机构 and 香港特许秘书公会的联席成员、会员和学员会面。

是次访问并非单纯的礼节性拜访。对ICSA及香港特许秘书公会代表来说，是次访问将是难得的机会，促进ICSA对内地公司秘书专业的了解；更重要的是了解这个专业的未来发展，并且有助加深我们对中国内地主要企业及监管发展的认识。同时，一如以往，是次访问是一个双向性的交流，中国内地的持份者 (stakeholders) 亦希望多了解公司秘书专业在香港及全球的状况，而我相信，是次访问将有助与所拜访单位进一步了解合作，并共同促进良好管治的潜力及我们的专业。

对公会来说，本月是十分忙碌的月份，除了上述活动以外，我们并将举行公会每年一度的资深会士及会士颁授仪式。是次颁授仪式将于10月18日举行，欢迎新任资深会士及会士（本届共有33名资深会士及220名会士）加入我们专业。财务汇报局前行政总裁甘博文博士FCIS FCS将会担任是次活动的荣誉嘉宾，而到访的ICSA理事会成员届时也将出席。

我万分期待在ICSA理事会会议上欢迎各ICSA嘉宾的莅临，在资深会士及会士颁授仪式上向各新任会士及资深会士道贺，以及在我们的「20+65」周年酒会上，与会员及其他嘉宾共聚。

我们的另一国际关联组织「公司秘书国际联合会」（CSIA）将会在巴西圣保罗举行理事会会议。是次会议将同时欢迎其最新加入的附属成员—泰国上市公司协会，而会议的另一目的是与南美公司秘书与管治领域的专业人士建立友谊。

这各项新发展和好消息确实令人兴奋，就让我们一起来庆祝吧！



施熙德

## UPCOMING EVENTS in 2014/15

Comprehensive Series for Empowering Listco and Practitioners' Skills & Knowledge

### How to have effective Investor Relation \*\*

Speaker(s) : **Ms. Eva Chan,**  
**Chairman of Hong Kong Investor Relations Association**  
Date : 07 Oct 2014

### Duties and Responsibilities of Directors of Listed Companies \*\*

Speaker(s) : **Professionals from Baker & McKenzie**  
Date : 15 Oct 2014

### Highlight of the Director's Risk in Commercial Contracts \*\*

Speaker(s) : **Mr. Dominic Wai, Partner, Baker & McKenzie**  
Date : 22 Oct 2014

### Recap on Corporate Governance and Risk Control / Internal Control \*\*

Speaker(s) : **Professionals from Deloitte Touche Tohmatsu**  
Date : 29 Oct 2014

### Illustrative Examples on Financial Instruments

Speaker(s) : **Mr. Joel Chan,**  
**Quality Assurance Partner, ZHONGHUI ANDA CPA Limited**  
Date : 12 Nov 2014

### Valuation for Impairment Testing and latest updates

Speaker(s) : **Professionals from KPMG**  
Date : 26 Nov 2014

### Financial Reporting Standard updates 2014/15

Speaker(s) : **Mr. Nelson Lam, Nelson and Company**  
Date : 3 Dec 2014

### Connected Transaction

#### – Practical sharing and Latest update on Listing Rules

Speaker(s) : **Ms. Beatrice Lung, Managing Director, Optima Capital Limited**  
Date : 14 Jan 2015

\*\* The contents of these seminars are suitable for listed company's directors for their CPD training to meet the CG code's requirement under the listing rules.

Please contact us for details & enrollment:

 **3628 5722**

ListcoPRO is a services provider of professional services to listed companies' in Hong Kong. We are a leader in the area of professional CPD Training and development. Our group companies also provide a number of corporate services including Executive Recruitment, Corporate Governance and Compliance, Business and Transaction Advisory Services.

We Promote  
**PROFESSIONAL**  
LISTCO Practices

Specialized CPD training programme for Listed Companies

# Ask the Expert

If you would like to ask our experts a question, please contact CSj Editor Kieran Colvert: [kieran@ninehillsmmedia.com](mailto:kieran@ninehillsmmedia.com)

The identity and contact details of questioners will be kept confidential

**Q:** *A significant amount of work is undertaken by directors in between meetings, typically on an urgent basis, in the form of approval of circular resolutions and signing of documents. Can these work flows be integrated into our board portal?*

**A:** Yes, this kind of work can be integrated into a board portal, but only if that portal is purpose-built to facilitate such outside-of-meeting activity with security and ease of use.

Today's 24x7 business environment has reset expectations for communication in the workplace, including at the board level. A great deal of board work today takes place between meetings. So, the board portal needs to offer a lot more than passive document sharing to be of any value to directors. It needs to have two-way interactive capabilities that improve decision-making by providing greater efficiency surrounding board meetings, but also to effectively respond to all the work that goes on between.

The portal needs to have a range of productivity tools that can capture the typical process board members are involved in: web conferencing for remote meetings, approvals for green-lighting initiatives or eSigning agreements, and secure email to support the need for one-on-one communication.

Since today's geographically dispersed board members are attached to their mobile devices, especially their iPads, being able to be productive on the go is key. The board portal needs to have a mobile app that helps directors deliver process continuity from these devices wherever they work, whether in meetings or in between, in the office or on the road. This kind of continuity

## BoardVantage

not only drives efficiency, but more importantly, it accelerates the process of making decisions, something every board member will value.

Of course, small screens have their limitations and that's why it's essential that the board portal's mobile app have an intuitive user experience that overcomes these limitations, and makes complex information actionable. A strong visual presentation helps the board member locate and absorb the information they need – promptly and efficiently.

It's common to think of mobility as synonymous with being online, but as business travellers know, network access is spotty on the road. That's why it's imperative that the board portal offers not just offline capability, but also a seamless online-offline experience that allows board members to sign off on resolutions even when an internet connection is unavailable. Without this capability coupled with the others mentioned above, the system will not be useful – or find acceptance among boards.

*Erin Ruck, Regional Director  
BoardVantage  
Tel: 2108 4600  
[eruck@boardvantage.com](mailto:eruck@boardvantage.com)  
[www.boardvantage.com](http://www.boardvantage.com)*

### Your chance to ask the expert...

The challenges company secretaries face in their work tend to be much broader in scope than those faced by other professionals. Their remit goes from technical areas of corporate administration to providing high-level corporate governance advice to the board. This means that practitioners need to be competent in a wide range of fields.

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

*If you would like to ask our experts a question simply email CSj Editor Kieran Colvert at: [kieran@ninehillsmmedia.com](mailto:kieran@ninehillsmmedia.com).*

*If you would like information about how your company can join our expert panel then please contact Paul Davis at: [paul@ninehillsmmedia.com](mailto:paul@ninehillsmmedia.com), or telephone: +852 3796 3060.*

Please note that the identity and contact details of questioners will be kept confidential.



# Asking difficult questions: CGC 2014 review

True to form, the latest HKICS corporate governance conference set itself some hard questions to answer. Peter Greenwood FCIS FCS, Conference Chair, and Kieran Colvert, Editor, CSj, take a look at the highlights as well as some of the lighter moments of the day's discussions.

The Institute's Corporate Governance Conference 2014 lived up to the reputation of its predecessors by delivering a lively, thought-provoking and substantive discussion of current governance issues to an audience of over 330 governance professionals.

In her opening remarks, the Institute's President Edith Shih, explained that the direction of this year's conference was to identify, debate and shed light on a number of specific governance areas characterised by incoming change for which practitioners needed to be fully prepared. 'In the current business environment, the bar is rising for everyone involved in corporate governance – directors, regulators and professional practitioners included,' she said.

The keynote address was delivered by Carlson Tong SBS, JP Chairman of the Securities and Futures Commission (SFC). Carlson generously noted the important role played by the Institute and its members in promoting enhanced governance standards in Hong Kong. Whilst those standards were both good and improving, Carlson warned against complacency. The SFC will continue to play an active role in setting, monitoring and enforcing the standards and best practices of Hong Kong companies to ensure they match the best in the world.

This does not necessarily mean more rules, however. 'A thicker rule-book is not what we need going forward. It is just as important that all company directors and managers have self-discipline and perform their duties properly and professionally,' he said. The SFC will be focusing even more strongly on influencing corporate behaviour, including through a reinforced regime

for statutory disclosure of inside information.

### Has regulation gone too far?

The first of the conference sessions, 'The long arm of the law', tackled the implications of the widening reach of law and regulation into corporate governance, including the growing trend for national legislation with extra-territorial application. A poll of the audience showed that 91% of conference participants felt that their jobs had become more complicated as a result of new regulations (see 'Poll results – session one' overleaf).

Gilles Hilary, Mubadala Chaired Professor in Corporate Governance and Strategy, INSEAD, explained that, however well-intentioned and well-received, there is an identifiable trend for new legislation to destroy value, increase the complexity of doing business and bring confusion. 'There is confusion even among regulators about what the regulations are saying', he said.

He suggested that social norms, expressing peer pressure and conveyed through social media might provide a valuable and positive influence on

corporate behaviour and this is why getting the right 'tone at the top' is so important for companies. 'We all contribute to social norms but the people at the top have greater influence,' he said. 'They have the gravitas to change people's behaviour.' However, it seems that for the moment, legal rules continue to substitute themselves for social norms, meaning that corporate behaviour is driven by legal compliance rather than companies' own judgements, influenced by those norms, on how they should properly conduct themselves.

In a fast-paced and stimulating address, Anthony Neoh JP, Senior Counsel and former adviser to the China Securities Regulatory Commission, focused on the ongoing and large-scale increase in money supply. He graphically explained the rising complexity of financial products, which are both of limited inherent purpose and close to impossible to understand. This was backed up by a poll which showed that a majority of conference participants believed that boards do not understand all the financial transactions their companies enter into (see 'Poll results – session one' overleaf).

## Highlights

- good ethics, rather than complex regulation, remains the foundation of good governance
- company secretaries have an important role to ensure that directors understand the compliance risks associated with Hong Kong's new competition law
- around two-thirds of the conference attendees are not presently reporting on environmental, social and governance (ESG) issues and nearly half regard ESG reporting as a regulatory burden rather than as a part of a risk mitigation strategy



“  
**A thicker rule-book is not what we need going forward. It is just as important that all company directors and managers have self-discipline and perform their duties properly and professionally.**  
 ”

Carlson Tong SBS, JP, Chairman of the Securities and Futures Commission

'Complexity is not coming solely from regulations – financial markets themselves have become more complex. We have seen securitisation upon securitisation upon securitisation,' Mr Neoh said. He added that these trends will increase the urgency for effective dispute resolution procedures to address the disputes to which such instruments will inevitably give rise.

Panellist Anthony Rogers, former Vice-President of the Court of Appeal, continued this theme by observing that financial markets are addicted to debt. 'The root cause of these problems is too much debt, we have become debt junkies,' he said. The solution, however, will not be found in increased regulation since people will always be able to find ways around the rules. He favoured a return to companies being led by management, not appointed 'outsiders', with clear accountability for signing-off the accounts. This suggestion received overwhelming support from conference participants when put to the vote (see 'Poll results – session one' opposite).

Panellist Stephen Brown, Director, Corporate Affairs, Noble Group, and

Deputy Chairman of the Hong Kong Exchanges and Clearing (HKEx) Listing Committee, commented that extra-territorial application of regulations could have quite perverse effects, for example for a prospective CFO to have a US passport would now weigh significantly against his appointment. It is essential to avoid companies being drowned by regulation, especially when that regulation detracts from the easier understanding of businesses – as might well be considered to be the case with mark-to-market accounting.

'I fully agree that more regulation is not the way to go. On the Listing Committee we realise that any listing rule changes have to be thoroughly considered and we would rather go the "comply or explain" route than have an extra 15 pages of regulations,' he said.

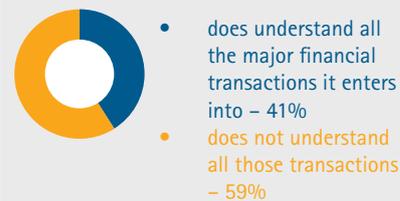
Mr Brown also endorsed Mr Neoh's earlier remarks about the need for efficient and transparent markets. Unfortunately, the recent 'regulatory push' is increasingly driving business under the counter. Good ethics, rather than complex regulation, remains the foundation of good governance.

### Poll results – session one

Since 2007, as a result of new regulations, my job (or work at my firm)



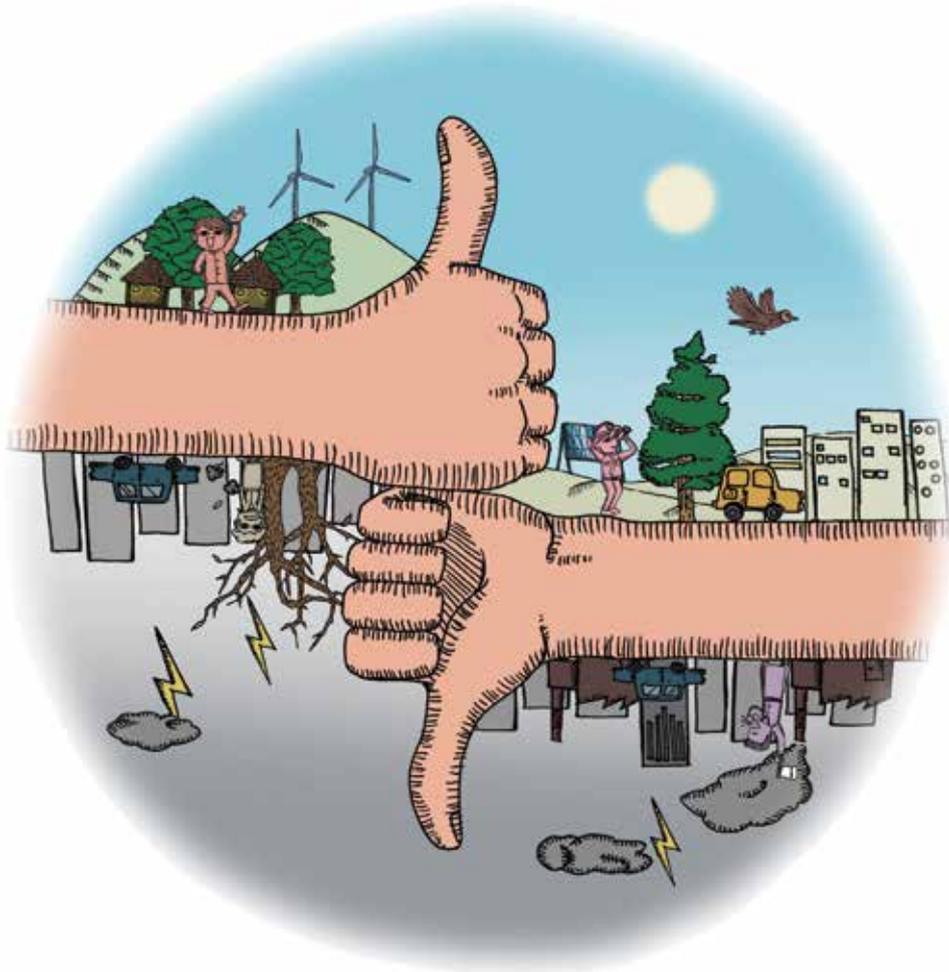
I believe the board of the financial institution or issuer I know best



Should the people who run a company be required to present a document that gives a true and fair view of the financial position of the company as at the end of the financial year and gives a true and fair view of the financial performance of the company for the financial year?



# Powering Asia Responsibly



The people of the Asia-Pacific region need electricity to meet their aspirations for a better life. CLP is committed to meeting their needs in a way that sustains our planet for future generations. Learn more at [www.clpgroup.com](http://www.clpgroup.com)

*CLP is a leading investor-owned power business in Asia with four types of generation modes - coal, gas, nuclear and renewable energy.*





“ Any companies involved in cartel activity need to get out now before the commencement of the [Competition Ordinance]. Bear in mind that your business partners may seek immunity and you may face the problem of the unenforceability of contracts. ”

Anna Wu GBS, JP, Chairperson, Competition Commission

### Is Hong Kong ready for its new competition law?

Anna Wu, Chairperson, Competition Commission, opened the second session, 'Competing to win', by giving a clear, authoritative and purposeful explanation of the objectives, implementation and timetable for the full application of Hong Kong's new Competition Ordinance.

### Poll results – session two

Has your company been involved in cartel activities now or in the past?



Do you think that the Competition Ordinance is going to affect your company?



She confirmed that the Competition Commission hopes to be able to implement the Ordinance by the third quarter of 2015.

She emphasised strongly that companies doing business in Hong Kong must already have started their work of preparation and readiness for the Competition Ordinance. They should not underestimate of the scope, importance, imminence and effective enforcement of Hong Kong's new legislation in this area. She added that the Commission will regard cartel activity as one of the most serious and harmful types of anti-competitive behaviour. One fifth of conference participants answered 'yes' to the question – 'Has your company been involved in cartel activities now or in the past?' (see 'Poll results – session two').

Overseas experience shows that offering immunity or leniency to first reporters of cartel activity is one of the most effective ways of combating this form of anti-competitive practice and Ms Wu confirmed that this will be part of the Competition Commission's armoury. 'Cartels are bad news for any economy.

Any companies involved in cartel activity need to get out now before the commencement of the law. Bear in mind that your business partners may seek immunity and you may face the problem of the unenforceability of contracts.'

A poll led by the Chair of session two, Mark Williams, Professor of Law at the University of Melbourne Law School and founder of the Asian Competition Forum, suggested that around two thirds of the conference attendees believed that the Competition Ordinance will affect their own business (see 'Poll results – session two'). 'A third of you are probably wrong,' he quipped.

Clara Ingen-Housz, a Partner at Linklaters Hong Kong, provided an insight into the significance of anti-trust enforcement on a global and regional basis. She warned of increasing enforcement of competition legislation, including in Asia itself, even if this has not yet reached the scale of the US and EU. One aspect of such enforcement in Asia was that it could be driven by domestic policy considerations, rather than purely legal or regulatory

factors. 'Competition law is a hot topic at the moment and certainly one that companies need to think about proactively, but competition law is not always clear cut – we specialists sometimes struggle to understand the rules,' she said.

Kala Anandarajah, of Rajah and Tann, provided further insights into Asian practice, including by reference to experience in Singapore. She warned that pre-legislation anti-competitive practices with 'no effective end date' may be punished once the Competition Ordinance comes into operation – reinforcing the need to correct any such practices now, rather than await the law coming into effect.

Stephen Crosswell, Partner, Baker and McKenzie, noted that it could take a significant time for a company to undertake a proper audit of its anti-competitive risks and correct any problems. 'If you are a company secretary you need to get this issue before the board and don't underestimate the time it takes to undertake the audit process and to unwind the risks,' he said.

#### Is the new regulatory environment a wake-up call for directors?

The third conference session, 'Board shoulders, broad shoulders' looked at developments in the role and responsibilities of directors. Ashley Alder JP, CEO of the SFC, discussed the SFC's

tougher approach to enforcement of market rules. One of the SFC's aims is that well-governed companies should hold the view, with confidence, that misconduct by others would be identified and dealt with. He outlined Hong Kong's 'new regulatory architecture' which intends to promote this, using four components:

1. gate keeping (with particular reference to IPOs)
2. statutory backing to disclosure obligations
3. better SFC real-time regulatory oversight, and

## Linklaters

# Committed to excellence.

Linklaters is a leading global law firm, supporting clients in achieving their strategies wherever they do business. We use our **expertise and resources** to help clients pursue opportunities and manage risk **across emerging and developed markets** around the world.



Abu Dhabi | Amsterdam | Antwerp | Bangkok | Beijing | Berlin | Brisbane\* | Brussels | Cape Town\*\*\* | Delhi<sup>Δ</sup> | Dubai | Düsseldorf | Frankfurt | Hanoi\* | Ho Chi Minh City\* | Hong Kong | Jakarta\*\* | Johannesburg\*\*\* | Lisbon | London | Luxembourg | Madrid | Melbourne\* | Milan | Moscow | Mumbai<sup>Δ</sup> | Munich | New York | Paris | Perth\* | Port Moresby\* | Rome | São Paulo | Seoul | Shanghai | Singapore | Stockholm | Sydney\* | Tokyo | Ulaanbaatar\* | Warsaw | Washington, D.C.

\* Office of integrated alliance partner Allens

\*\* Widyawan & Partners has an association with Linklaters LLP and Allens

\*\*\* Office of collaborative alliance partner Webber Wentzel

<sup>Δ</sup> Office of best friend firm TT&A



“  
the ante has  
been upped  
”

Ashley Alder JP, CEO,  
Securities and Futures  
Commission (commenting  
on the SFC's rigorous  
enforcement policy)

4. a clear and communicated enforcement policy.

Mr Alder noted that corporate governance misconduct cases have tended to be around issues of false financial information, self-enrichment and the disclosure of false information or concealment. 'The ante has been upped,' he said, adding that the SFC will use all the tools available to it to ensure that market rules are enforced. He mentioned in particular that Section 213 of the

Securities and Futures Ordinance is a key enforcement tool for the SFC. 'Hong Kong is an open market with porous borders so it is essential for us to be in a position to provide remedies for the victims of misconduct. This is one of the top goals of what we do,' he said.

Ada Chung JP, Registrar of Companies, briefed the conference on the meaning, implications and significance of Section 465 of the new Companies Ordinance, whose effect she suggested practitioners should take to heart. 'If you can't remember anything else, remember Section 465,' she said.

The introduction of an objective test of directors' duties, acting cumulatively with a subjective test, brings necessary clarity and rigour into the legal yardstick by which the performance of such duties should be measured. Equally, this redefinition brings those duties more into line with modern realities, practices and expectations. Responding to a question from the floor, Ms Chung explained that this revised definition of directors' duties

applies only to companies incorporated in Hong Kong, although practitioners should be aware that corresponding legislation in other jurisdictions might impose similar standards.

During a lively panel discussion, Teresa Ma, Partner, Linklaters, developed the theme of directors' broad shoulders by emphasising that they must not 'slouch' when faced with their responsibilities. Through training, ethical standards and confidence they must be aware of their duties and be prepared to stand firmly by them. Kelvin Wong, Chairman of the Hong Kong Institute of Directors, and Wendy Yung FCIS FCS, Executive Director and Company Secretary of Hysan Development, shared their experiences as directors of listed companies. 'Against the backdrop of the increasingly complex regulatory environment there is clearly a wake-up call for mediocre directors in Hong Kong, but I am optimistic about the future – there are many organisations such as the HKICS promoting higher standards,' said Mr Wong.

Ms Yung was also optimistic about the capacity of Hong Kong directors to understand and fulfill their responsibilities. She noted the underlying differences between executive and non-executive directors and how her own experience with statutory bodies has given her a better understanding of the challenges faced by non-executives and the duty of executive management to support them in the more effective discharge of their role.

Michael Duignan, Senior Director, SFC, discussed the role of the recently established Corporate Regulation

### Poll results – session three

Which description best describes someone accepting any appointment as director of a listed company:



- brave – 29%
- need the money – 12%
- must have an ulterior motive – 23%
- must be connected to his issuer or major shareholder – 36%



“  
we think it is time to upgrade the  
current recommended best practice  
on ESG to a code provision in 2015  
or early 2016  
”

David Graham, Chief Regulatory  
Officer and Head of Listing, Hong Kong  
Exchanges and Clearing Ltd

team, which is an expression of the SFC's increased focus on corporate behaviour. As a relatively recent arrival in Hong Kong, with considerable regulatory experience elsewhere, his initial impressions are that corporate governance in Hong Kong and respect for the regulatory regime are at a reasonable level by international standards, but equally that there is real scope for improvement as demonstrated by well-known cases, which taken together indicated a somewhat 'patchy' overall standard.

#### Is Hong Kong ready for mandatory ESG reporting?

The conference's final session, 'Winds of reporting change' focused on Hong Kong's preparedness for mandatory environmental, social and governance (ESG) reporting. A poll of the audience led by session Chair Professor CK Low, revealed a modest level of current ESG reporting among conference participants, and nearly half regarded ESG reporting as a regulatory burden rather than as a part of a risk mitigation strategy (see 'Poll results – session four' on page 16).

David Graham, Chief Regulatory Officer and Head of Listing at HKEx, provided considerable doubt about the prudence of such a belief. He pointed out that the new Companies Ordinance now requires companies, for financial years beginning on or after 3 March 2014, to include in their directors' reports a discussion of their environmental policies and performance, as well as an account of their relationships with key stakeholders. Moreover, on the basis of an ESG survey carried out earlier this year, HKEx is planning to raise its disclosure obligations to the level of 'comply or explain'.

'Many respondents to our ESG questionnaire said that they were waiting for the recommended best practice to become a code provision. We think it is time to upgrade the current recommended best practice on ESG to a code provision in 2015 or early 2016,' he said. He added, however, that the market will be consulted on this proposed change – the Exchange plans to bring out a consultation paper setting out the proposed changes in early 2015.

John Barnes, Partner, PricewaterhouseCoopers, echoed Mr Graham's remarks on the importance of ESG reporting as not just a future trend, but a present reality for listed companies and others. He explained the importance of a systematic approach to the identification, management and reporting of environmental and social risks. Shortcomings in the effective management and mitigation of ESG risks could have significant adverse impacts on a company's business and profitability. As had been heard earlier, in the context of competition law, a particular theme of Mr Barnes comments was the need for upfront, proactive and systematic steps to adapt to new requirements in ESG disclosure and the time and effort these would require.

Dr Jeanne Ng, Director, Group Sustainability, CLP Power Hong Kong Ltd, offered some of CLP's experience in being an 'early mover' in ESG disclosure. She explained that this had not been merely a question of compliance. Instead, it also reflected an awareness



“  
if you can't remember  
anything else,  
remember Section 465  
”

Ada Chung JP, Registrar of Companies, HKSAR (commenting on the new directors' duties requirements of Section 465 of the Companies Ordinance)

of growing stakeholder interest in this area, and that if a company did not measure and disclose its own ESG performance honestly and proactively, those stakeholders would assess, even report upon, that performance themselves. 'Social media has become a transformational technology for ESG,' she said. 'Everything you are doing, or not doing, is magnified and that is the risk.'

Poll results – session four

Do you presently report on ESG?



How does your company (or the company you know the best) regard ESG reporting?



Some tentative answers

In the limited time available, the conference could not expect to offer an in-depth analysis, still less solutions to the wide-ranging and complex issues discussed. Rather, the goal was to heighten practitioners' awareness of those issues and to start them thinking about how they might affect their companies and their own roles. Nevertheless, the conference did indicate some tentative answers to the questions raised.

It appears from the speakers' own input and audience feedback that Hong Kong's governance professionals are reasonably attuned to the implications of competition law, whereas the response to the advent of mandatory ESG reporting indicated a noticeable degree of unreadiness. The reaction of both speakers' and attendees to the statutory redefinition of directors' duties was positive and informed. On the broad issue of regulation, whilst both corporate behaviour and regulatory compliance might sometimes be 'patchy', Hong Kong's practitioners are managing change reasonably well. Nonetheless, the extent of shortcomings in familiarity with all relevant Securities and Future Ordinance obligations, revealed in the

polling on this point, suggested potential vulnerability to enhanced enforcement by the SFC.

Over the years, the Institute's corporate governance conferences have had a reasonable track record in foreseeing or anticipating incoming trends affecting governance and the corporate secretarial profession. Looking back at past agendas, the conferences have addressed topics such as ESG reporting; the increase in directors' duties; the growing role of independent non-executive directors; the importance of audit committees and risk management; and the advent of corporate governance codes – all before they had fully entered mainstream governance thought and practice.

During this year's conference there was a general consensus that no slowdown in the pace of regulatory change is in sight, and, were such a slowdown to unexpectedly occur, no one contemplated a slowdown in the effectiveness of regulatory enforcement. This presents all corporate governance professionals with a real opportunity; that of developing new skills, enhancing their role within executive management and bringing themselves closer to the heart of corporate decision-making, not just with respect to compliance, but the wider issues of values, ethics, standards and behaviour.

*Peter Greenwood FCIS FCS, former Company Secretary and Corporate Counsel of CLP Holdings, and Kieran Colvert, Editor, CSj*

*The Institute's ninth biennial corporate governance conference was held on 19-20 September in Hong Kong.*

# The solution for leaders

If you have meetings with lots of paper and lots of people, in lots of places...  
BoardPad is the solution.



- BoardPad runs on an iPad or Windows 8 devices with hosted and self-hosted options.
- Being part of the Institute of Chartered Secretaries and Administrators (ICSA), we understand how to deliver good governance and best practice to your boardroom.
- We provide seamless services from start to finish – superb training and implementation, dedicated account management and 24/7 support.

 We felt at ease with the compelling security features and the fact that BoardPad was developed by the software company of the Institute, which has an in depth understanding of the workings of a secretariat function.

Marcos Castro, London Metal Exchange

## Contact us today for your demonstration

+852 3975 2767  
BoardPad.hk  
BoardPad.com

HKICS & ICSA  
members receive  
10% discount  
in October

© 2014 ICSA Boardroom Apps Limited.



A software company of the  
Institute of Chartered Secretaries  
and Administrators

BoardPad is a registered trademark of ICSA Boardroom Apps Limited.

# Know your Institute: fostering talent



This third article in our 'Know your Institute' series looks at how the Hong Kong Institute of Chartered Secretaries, as the membership and qualifying body for Chartered Secretaries in Hong Kong, helps students and members acquire the skills they need for a successful career as a Chartered Secretary.

**H**ow does one become a successful company secretary? Firstly, and most obviously, you need to have the technical skills required for the company secretarial function. These include having an excellent knowledge of the legal, regulatory and corporate governance framework within which companies operate, a high level of commercial awareness, and strong analytical and administrative skills.

However, as any experienced company secretary will tell you, the skill set required to take practitioners to the top of the profession includes many other qualities you cannot get from studying the relevant areas of law, corporate governance and administration. Company secretaries need to have excellent interpersonal skills, they need to be highly articulate and have a high level of integrity and personal ethics.

This third article in our 'Know your Institute' series will look at how the education and membership teams at the Institute help students and members acquire the full range of skills they need to progress in their career.

### Step one: qualification

#### The IQS

The HKICS sets and conducts the International Qualifying Scheme (IQS) examination which is the primary route for students to qualify as members of the Chartered Secretarial profession. The IQS meets the criteria set by the International Professional Standards Committee of the Institute of Chartered Secretaries

and Administrators (ICSA), the global Chartered Secretarial body, so it represents an international-standard qualifying exam and this is an important badge of quality for aspiring Chartered Secretaries in Hong Kong. This means that members of the HKICS are also automatically qualified as members of the ICSA.

Ensuring that the IQS syllabus remains on target in today's fast-changing regulatory and business environment is the job of the Institute's Education Committee. This team, in particular the IQS Syllabus Rewrite Working Group under the Education Committee, is currently rewriting the syllabus and developing new study packs for its core subjects: Hong Kong corporate law, corporate governance, corporate secretaryship and corporate administration.

Since 2007, the Institute has also been running the IQS examination in Beijing.

It has also developed a PRC IQS syllabus which follows the basic structure of the Hong Kong IQS, but is based on the regulatory and governance environment of the PRC. Moreover, the Institute has developed PRC Corporation Practices modules with HKU SPACE. There are Executive Diplomas in PRC Corporate Governance and PRC Corporate Administration. As of July 2014, there were 145 Mainland students registered with the Institute, and the Institute holds regular information sessions in the Mainland to promote this route into the profession.

'Mainland China will be a potential market for student growth for the HKICS and we expect an increasing number of Mainland students to complete the Chartered Secretarial qualification,' says Polly Wong, Council Member and Chairperson of the Institute's Education Committee. She adds that the profession is increasingly highly regarded and recognised for its

## Highlights

- since its incorporation, membership of the HKICS has grown from about 3,000 to over 5,800 and student numbers have been maintained at over 3,000 annually
- since 2007, the Institute has been running the International Qualifying Scheme (IQS) examination in Beijing and expects Mainland China to be an important market for student growth
- the Institute's education and membership teams aim to provide students and members with the knowledge and the personal qualities they will need to acquire to progress in their careers

## Committee in Focus: Education Committee

**History:** The HKICS Education Committee was set up in January 1994 following the establishment of the Institute as an autonomous local professional body. Prior to that, the Advisory Education Sub-Committee and Student Affairs Sub-Committee were responsible for liaison with local tertiary educational institutions and academics as well as Institute registered students. All examination and related matters were subject to the directions given by the ICSA in the UK.

**Remit:** The Committee:

- sets and administers standards for quality assurance of the IQS and collaborative courses
- sets, monitors and implements studentship development and regulatory policies and support services to students
- promotes the IQS, the Institute and the Chartered Secretarial profession to university students and interested parties
- establishes and maintains contact with relevant academic and professional institutions to prepare students for membership, and
- attends to disciplinary matters and sets, monitors and implements codes of ethics and conduct for students.

The Education Committee is assisted in its work by a number of sub-committees and panels:

- *the Exemption Sub-Committee* reviews and endorses exemption applications for students and recommends exemption-related policies to the Education Committee
- *the Assessment Review Panel* ensures the quality and integrity of the IQS examination; reviews the exam structure and syllabus; sets and reviews examination and assessment policies; and reviews marked examination scripts, and
- *the Academic Advisory Panel* is a platform for the Institute to communicate with representatives of local universities on the development of the Institute's education matters.

**Meetings:** Quarterly.

**Membership:** Polly Wong (Chairman); Ivan Tam (Vice-Chairman); Alberta Sie (Vice-Chairman); David Fu; Winnie Li; Patrick Sung; Jerry Tong; Francis Yuen; Dr Susana Yuen.

contribution to corporate governance and sustainability, particularly in Mainland China, and this enhances the career development and employability of the Institute's members.

### The collaborative courses

While taking the IQS examination is the primary route for students to enter the profession, it is not the only route. The IQS is a graduate entry scheme and is particularly suitable for graduates with degrees in law, finance, accounting, management, corporate administration and corporate governance. As an alternative to completing the Institute's qualifying scheme, registered students have been able, since 1993, to take one of the post-graduate 'collaborative courses' set up in association with three local universities. These Collaborative Course Agreement (CCA) programmes cover much the same topics and are set at the same level as the IQS, and graduates from these courses are eligible to apply for full exemption from the IQS qualifying examination. About one third of newly registered HKICS students are currently recruited via this route.

The Institute works closely with the universities to ensure that quality and relevance is maintained, says Candy Wong, Director, Education and Examinations. The three CCA courses are reviewed every three years by appointed Review Panels comprising a representative from the Education Committee and a representative from the Institute's Assessment Review Panel. Furthermore, the Institute's representatives are appointed as external examiners of the programmes for quality assurance purposes.

Candy Wong adds that the number of degree and post-graduate programmes

“  
there is no getting away from the need to have a broader perspective, I think our members should be alert to the fact that the company secretary role now encompasses more than just record keeping, filings and compliance with the rules  
”

Susie Cheung, HKICS Council Member and Membership Committee Chair



in corporate governance in Hong Kong and Mainland China is expanding. 'Due to the increased complexity of regulations, there is a growing demand for governance professionals and the Institute has been lobbying for an increased number of programmes in corporate governance,' she says.

This year the Open University of Hong Kong and Hang Seng Management College each launched a bachelor's degree in this field. Candy Wong has been liaising with Hang Seng Management College and the Open University of Hong Kong on their new 'BBA in Corporate Governance' which was launched in September 2014. In addition, the Institute has developed practical graduate-level workshops within its mandatory CPD programme and will be extending its mandatory CPD requirement to all HKICS Graduates in 2015.

Polly Wong believes that these trends are very positive signs for the corporate secretarial profession. 'With the increase in awareness of the importance of good

governance for corporate success, and the development of Hong Kong as a prime financial market locally and globally, the role of the corporate secretarial profession will be increasingly critical in the coming decade for the sustainable development and success of corporations,' she says.

#### Step two: personal development

##### A broader perspective

As mentioned at the beginning of this article, technical knowledge is only part of the skill-set company secretaries need to acquire. Susie Cheung, Council Member and Chairperson of the Institute's Membership Committee, believes that the Institute has an important role to play in helping practitioners develop the personal qualities they will need in their career.

'It's about developing the overall character,' she says, 'that's what I have been trying to achieve. There is no getting away from the need to have a broader perspective and I think our members should be alert to the fact that the company secretary role now encompasses

more than just record keeping, filing and compliance with the rules. The other side of being a company secretary is the soft skills. We need to have an awareness of the importance of presentation and general etiquette.'

The Institute's membership services have been designed with this in mind – they aim to complement the services provided by the Institute's education and professional development teams. 'Membership sits at the heart of the Institute's work,' says Cherry Chan, Director of the Institute's Membership Department. 'I work closely with the Chief Executive and Membership Committee in ensuring membership growth and retention, as well as enhancing members' engagement and benefits.'

The events organised by the membership team usually combine a social networking opportunity with a professional or personal development theme. This applies to large-scale events such as the annual dinner and the annual convocation (where

newly elected Fellows and Associates are welcomed into the profession), as well as the diverse range of networking events the membership team organises. A lot of thought goes into choosing the right topic and the right speaker for these events, and the high calibre of speakers the Institute has been able to line up for its membership events has added greatly to their effectiveness and popularity.

Another key consideration has been to target membership events to the very different experience levels of the Institute's membership. A recent innovation has been the establishment of the Young Group, providing networking events for younger members of the Institute. Another relatively recent innovation is the 'Happy Friday for Chartered Secretaries' gatherings. These

enable members to enjoy a relaxed after-work Friday evening with wine and snacks. Guest speakers are invited to share their experience on a diverse range of topics – past events have taken themes such as Chinese ethics and dining etiquette.

'You might ask how relevant these topics are to being a company secretary,' says Susie Cheung, 'but I believe these are part of the "preparatory work". Company secretaries need to deal with the board with confidence, but how do they acquire that confidence? It is only through being exposed to different insights and perspectives that they can grow their confidence and become a more complete person.'

This ethos is also evident in the events targeted at the Institute's senior members

and Fellows. These have included guided tours of art galleries and museums, as well as the recent 'Senior Management/ Board Readiness' series of workshops. As the name suggests, these workshops are designed to prepare senior members to take up board and senior management positions. The second workshop in the series took place last month with three speakers: Anthony Neoh FCIS FCS, Senior Counsel & Former Chief Advisor of the China Securities Regulatory Commission; Su-mei Thompson, CEO, The Women's Foundation, and Founder, the 30% Club Hong Kong; and Robert Knight, Partner, Global CEO & Board of Directors Practice, Heidrick & Struggles, Hong Kong.

#### The value of mentorship

Mentorship has a very long history – for thousands of years apprentices to a

## Committee in Focus: Membership Committee

**History:** The HKICS Membership Committee was set up in January 1994 following the establishment of the Institute as an autonomous local professional body. Prior to that, membership admissions were approved by the ICSA Membership Committee in the UK.

**Remit:** The Committee:

- maintains and improves members' services and benefits (excluding continuing professional development and publishing)
- sets membership admission policies and maintains standards

for acceptance to membership of Graduates and to Fellowship of Associates

- attends to disciplinary matters and the setting, monitoring and implementation of codes of ethics and conduct for members, and
- facilitates the Affiliated Persons' Programme and supports networking activities with regulators, government officials and professional institutions in Mainland China.

The Membership Committee is assisted in its work by the Fellowship

– Promotion and Benefits Group; the Young Group; the Community Service Group; and the Networking Group.

**Meetings:** Quarterly.

**Membership:** Susie Cheung (Chairman); Dr Davy Lee (Vice-Chairman); Paul Stafford (Vice-Chairman); Dr Eva Chan; Edmond Chiu; Angie Fung; Nereid Lai; Stella Lo; Gloria Ma; Terry Wan; Ye Yu Mang.



“  
**Mainland China will be a potential market for student growth for the HKICS and we expect an increasing number of Mainland students to complete the Chartered Secretarial qualification**  
 ”

Polly Wong, HKICS Council Member and Education Committee Chair

profession or guild have been learning from the masters. As you might expect, mentorship plays an important part in both the Institute's educational and membership services.

On the education side, since 2006 the Institute's 'Student Ambassadors Programme' (SAP) has been bringing together local undergraduates as mentees and Institute's members as mentors. The SAP also offers a summer internship programme and activities such as seminars, visits to regulators and professional services firms, as well as attending AGMs of listed companies. Over 1,000 students have participated in this programme to date.

Polly Wong believes mentorship is an ideal way for members to get involved in the work of the Institute. 'Members can directly contribute their professional knowledge and skills to the Institute in different aspects including mentorship, student development, professional development, and even strategically developing the Institute as the professional body in Hong Kong, Mainland China and worldwide,' she says.

On the membership side, the Institute is currently devising a formal mentorship programme which hopes to exploit the possibilities of mentorship more widely. Susie Cheung believes the programme will be an excellent way for less experienced members to build up their skills, and she hopes the programme can be up and running by the beginning of next year. The Institute is currently identifying possible mentors from among senior Fellows and associates and considering how to structure the programme. Ms Cheung adds that the Institute will need to prepare both mentors and mentees about their obligations and the benefits they can hope to receive from the programme. She points out that benefits flow both ways – apart from anything else, it helps mentors keep in touch with the mindset of the younger generation.

#### **A bright future?**

Membership at the HKICS has been growing steadily. Since it was incorporated back in 1994, membership of the Institute has grown from about 3,000 to over 5,800 and student numbers have been maintained at over 3,000

annually. This trend contrasts with the declining membership of some Chartered Secretarial bodies elsewhere. Respondents to this article point out that this growth has a lot to do with the growing demand for compliance and corporate governance professionals in this part of the world, but they add that credit is also due to the way the Institute has been able to pick up on these opportunities.

'I think we are basically establishing ourselves as the guardians of corporate governance,' says Susie Cheung. Going forward, she believes the Institute will continue to grow. 'The future is bright, we are not in a declining industry. On the contrary, there is a greater and more active role for company secretaries to play and how effective we are going to be, and how relevant to society we are going to be, will depend on how much we want to play that role.' 

*The first two articles in this series can be found in the May and July 2014 editions of CSj. Look out for the next article in the November 2014 edition.*

# Delegation of duties

Low Chee Keong FCIS FCS, Associate Professor in Corporate Law, The Chinese University of Hong Kong Business School, argues that a recent controversy involving the MTR Corporation Ltd in Hong Kong raises an important issue in corporate law – to what extent can directors delegate to, and rely on, others?

On 15 April 2014, the MTR Corporation Ltd (MTR) announced that its HK\$67 billion high-speed railway linking Hong Kong with Guangzhou would be delayed by up to two years due to 'unforeseen difficulties'. The Secretary for Transport and Housing, Professor Anthony Cheung, had then admitted at being 'totally caught by surprise' by the extent of the delay.

He subsequently confessed that he had wanted to inform lawmakers that the rail link might not be ready by the target date of 2015 at a meeting on 22 November 2013 but was persuaded not to do so by Jay Walder, Chief Executive Officer of the MTR, who assured Professor Cheung that the existing schedule remained feasible.

At the Legislative Council Panel on Transport Subcommittee Meeting on 5 May, Mr Walder stated that, despite the exploration of 'every possible alternative ... the obstacles were just too great'. Separately, during an interview with

RTHK Radio, Michael Tien, a legislator and previous Chairman of the KCRC before its merger with the MTR, raised a pertinent question, namely – 'Did [Mr Walder] ask the necessary questions to check if the team could really deliver the project on time before calling the Transport Minister? If he didn't, then it's serious negligence!'

The foregoing raises an important issue in company law, namely – to what extent can directors delegate their responsibilities and to what extent can they place reliance upon third parties? The crux of the issue goes to the standard



of care expected of directors which has since 3 March 2014 been codified in Section 465(1) of the Companies Ordinance (Cap 622) as requiring directors to 'exercise reasonable care, skill and diligence'. Section 465(2) defines this to mean the care, skill and diligence that would be exercised by a reasonably diligent person with:

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

Some guidance on this vexed issue may be derived from the decision of the Federal Court of Australia in *Australian Securities and Investments Commission v Healey* [2011] FCA 717. In a nutshell, the directors were alleged to have breached their duty of care and diligence owed to Centro, the company on which board they serve, by approving consolidated financial accounts that had incorrectly classified A\$1.5 billion in debt as 'non-current liabilities', as well as failing to disclose the provision of A\$1.75 billion in guarantees to an associated company after the balance date. Significantly, both

transactions had been reviewed without query by its Audit Committee as well as by PricewaterhouseCoopers, its external auditor.

In finding the directors liable, Middleton J opined that the 'importance of the financial statements is one of the fundamental reasons why directors are required to approve them and resolve that they give a true and fair view'. He emphasised that 'case law indicates that there is a core, irreducible requirement of directors to be involved in the management of the company and to take all reasonable steps to guide and monitor' and that they have 'a duty greater than that of simply representing a particular field of experience or expertise'.

Crucially, the judge noted that although 'a reasonable step would be to delegate various tasks to others ... this does not discharge the entire obligation upon directors', echoing an earlier judicial pronouncement by Lord Wolff in *Re Westfield Parking Services Ltd* [1998] 2 BCLC 646, that while 'a proper degree of delegation and division of responsibility is of course permissible, and often necessary, but total abrogation of responsibility is not'.

These views were embraced wholeheartedly by Lord Goldsmith in the Lords Grand Committee during the parliamentary debate on the proposed codification of the duty of directors to exercise independent judgement – now

## Highlights

- with the operational complexities of companies continuing to expand significantly – both technically and geographically – there will inevitably be an increasing degree of reliance on internal and/or external expertise
- although they are allowed to delegate some of their responsibilities, directors are not entitled to rely blindly on advice without applying their minds independently to the facts
- Section 465(2)(b) of the Companies Ordinance requires directors to apply their 'general knowledge, skill and experience' to the facts in hand

“  
 the key consideration for directors must be whether they have – collectively as a board – directed their minds independently to the robustness and accuracy of the periodic reports and/or board papers which were provided to them by the management of the company

”

section 173 of the English *Companies Act* 2006 – when Lord Goldsmith opined that: ‘The duty does not prevent a director from relying on the advice or work of others, but the final judgement must be his responsibility. He clearly cannot be expected to do everything himself. Indeed, in certain circumstances directors may be in breach of their duty if they fail to take appropriate advice – for example, legal advice. As with all advice, slavish reliance is not acceptable, and the obtaining of outside advice does not absolve directors from exercising their judgement on the basis of such advice.’

Thus, although they are allowed to delegate some of their responsibilities, directors are not entitled to rely blindly on advice without applying their minds independently to the facts. Indeed this was a key observation by Middleton J in *Centro* as he took great pains to declare that: ‘Nothing that I decide in this case should indicate that directors are required to have infinite knowledge or ability. Directors are entitled to delegate to others the preparation of books and

accounts and the carrying on of the day-to-day affairs of the company. What each director is expected to do is to take a diligent and intelligent interest in the information available to him or her, to understand that information, and apply an enquiring mind to the responsibilities placed upon him or her.’

Although the decision in *Centro* revolved principally around the issue of disclosure in financial statements, its application extends much further as Middleton J reviewed the extent to which directors could reasonably rely on advice from third parties. With the operational complexities of companies continuing to expand significantly – both technically and geographically – there will inevitably be an increasing degree of reliance on internal and/or external expertise.

In such circumstances the key consideration for directors must be whether they have – collectively as a board – directed their minds independently to the robustness and accuracy of the periodic reports and/

or board papers which were provided to them by the management of the company. Any failure to do so may render them in breach of section 465(2)(b) of the Companies Ordinance which require that they apply their ‘general knowledge, skill and experience’ to the facts in hand.

**Low Chee Keong**  
 B.Ec; LL.B (Monash); LL.M (HKU);  
 FCIS FCS

*Associate Professor in Corporate Law, The Chinese University of Hong Kong Business School*

*CK Low chaired session four of the Institute’s Corporate Governance Conference 2014.*

*The full paper by Low Chee Keong and Low Tak Yip, ‘When is the Board Accountable for Delegation and Reliance? A Case Study of the MTR Corporation’ is available for download at <http://ssrn.com/abstract=2487710>.*

# The art of lugging less, and doing more.



Streamline your board paper compilation with Diligent Boardbooks.<sup>®</sup>

## SIMPLE. SECURE. SUPPORTED.

From page-level control over content to instantly updated meeting materials, Diligent Boardbooks is the simple, secure and convenient way to keep your board up-to-date.

- ▶ Simple and quick book creation
- ▶ Versatile workflow and approvals
- ▶ Security that meets or exceeds industry standards
- ▶ Superior customer service and training
- ▶ Award-winning 24/7/365 live support

**FREE DEMO.** Call today to experience  
The World's Most Widely Used Board Portal:

- ▶ +852 2297 2254
- ▶ [info@boardbooks.com](mailto:info@boardbooks.com)
- ▶ [www.boardbooks.com](http://www.boardbooks.com)

 **Diligent** The World's Most Widely Used Board Portal.

Diligent is a trademark of Diligent Board Member Services, Inc., registered in the United States. Diligent Boardbooks is a trademark of Diligent Board Member Services, Inc., registered in the United States and other countries. Third-party marks are the property of their respective owners. All rights reserved. © 2014 Diligent Board Member Services, Inc.



# Inside information disclosure

In the second Q&A in our 'Get the FAQs' series, the Securities and Futures Commission answers questions relating to inside information disclosure raised by attendees at this year's Annual Corporate and Regulatory Update.

*Q: For inside information, foresight is necessary but hindsight is 20:20 vision. Do you have any practical advice to help company secretaries to do their jobs and make such judgements?*

A: The determination of inside information is a matter of judgement given all the available facts and circumstances at the material times. The Securities and Futures Commission (SFC) has produced its *Guidelines on Disclosure of Inside Information*. These can be found on the SFC website ([www.sfc.hk](http://www.sfc.hk) – Regulatory Functions/Listings and Takeovers/Corporate Disclosure).

They provide useful advice and examples that will assist in the process of determining whether the company has inside information. In particular, Paragraph 27 makes it clear that the test of whether the information is likely to affect the price has to be applied as at the time the information was available.

*Q: The determination of price-sensitive information is difficult. When should fair value changes proposed by auditors be announced?*

A: The determination of inside information is a matter of judgement given all the available facts and circumstances. If a

year-end adjustment to the accounts is being proposed by the auditor this may be inside information when it is sufficiently certain to be reflected in the accounts and is of sufficient significance to amount to information that is likely to have a material effect on the price of the company's securities when made public.

*Q: Can you confirm that there is a 'materiality' test to be imposed with regard to price-sensitive information disclosures – meaning that one has to consider whether the information is likely to have a 'material' impact on the share price?*

A: Under Section 307B of the Securities and Futures Ordinance, a listed company must disclose inside information to the public as soon as reasonably practicable. Inside information is defined as non-public information that concerns the company, its officers or its securities and if it were made public would have a material effect on the price of its listed securities.

Clearly not every piece of non-public information that concerns the company would have a material effect on the price of its listed securities. It depends a lot on the nature and quality of the information. The cancellation of a single regular supply

contract for a company with many such contracts may not be inside information. If that contract previously produced 50% of yearly sales then it almost certainly would be inside information – even if the sales staff hoped to sign a new contract with another customer shortly.

Useful guidance on the question of how the test of whether information is likely to have a material effect on the price of the listed securities can be found in Paragraph 23 to 29 of the *Guidelines on Disclosure of Inside Information*.

*Q: If a potential connected transaction is going to happen with a connected listed company in the PRC, but no terms or agreement has yet been signed. Does the Hong Kong listed company need to make the announcement in line with the listed company in the PRC?*

A: If the transaction is inside information for the Hong Kong listed company, then



the obligation to disclose the inside information arises immediately, but it may fall within the safe harbour set out in Section 307D of the Securities and Futures Ordinance. If the information concerns an incomplete proposal or negotiation, then it will fall within the safe harbour on the basis that the company has taken all reasonable precautions for preserving the confidentiality of the information and the confidentiality has been preserved. If the PRC listed company were to make details of the transaction public, then confidentiality would no longer be preserved and so the Hong Kong listed company should make its own announcement as the safe harbour is no longer available.

The question refers to the transaction as being a connected transaction. Various listing rules relate to connected transactions (as defined in the listing rules) and so those rules would need to be considered as well.

*Q: Disclosure of pricing policy in detail as required by the Stock Exchange may lead to the leakage of the confidential, commercial tactics of listed issuers to competitors. How should these issues be balanced?*

A: It would not be usual for the disclosure of detailed pricing strategies to be required on an ongoing basis. Detailed pricing strategies will relatively rarely fall within

the definition of inside information. One of the statutory exemptions from disclosure of inside information set out in Section 307D of the Securities and Futures Ordinance relates to trade secrets and this may be applicable.

In connection with an IPO or further capital raising, the prospectus may be required to include a description of the pricing policies adopted by the company. This would be an important indicator of strategic direction for the company and forms part of the information that investors would need to make an informed decision about whether or not to invest in the shares of the company.

*Q: Will the safe harbours in the Securities and Futures Ordinance include the consideration of 'state secrets' such as those defined in the PRC?*

A: The safe harbours are those set out in the legislation (Section 307D of the Securities and Futures Ordinance). Briefly these amount to situations where:

- disclosure of the information is prohibited by Hong Kong laws or court orders

## Highlights

- the determination of inside information is a matter of judgement given all the available facts and circumstances at the material times
- the test of whether the information is likely to affect the price has to be applied as at the time the information was available
- useful guidance on the determination of whether information is likely to have a material effect on the price of the listed securities can be found in Paragraphs 23 to 29 of the SFC's *Guidelines on Disclosure of Inside Information*

“  
**The cancellation of a single, regular supply contract for a company with many such contracts may not be inside information. If that contract previously produced 50% of yearly sales then it almost certainly would be inside information.**  
 ”

- the information relates to incomplete negotiations or proposals
- the information relates to trade secrets
- the information relates to liquidity support to banks, and
- disclosure is specifically waived by the SFC.

The SFC will consider waiving disclosure where this would constitute a contravention of a restriction imposed by:

- legislation of a place outside of Hong Kong
- a court order under the law of a place outside of Hong Kong
- a law enforcement agency of a place outside of Hong Kong, and
- a government authority of a place outside of Hong Kong in the exercise of a power conferred by the legislation of that place.

Such waivers may be granted by the SFC after consideration of an application made in writing by the listed company. A restriction of disclosure relating to state

secrets might fall within one of these situations described above.

*Q: In relation to the recent ruling which shifts the responsibility on discharging the burden of proof to prove state secrets, how can companies effectively deal with China documents & IPOs?*

A: On the assumption that the reference is to a recent ruling relating to the case involving Ernst and Young, it is worth noting the comments by Justice Ng who said that the objection by Ernst and Young against producing the audit working papers based on state secrets is 'a complete red herring'.

As Ashley Alder, the SFC's Chief Executive Officer, said, 'This case is primarily about the obligations of an accounting firm in Hong Kong to comply with requirements under Hong Kong law. The case is not about PRC law. Auditors should not withhold information that is in their possession and sought by the SFC in connection with suspected misconduct in Hong Kong's markets'.

It would therefore be incorrect to say that, as a result of that case, the burden of proof has shifted. If information is judged to be a state secret under the state secrecy law operating in the PRC, this is likely to fall within one of the specific exemptions

set out in Section 307D of the Securities and Futures Ordinance.

*Q: Can the SFC publish the relevant sanctions for breaching the inside information provisions of the Securities and Futures Ordinance? These are currently difficult to find.*

A: A list of civil sanctions that may be imposed by the Market Misconduct Tribunal for breaching disclosure requirements are set out in section 307N of the Securities and Futures Ordinance. They are:

- a qualification order on an officer from being a director, manager or

## Further guidance

The SFC's *Guidelines on Disclosure of Inside Information* are available on the SFC website ([www.sfc.hk](http://www.sfc.hk) – Regulatory Functions/Listings and Takeovers/Corporate Disclosure). The SFC also provides a consultation service to the market with a view to assist listed corporations in understanding and complying with statutory disclosure provisions. Consultations generally take the form of verbal discussions. The views expressed by the SFC are preliminary and non-binding in nature.

*The contact details are: Tel: (852) 2231 1009; Fax: (852) 2810 5385; Email: [cfmailbox@sfc.hk](mailto:cfmailbox@sfc.hk); Address: Corporate Disclosure Team, Corporate Finance Division, Securities and Futures Commission, 35/F, Cheung Kong Centre, 2 Queen's Road Central, Hong Kong.*

otherwise involved in the management of a listed company for up to five years

- a 'cold shoulder' order on a listed company or an officer for up to five years
- a 'cease or desist' order on a listed company or an officer
- a fine on a listed company or a director or chief executive up to HK\$8 million
- payment of costs to the government in relation to the proceedings
- payment of costs to the SFC in relation to the investigation or proceedings
- an order for a body of which an officer is a member to be recommended to take disciplinary action against the officer
- an order for a listed company to appoint an independent professional adviser to review the company's compliance procedures or to advise the company on compliance matters, and

- an order for an officer to undergo training.

A list of enforcement actions taken by the SFC can be found on our website ([www.sfc.hk](http://www.sfc.hk) – News and Announcements/News/Enforcement News).

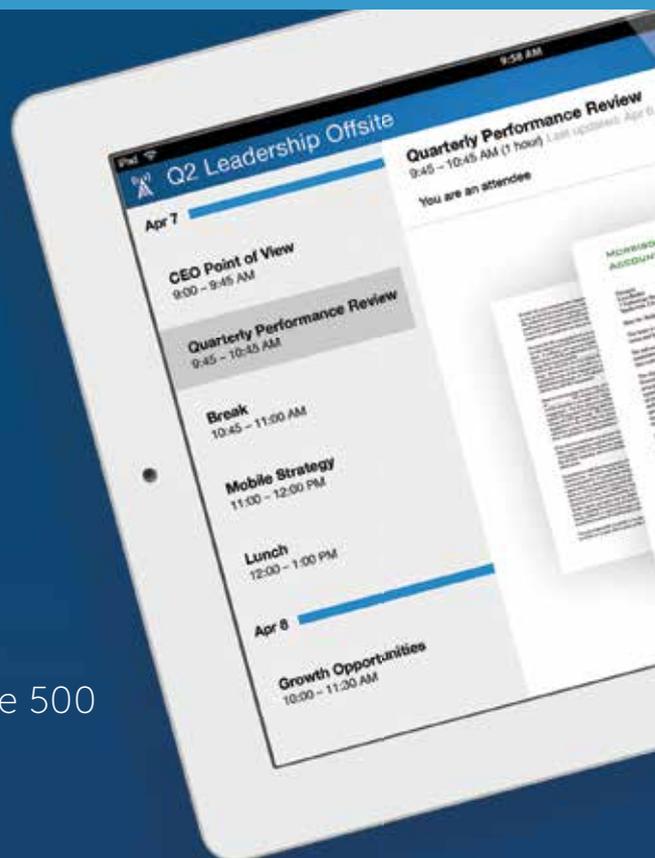
*Many thanks to Michael Duignan, Senior Director, Corporate Finance, SFC, for his help in preparing this Q&A. Further information can be found in the SFC's new Corporate Regulation Newsletter which can be accessed from a new link on the HKICS homepage ([www.hkics.org.hk](http://www.hkics.org.hk)).*

# MeetX

Is your boardroom paperless?

In 50 countries and half the Fortune 500

[boardvantage.com](http://boardvantage.com)



## Seminars: August to September 2014

---

**12 August**

**How to plan for ESG reporting**



*Chair: Sally Chan FCIS FCS, Assistant Company Secretary, CLP Holdings Ltd*

*Speaker: Ir Albert Lai, CEO, Carbon Care Asia and former Member, Multi-stakeholder, Council of Global Reporting Initiative (GRI)*

**15 August**

**The new Companies Ordinance – directors' and officers' responsibility and accountability under the new regime**



*Chair: Eric Chan FCIS FCS(PE), Chief Consultant, Reachtop Consulting Ltd*

*Speaker: Paul Kwan, Partner, Deacons*

**21 August**

**The new Companies Ordinance – application issues about financial reporting that company secretaries need to know**



*Chair: Susan Lo FCIS FCS, Executive Director, Director of Corporate Services and Head of Learning & Development, Tricor Services Ltd*

*Speaker: Ernest Lee FCIS FCS, Partner, Assurance, Professional Practice, Ernst & Young*

**29 August**

**The new Companies Ordinance – all that you need to know about rights of shareholders under the new company law regime**



*Chair: Edmond Chiu ACIS ACS, Director of Corporate Services, Vistra Hong Kong*

*Speaker: Paul Kwan, Partner, Deacons*

## Membership application deadlines

---

Members and Graduates are encouraged to advance their membership status once they have obtained sufficient relevant working experience. Fellowship and Associateship applications will be approved by the Membership Committee on a regular basis, subject to receipt of all necessary application and supporting documentation and fulfilling all the criteria. If you plan to apply, please note the last submission deadline and approval date in 2014 is Wednesday 12 November 2014 and Thursday 11 December 2014 respectively.

*For enquiries, please contact Ken Lai at: 2830 6016, or Jonathan Chow at: 2830 6088, or email: [member@hkics.org.hk](mailto:member@hkics.org.hk).*

### 1 September

Joint seminar with the Security Bureau – anti-money laundering seminar for designated non-financial businesses and professions



*Speakers: Winki Lam, Assistant Secretary for Security, Narcotics Division, Security Bureau; Chow Wai-tong, Senior Inspector, Financial Intelligence Coordination Unit, Hong Kong Customs & Excise Department; Natalia Seng FCIS FCS, Past President, HKICS and Chief Executive Officer – China & Hong Kong, Tricor Group/Tricor Services Ltd*

### 3 September

Directors and officers: legal liabilities, insurance and recent trends



*Chair: Mohan Datwani FCIS FCS, Solicitor and Accredited Mediator, and Director, Technical and Research, HKICS*  
*Speakers: Richard Garside, Senior Vice-President, FINPRO Practice Leader, Marsh (Hong Kong) Ltd; Richard Bates, Partner, Kennedys; Chris Sharrock, Partner, Kennedys*

### 5 September

The new Companies Ordinance – enforcement of contract, formality and execution



*Chair: Dr Davy Lee FCIS FCS, Group Company Secretary, Lippo Group*  
*Speaker: Paul Kwan, Partner, Deacons*

## Annual subscription 2014/2015

Members and Graduates are reminded to settle their annual subscription for the financial year 2014/2015. Members should note:

1. The annual subscription can be settled by the Chartered Secretaries American Express Credit Card, EPS or cheque (made payable to 'HKICS'). For details of card benefits and the application form, please refer to the Institute's website: [www.hkics.org.hk](http://www.hkics.org.hk).
2. Failure to pay by Saturday 31 January 2015 constitutes a ground for membership removal. Reinstatement by

the Institute is discretionary, subject to payment of all outstanding membership and re-election fees and levies, if any, during the removed period.

3. Please complete and return the Personal Data Update Form to the Institute together with your payment by using the return envelope.

Members and Graduates who have not received the Membership Renewal Notice for the financial year 2014/2015 should contact the Membership section at: 2881 6177, or email to: [member@hkics.org.hk](mailto:member@hkics.org.hk).

## ECPD and MCPD

### What you should know about the MCPD requirements

All members who qualified between 1 January 2000 and 31 July 2014 are required to fulfill at least three enhanced continuing professional development (ECPD) points out of the 15 CPD points for members subject to mandatory CPD requirements. Members are reminded to maintain their training records for at least five years for random audit checking of compliance. The respective submission deadlines are set out below.

CPD year	Members who qualified between	MCPD or ECPD points required	Point accumulation deadline	Submission deadline
2014/2015	1 January 2000 - 31 July 2014	15 (at least 3 ECPD points)	31 July 2015	15 August 2015
2015/2016	1 January 1995 - 31 July 2015	15 (at least 3 ECPD points)	31 July 2016	15 August 2016

### Revised mandatory CPD policy (effective 1 August 2014)

	Current MCPD policy	Revised MCPD policy (for 2014/2015)
<b>Minimum CPD requirements</b>	At least 3 ECPD points out of 15 CPD points for members working in corporate secretarial (CS) sector/trust and company service providers (TCSPs)	At least 3 ECPD points out of 15 CPD points for members subject to mandatory CPD requirements in <i>all</i> disciplines
<b>Practitioner's Endorsement</b>	Accumulate at least 15 ECPD points in last CPD year; and Fulfillment of at least 30 ECPD points in last two consecutive CPD years	Accumulate at least 15 ECPD points in last CPD year

### Abolition of Practitioner's Endorsement fee

The application fee and the annual renewal fee for new applicants for the Practitioner's Endorsement (PE) and existing PE holders respectively have been waived for the financial year 2014/2015. Please refer to the new forms at the ECPD section on the Institute's website: [www.hkics.org.hk](http://www.hkics.org.hk) for the 2014/2015 application/renewal.

### New policy on seminar enrolment (effective 1 August 2014)

Effective from 1 August 2014, no cancellation is allowed once a seminar enrolment has been confirmed. Substitution of enrollee is eligible with a HK\$100 administration fee together with the 'Transfer of Enrolment Form' received by the Institute at least two clear working days prior to the event date.

Please note that a confirmed seat of a member can only be substituted by a member; if a confirmed seat of a non-member is substituted by a member, the remaining enrolment fee would not be refunded.

Substitution of enrollee is not applicable to an ECPD Programme Package (Individual) holder.

### New ECPD programme package for individuals (effective 1 August 2014)

	Practitioner's Endorsement holder	Individual without Practitioner's Endorsement
Discounted price	HK\$2,800	HK\$3,300
Package benefits	Participants are entitled to attend 10 HKICS ECPD seminars (1.5 or 2 hours each) held within a CPD year. The final decision is subject to the discretion of the Institute.	
Discount to be enjoyed	Up to 30%	Up to 17.5%
Remarks	This package is offered to Institute members and students only.	

### Change in ECPD programme package for corporates (effective 1 August 2014)

The validity period for ECPD programme corporate packages has been changed. The corporate package must be used to pay for HKICS ECPD seminars that are held within a CPD year.

### Forthcoming seminars

Date	Time	Topic	ECPD points
14 Oct 2014	3.30pm – 5pm	An overview of the latest taxation environment in Hong Kong and China	1.5
16 Oct 2014	6.45pm – 8.15pm	Base erosion and profit shifting (BEPS) – relevance, importance and preparation	1.5
21 Oct 2014	6.45pm – 8.15pm	What registered agents of BVI companies should do	1.5
27 Oct 2014	6.45pm – 8.15pm	Legal overview on search warrants and raids	1.5
29 Oct 2014	3.00pm – 5.40pm	New connected transaction rules	2.5
30 Oct 2014	6.45pm – 8.45pm	Talk on competition law and the new Competition Ordinance	2
7 Nov 2014	6.45pm – 8.45pm	新公司法例下如何更有效地開設中國公司	2
21 Nov 2014	6.45pm – 8.15pm	Legal aspects of personal injuries at the workplace	1.5
25 Nov 2014	6.45pm – 8.15pm	A review of the 2014 AGM season	1.5
27 Nov 2014	6.45pm – 8.15pm	Enneagram for effective working relationships	1.5

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

### ECPD seminar enrolment

Thanks to members' support for the Institute's ECPD activities, the demand for seats at ECPD seminars has significantly increased. In order to achieve a fair enrolment procedure, the Institute's first-come first-served policy and the practice of allowing seat reservation only upon receipt of payment have to be strictly applied.

## New Graduates

Congratulations to the new Graduates listed below.

Chan Yuk Ting  
 Ho Hoi Yee  
 Ho Sze Chun  
 Lam Ka Sze  
 Lam Siu Wa  
 Lee Wing Yan  
 Lee Yiu Bong, Legend  
 Leung Ho Yan, Julian  
 Leung Wai Hung  
 Ng Tsz Yeung  
 Sze Suet Ling  
 Tse Hoi Pik, Olivia

Congratulations to the new Associates listed below.

Chan Ka Ki	Kan Ling Yun	Ling Fung Yee
Chan Lung Ming	Kum Kit Ying	Lo Suk Kuen
Chan Ngan See	Kwok Shek San	Ng Leung Chi
Chan Sau Ching	Lai Ka Yan	Ng Sze Yan
Chan Shuk Ting	Lai Pui Ying	Ng Yim Fong
Chan Wai Nga	Lai Siu Chung	Ngai Ying Suet
Che Kit Man	Lai Wai Ki	Ngan Hoi Yin
Chen Luan Bin, Bennett	Lam Lok Kan	Po Mei Ling
Cheng Suk Chun, Eileen	Lam Yau Wai	Poon Kit Ling
Cheng Sze Wai	Lau Hiu Tung	Tang Tsz Hang
Chiu Hoi Sze	Lau Oi Yan	Vong Sze Man
Chow Pui Yin	Lau Shuk Man	Wong Chung Sze, Lorelei
Chu Ka Yee	Law Shuk Wah	Wong Sze Man
Chung Chiu Yin, David	Lee Hiu Mei	Wong Wing Yin
Hau Hei Man, Sonya	Lee Man Wai	Yuen Chi Ho, Leonard
Ho Ka Bo	Leung Lai Ming	Yumiko Nakano
Ho Ki Yan	Li Hoi Ying	Zhou Mo, Helen
Ip Yiu Tak	Li Wing Man	

## Appointment

Jack Chow FCIS FCS, Council Member of the Institute, has become the Founding President of the Association of Hong Kong Accountants (AHKA), which was incorporated in Hong Kong early this year with the goal of addressing the interests and needs of Hong Kong accountants and safeguarding the standing of the profession in society.

## New Fellows

The Institute would like to congratulate the following Fellows elected in September 2014.

**Chong Wong Wing Ting, Elaine FCIS FCS**, General Counsel – Hong Kong, CLP Power Hong Kong Ltd

**Lai Chiu Mei FCIS FCS**, Company Secretarial Manager, Hogan Lovells

**Lam Pui Fun FCIS FCS**, Finance and Administration Manager, Longchamp Company Ltd

**Luk Hong Man, Hammond FCIS FCS**, Executive Director and Financial Controller, China Investment Fund Company Ltd



**Lam Yuen Ling, Eva FCIS FCS**

Ms Lam is a director of BMI Listed Corporate Services Ltd with over 20 years of experience. Ms Lam's expertise extends from private and listed company secretarial services to commercial solutions. She is also the company secretary of several listed companies in Hong Kong.

## Lunch with Commissioner, Ministry of Foreign Affairs, PRC in Hong Kong

President Edith Shih FCIS FCS(PE), Past President April Chan FCIS FCS(PE) and Chief Executive Samantha Suen FCIS FCS(PE) of the Institute together with the other 11 member professional bodies of The Hong Kong Coalition of Professional Services (HKCPS) were invited to have lunch with Song Zhe, Commissioner of the Ministry of Foreign Affairs of the PRC on 20 August 2014.

The lunch was also attended by Tian Lixiao, Director General, Department of Treaty and Law, and Liu Xiaoyan, Deputy Director-General, Department of Treaties and Law from the Office of the Commissioner of the Ministry of Foreign Affairs of the PRC in the HKSAR.



## The Chartered Secretaries Foundation donates university scholarships

President Edith Shih FCIS FCS(PE) attended the Scholarship and Bursary Awards Presentation Ceremony at the Open University of Hong Kong on 27 August 2014. She presented the Chartered Secretaries Scholarships donated by The Chartered Secretaries Foundation Ltd to the students listed below.

- Kong Wing Sze, Chartered Secretaries Scholarship 2012/2013 (Best full-time student of BBA Corporate Administration programme)
- Ku Kwan, Chartered Secretaries Scholarship 2013/2014 (Best student in Master of Corporate Governance Programme)



*Kong Wing Sze (left) receiving the Chartered Secretaries Scholarship from President Edith Shih*



*Ku Kwan (left) receiving the Chartered Secretaries Scholarship from President Edith Shih*

## Membership activities: Fellows-only events

---

### Le French May 2014

#### Palaces on the Seas – The Golden Age of French Ocean Liners

Fellows and their companions joined a tour of this exhibition at the Hong Kong Maritime Museum on 18 August 2014. The Museum offered an exclusive guided tour by the docent from Le French May for the Institute. Fellows and their companions were able to experience and enjoy the French lifestyle and the splendour of French culture that were only available and affordable by the nobles at the time. They enjoyed a relaxing after-work evening including the rare opportunity to play traditional shuffleboard during the visit.



*Members trying their hands at a late 19th-Century entertainment*

#### Paris – Chinese Painting: Legacy of 20th-Century Chinese Masters

A unique tour, guided by a docent provided by Le French May, was held on 6 September 2014 at the Hong Kong Museum of Art. Fellows and their companions assimilated a better understanding of the synthesis of Chinese and Western art through the masterpieces of some renowned Chinese painters in the 20th Century, including Lin Fengmian, Wu Guanzhong, Xu Beihong, Zao Wou-Ki and Zhu Dequn. These Chinese artists took inspiration from Western art during their study or residence in France, and expressed themselves with great passion through their East-meets-West paintings and art works.



*Group photo at the exhibition*



*The docent introducing the painters' backgrounds to members*

### Upcoming membership event

Our Members' Luncheons are one of the most significant membership events organised by the Institute. We have invited Anita Fung Yuen Mei, Chief Executive Officer Hong Kong, HSBC, to share with our members her insights on the opportunities and challenges for Hong Kong as a result of Mainland China's economic and financial reforms at the next Members' Luncheon, to be held on Wednesday 22 October 2014. Please join us at this informative and enjoyable event!

*For further details, please contact Jonathan Chow at: 2830 6088; or Ken Lai at: 2830 6016; or email to: [member@hkics.org.hk](mailto:member@hkics.org.hk).*

## IQS December 2014 examination timetable

	Tuesday 2 December 2014	Wednesday 3 December 2014	Thursday 4 December 2014	Friday 5 December 2014
9.30am – 12.30pm	Hong Kong Financial Accounting	Hong Kong Corporate Law	Strategic and Operations Management	Corporate Financial Management
2pm – 5pm	Hong Kong Taxation	Corporate Governance	Corporate Administration	Corporate Secretaryship

### Seminar on new Companies Ordinance – for registered students only

In order to help HKICS registered students become familiar with the new Companies Ordinance, the Institute will hold two half-day seminars on Saturdays 11 and 18 October 2014. The combined seminar fee is HK\$940. Priority will be given to those sitting for the International Qualifying Scheme (IQS) December 2014 examination. The enrolment form can be downloaded from the 'Studentship' section of the Institute website: [www.hkics.org.hk](http://www.hkics.org.hk).

### Examination technique workshops

The Institute will organise a series of three-hour examination technique workshops on the IQS examination from 20 October to early November 2014. These workshops aim to help students improve their examination techniques. Each workshop costs HK\$470. The enrolment form can be downloaded from the 'Studentship' section of the Institute's website: [www.hkics.org.hk](http://www.hkics.org.hk).

## New Students Orientation

A group of new students joined the New Students Orientation on 22 September 2014. Information on the IQS examination, exemptions, and an array of student support services offered by the Institute was provided to the participants. The IQS study materials were also displayed. Students who would like to purchase the study materials should contact the Education and Examinations section at: 2881 6177.

In addition, five Subject Prize winners of the June 2014 IQS examination received their certificates from Polly Wong FCIS FCS(PE), Education Committee Chairman. They also shared their examination preparation advice with attendees.



*Subject Prize winners sharing at the event*



*Polly Wong and the awardees*

## Payment reminders

### Studentship renewal

Students whose studentship expired in August 2014 are reminded to settle the renewal payment by Wednesday 22 October 2014.

### Exemption fees

Students whose exemption was approved via confirmation letter on 30 July 2014 are reminded to settle the exemption fee by Thursday 30 October 2014.

## Corporate Governance Paper Competition and Presentation Award 2014

To promote good corporate governance awareness among local undergraduates, the Institute has been running its Corporate Governance Paper Competition and Presentation Award since 2006. This year's topic was 'Changing rules, changing roles – managing it all!'. The six finalist teams attended the Paper Presentation Competition on 13 September 2014. The Institute congratulates the winners listed below.

Paper Competition		Paper Presentation	
<b>Champion</b>	Tang Dik Ying, Joyce, Department of Accountancy Lingnan University; and Wong Hei Yu Stacy, School of Accounting and Finance, The Hong Kong Polytechnic University	<b>Best Presenter Award</b>	Chiu Man Ting, Michelle; Leung Tat Hang, Samuel; and Cheng Hoi Man, Clarice; Faculty of Business and Economics, The University of Hong Kong
<b>1st runner-up</b>	Chan Chak Him, Edwin; and Chan Chun Hung; Faculty of Law, The Chinese University of Hong Kong	<b>1st runner-up</b>	Chan Chak Him, Edwin; and Chan Chun Hung; Faculty of Law, The Chinese University of Hong Kong
<b>2nd runner-up</b>	Chiu Man Ting, Michelle; Leung Tat Hang, Samuel; and Cheng Hoi Man, Clarice; Faculty of Business and Economics, The University of Hong Kong	<b>2nd runner-up</b>	Chan Wing Chi, Judith; Wen Weijian, David; and Wu Yitian, Jessica; Faculty of Law, The Chinese University of Hong Kong

The Institute would like to thank the Panel Judges: Polly Wong FCIS FCS(PE); David Fu FCIS FCS(PE) and Maurice Ngai FCIS FCS.

The winning paper in this year's Corporate Governance Paper Competition will be published in the next issue of CSj.



Paper competition Champion with Polly Wong



Paper competition 1st runner-up



Paper competition 2nd runner-up



Best Presenter Award winner with David Fu



Paper Presentation 1st runner-up



Paper Presentation 2nd runner-up

The Institute would like to thank the following individuals and organisations for their contribution and support (names are in alphabetical order of surnames). Souvenirs were presented to them at the Corporate Governance Conference on 19 September 2014.

#### Reviewers

- Dr Derek Chan, Associate Professor in Accounting, School of Business, Faculty of Business & Economics, The University of Hong Kong
- David Lai, Lecturer, Department of Accounting, Hong Kong University of Science and Technology
- Dr Lu Haitian, Associate Professor, School of Accounting and Finance, The Hong Kong Polytechnic University
- Dr Arthur McInnis, Professional Consultant, Faculty of Law, Chinese University of Hong Kong
- Dr Mark Ng, Assistant Professor, Department of Business Administration, Hong Kong Shue Yan University
- Clement Shum, Associate Professor, Department of Accountancy, Lingnan University
- Dr Raymond Wong, Assistant Professor, Department of Accountancy, City University of Hong Kong
- Dr Davy Wu, Senior Lecturer, Department of Accounting & Law, Hong Kong Baptist University
- Dr Susana Yuen, Associate Professor, Lee Shau Kee School of Business, Open University of Hong Kong

#### Paper Panel Judges

- Kala Anandarajah, Partner, Head, Competition & Antitrust and Trade, Rajah & Tann LLP
- Grace Wong FCIS FCS, Company Secretary, China Mobile Ltd
- Wendy Yung FCIS FCS, Executive Director and Company Secretary, Hysan Development Company Ltd

#### Presentation Judges

- David Fu FCIS FCS(PE), Company Secretary, Swire Pacific Ltd
- Dr Maurice Ngai FCIS FCS, CEO, SW Corporate Services Group Ltd
- Polly Wong FCIS FCS(PE), Company Secretary and Financial Controller, Dynamic Holdings Ltd

#### Working Group

- Nelson Chiu ACIS ACS, Audit Partner, United Partners CPA Ltd
- Richard Leung FCIS FCS, Barrister-at-Law, Des Voeux Chambers and HKICS Past President
- Winnie Li ACIS ACS, Director, CWCC

#### Sponsors

- Evershed LLP
- Ernst & Young
- Noble Group
- Sino Group
- Tricor Services Ltd
- The Chartered Secretaries Foundation Ltd



Group photo of participants and guests (front row, from left to right): Dr Linsey Chen, Dr Lu Haitian, Dr Susana Yuen, David Fu, Polly Wong, Dr Maurice Ngai, Dr Arthur McInnis, David Lai

## Tips from the top

---

Subject Prize winners from the June 2014 IQS examination share their study experiences and give tips to fellow students on the best way to prepare for the examinations.

### Lam Yuen Yee

#### Subject Prize winner – Corporate Financial Management

Ms Lam graduated with a bachelor's degree in Economics from the Chinese University of Hong Kong. She is currently working as an Associate at Tricor Services Ltd.

She achieved a distinction in the Corporate Financial Management examination on her first attempt. Ms Lam says that this was a challenge for her as she had acquired limited financial knowledge from her bachelor's degree study. 'The concepts are often rather difficult to understand, for example the meaning of WACC and M&A etc.' To prepare for the examination, she took the HKU SPACE examination preparatory course and practised the Institute's past examination papers.

She decided to take the examination route to complete the IQS and has already passed five subjects. She believes that the IQS examination has enhanced her practical knowledge for her daily work. 'Subjects such as Hong Kong Financial Accounting and Corporate Secretaryship provided me with the knowledge to read financial statements, to understand the practical procedures in preparing documents for annual general meetings and to review reports for companies.'

### Wan Sau Kwan

#### Subject Prize winner – Hong Kong Corporate Law

Ms Wan is a Company Secretarial Officer at Luk Fook (Holdings) International Ltd. She graduated with a bachelor's degree in Arts from the University of Hong Kong.

'Time management and discipline are the keys for examination preparation.' To get well-prepared, she suggests starting revision as early as possible. 'I started revision three months before the examination. I also joined the study group with other students regularly and we exchanged study materials and experiences.' She believes that the study group provides a good platform for students to exchange opinions and support each other.

She points out that the syllabus for Hong Kong Corporate Law is very broad and there are many cases to memorise. 'It is good that the Hong Kong Corporate Law Study Pack, launched by the Institute, covers the whole syllabus and it is quite comprehensive.' She also took the HKU SPACE examination preparatory course.

Ms Wan believes studying for the IQS has helped her acquire the knowledge she will need for a successful career in the Chartered Secretarial profession.

---

### Hui Sze Wai, Sylvie

#### Subject Prize winner – Hong Kong Corporate Law

Ms Hui holds a bachelor's degree in Accountancy from City University of Hong Kong. She is currently working as the Company Secretary of a listed company. She completed the IQS examination and became a Graduate in August 2014.

When preparing for the IQS examinations, Sylvie took the HKU SPACE examination preparatory course. She comments that this course helped to pinpoint the key topics and kept her study up to speed. She also made good use of the Institute's Hong Kong Corporate Law Study Pack and past examination papers. 'It is important to browse and study relevant sections of the Companies Ordinance and cross-reference with the study pack and past examination papers so as to prepare for your own past papers' analyses,' she says.

'Start your study as early as possible and believe in yourself,' she adds. She recommends formulating a preliminary study plan at the beginning and then keeping your revision on track. In addition to a well-organised study plan, she believes that sufficient rest time can also help boost your study speed.

'I can use the knowledge practically in my daily work,' she adds, which will benefit her current job and her career development.

**Lam Wai Yi, Wynnie****Subject Prize winner – Hong Kong Corporate Law**

Ms Lam is currently a Corporate Services Executive in Vistra Hong Kong Ltd. She graduated with BBA in Professional Accounting and Management from the Hong Kong University of Science and Technology.

She achieved distinction grade at her first attempt at the Hong Kong Corporate Law examination, and says this has enriched her knowledge and can be applied to her daily work. 'I attended the HKU SPACE examination preparatory course and studied the past examination papers,' she says. She also found the Hong Kong Corporate Law Study Pack very useful for her examination preparation. 'The study pack is easy to understand, it helped me to focus on certain law cases.' She also reminds students not to be overwhelmed by the law cases. 'You must not learn by rote. Try to apply the law cases by doing the past examination papers.'

Wynnie believes that self-discipline was a very important factor for her success. 'Early preparation makes you less stressed and you can allocate your time better.'

**Lo Hong Ting, Josephine****Subject Prize winner – Hong Kong Corporate Law**

Ms Lo graduated with a bachelor's degree in Finance and Administration from University of Western Ontario in Canada. She is working as a Senior Accountant in an accounting firm.

This was Josephine's first attempt at the Hong Kong Corporate Law examination and she achieved a distinction. 'There is no shortcut to success,' she says. She suggests students use the Hong Kong Corporate Law Study Pack as a guideline for their studies. 'It is easy to review as it separates the past examination questions by topics.' Although there are many cases to memorise, she says she enjoyed the study because it resembled reading stories which can be applied to real life examples.

'Practice makes perfect,' she adds. She believes that putting effort into making your own study notes and doing past papers is essential. In addition, she recommends students prioritise their time and start their examination preparation early.

Ms Lo has found the IQS examinations to be very useful in strengthening her knowledge in accounting and law and other aspects of the business world.

**Tsang Pui Man, Janet****Subject Prize winner – Hong Kong Corporate Law**

Ms Tsang holds a bachelor's degree in Communications from Simon Fraser University in Canada. She is currently working as a company secretarial executive in a local law firm.

Janet put a lot of effort into preparing for the Hong Kong Corporate Law examination. She took the HKU SPACE examination preparatory course. Furthermore, she found the Hong Kong Corporate Law Study Pack very useful in narrowing down the key topics. She also spent time browsing public information sources. 'I spent time studying the legal principles and did a lot of supplementary reading,' she says.

'Start your study as soon as possible – that is the most important thing,' she adds. Janet started preparing for the exam a few months ahead. She suggests students who are busy with their work should take at least a week off before the examination so that they can focus on the final revision.

Janet points out that the Chartered Secretarial qualification is preferred by employers nowadays and she hopes that achieving this qualification will help her in her future career.

## Collaborative Courses (CCA) – student orientations

### The Hong Kong Polytechnic University and City University of Hong Kong

The Institute gave a briefing to CCA students about the Institute as well as the studentship registration requirements at The Hong Kong Polytechnic University and City University of Hong Kong on 23 and 26 August 2014 respectively.



*Presenting at the The Hong Kong Polytechnic University*



*Presenting at City University of Hong Kong*

### Hang Seng Management College

Chief Executive Samantha Suen FCIS FCS(PE) delivered a talk on 'Chartered Secretary – a gateway to success' to over 100 freshmen of the BBA programme in Corporate Governance at the orientation of Hang Seng Management College on 25 August 2014.



*At the briefing*



*At the orientation*

## Programme series in PRC corporate practices – Corporate Secretaryship in PRC (new module)

The new 'Corporate Secretaryship in PRC' module aims to equip participants with knowledge about the role and responsibility of board secretaries of companies in Mainland China and enhance their understanding of the corporate secretarial function in both listed and non-listed companies. Up to 18 HKICS ECPD points will be awarded to participants who have attained 75% attendance.

*For information, please contact HKU SPACE at: 28678481, or email: [prcprogramme@hkuspace.hku.hk](mailto:prcprogramme@hkuspace.hku.hk).*

<b>Course name</b>	Corporate Secretaryship in PRC
<b>Date</b>	11 October, 18 October, 25 October and 1 November (all Saturdays)
<b>Time</b>	2pm – 5pm and 6pm – 9pm
<b>Venue</b>	HKU SPACE Learning Centre (Hong Kong Island)

## Disclosure requirements of the new Companies Ordinance: practical concerns

Sections 358(1), 388(2), 390(3) and Schedule 5 of the Companies Ordinance (Cap 622) require the directors' reports of a holding company to disclose the names of directors of the holding company as well as all subsidiary undertakings included in the annual consolidated financial statements for the financial year in question. The HKICS wrote to the Companies Registry last month to raise concerns of members relating to this requirement.

The letter points out that the need to disclose the name of directors, not only of the holding companies, but also of their subsidiary undertakings will be impractical, particularly where the holding company has thousands of subsidiary undertakings. Moreover, it questioned whether such disclosure will be relevant for stakeholders and suggested it may detract from the substance of the reporting.

Under Section 416 of UK's Companies Act 2006, in relation to group companies, only the name of directors of the holding company is required to be disclosed. 'This seems to be an eminently sensible approach to adopt in Hong Kong as well, as the holding company, as a parent undertaking, must surely be in control of its subsidiary undertakings. We believe that the disclosure of the name of directors of the holding company, as with the UK position, should be sufficient as the proper balance between disclosure and practical concerns,' the letter stated.

The HKICS is seeking a review of this disclosure requirement and passed on requests from members for a clarification as to whether, as an interim measure, the list of directors can be kept at the company's registered office to be made available for inspection, or alternatively, for disclosure of the names

### The Hong Kong Institute of Chartered Secretaries Anniversary Cocktail Reception



**DATE:** MONDAY, 20 OCTOBER 2014  
**TIME:** 6.30 PM - 8.30 PM, CEREMONY AT 7 PM  
**LOCATION:** CENTRAL  
**HKICS MEMBER REGISTRATION:** [MARKETING@HKICS.ORG.HK](mailto:MARKETING@HKICS.ORG.HK), ON A FIRST-COME FIRST-SERVED BASIS WITH PRIORITY GIVEN TO FELLOWS

## Disclosure requirements of the new Companies Ordinance: practical concerns (continued)

---

on the holding company's website, instead of within the directors' report.

In reply, the Companies Registry said that, while the relevant disclosure requirement was introduced to enhance the transparency of reporting, it noted the practical concerns for very large corporate groups raised by the HKICS. In view of this, the Companies Registry outlined its policy regarding the disclosure requirements.

'For the purposes of compliance, it is sufficient for all the names of directors of all subsidiary undertakings to be disclosed on a consolidated basis, without further setting out specifically the directorship of each individual subsidiary undertaking. Further, if the number of names of directors of all subsidiary undertakings

is, in the opinion of the directors of the holding company, of excessive length, we are prepared to accept disclosure of the names of directors of subsidiary undertakings by way of inclusion by reference, provided that the information on the relevant directors' names is clearly contained in the directors' report by making a list of such names readily available to the reader. This may include, in those cases, for example, by providing a link to the relevant website(s) which contains a full list of the names,' the letter states.

The letter adds that, while the Companies Registry will keep in view the implementation of the relevant provisions and review the need for any legislative amendments in due course, the names of the directors of the holding company and other particulars required under section 390 should continue to be contained fully in the directors' report itself.

## Rule amendments to Chapter 20 of the listing rules

---

Hong Kong Exchanges and Clearing Ltd (HKEx) has published minor amendments to Chapter 20 of the main board listing rules governing collective investment schemes (CIS) that are authorised by the Securities and Futures Commission.

The rule amendments:

- clarify the eligibility requirement of a listing agent who handles a listing application on behalf of a new CIS applicant
- streamline the application procedures for a new CIS applicant, and

- clarify the procedures for the listing of additional interests in a close-ended CIS after listing.

The amendments will apply to listing applications submitted to the Exchange on or after 10 November 2014.

*The rule amendments are available on the HKEx website: [www.hkex.com.hk](http://www.hkex.com.hk) – see 'Rules & Regulations – Rules and Guidance on Listing Matters – Amendments to Main Board Listing Rules'.*

## Amendments to Hong Kong's professional investor regime

---

The Securities and Futures Commission (SFC) has published its consultation conclusions on proposed amendments to the professional investor regime. Having reviewed all of the comments received during the consultation, the SFC has decided to proceed with the proposal not to allow intermediaries, when serving individual professional investors, to be exempt from the suitability requirement and other fundamental requirements that have a significant bearing on investor protection under the Code of Conduct for Persons Licensed by or Registered with the SFC.

*The consultation conclusions are available on the SFC website: [www.sfc.hk](http://www.sfc.hk).*

# Careers

To advertise your vacancy, contact Abid Shaikh:  
Tel: +852 3796 3060  
Email: [abid@ninehillsmedia.com](mailto:abid@ninehillsmedia.com)



To cope with our continuous growth, we are looking for energetic candidate(s) to join us as:

## Company Secretarial Manager (Ref: KYI-CSM)

### Job Requirements:

- Qualified professional with ICSA/HKICS membership
- At least 10 years' related experience, some of which gained from listed companies at managerial level
- Affluent with listed and compliance rules and regulations, with in-depth knowledge of the Listing Rules, the Companies Ordinance and relevant provisions of the Securities and Futures Ordinance respecting disclosure of interests
- Sound leadership, excellent interpersonal skills and abilities to take challenges
- Excellent command of both written and spoken English and Chinese

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

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



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

Each issue is distributed to over **9,000** members of HKICS, and read by approximately **20,000** individuals.

CSj is the most effective way to source your future **Corporate Secretarial** colleagues.

To advertise your vacancy in the Careers section, please contact Paul Davis: [paul@ninehillsmedia.com](mailto:paul@ninehillsmedia.com)

**ninehills**  
media

# Company Secretarial Professionals

**We are looking for company secretarial professionals to join our Corporate Services Division to cope with our fast growing practice.**

Requirements:

- ▶ Degree holder;
- ▶ Registered Students or Members of HKICS;
- ▶ Relevant experience in handling assignments of Hong Kong-listed companies is essential;
- ▶ Self-motivated, well-organized and detail-minded;
- ▶ Good at reading and following rules and regulations;
- ▶ Excellent command of spoken and written English with fluent spoken Mandarin;
- ▶ Computer literate. Knowledge in ViewPoint will be an advantage;
- ▶ Fresh graduates with strong determination to develop in company secretarial field are welcome;
- ▶ Candidates with relevant experience will be considered for a position commensurate with experience.

We offer to successful candidates:

- ▶ 15-day annual leave (20-day for managers)
- ▶ 5-day work, study/ examination leave
- ▶ Qualifying premium upon completion of HKICS examinations
- ▶ Excellent job exposure and career prospects

**Applicants should send their full C.V. and expected salary to:**

HR Manager, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email to: [hr@hk.tricorglobal.com](mailto:hr@hk.tricorglobal.com) or by fax to 2543-7124.

**Please quote reference: "Company Secretarial Professionals" on your application.**

Personal data provided by job applicants will be used strictly in accordance with the employer's personal data policies, a copy of which will be provided immediately upon request.

*Tricor Group (Tricor), a member of The Bank of East Asia Group, is a global provider of integrated Business, Corporate and Investor Services. As a business enabler, Tricor provides outsourced expertise in corporate administration, compliance and business support functions that allows you to concentrate on what you do best – Building Business.*

*We are experts in corporate structuring and advisory functions. Our professional specialists provide a comprehensive range of services including: Business Advisory; Company Formation, Corporate Governance & Company Secretarial; Accounting & Financial Reporting; Payroll, Treasury & Trust Administration; Initial Public Offerings & Share Registration; China Entry & Consulting; Executive Search & Human Resources Consulting; Management Consulting and Fund Administration Services.*

*Tricor has built its reputation and professional expertise through the acquisition of certain practices from major international accounting and professional firms as well as through organic growth and development.*

*Our client portfolio includes the majority of companies listed on the Hong Kong Stock Exchange, close to 580 companies listed in Singapore and Malaysia, over 35 per cent of the Fortune 500 companies, as well as a significant share of multinationals and private enterprises operating across international markets.*

*Please visit [www.tricorglobal.com](http://www.tricorglobal.com) for more information.*

**tricor**

The Employer of Choice

Member of BEA Group

## 行政人員文憑/證書《中國企業管理》 Executive Diploma / Executive Certificate in PRC Corporate Administration

\*學生亦可報讀個別學科單元

行政人員文憑《中國企業管理》有四個單元，學員只要成功完成單元一至單元四，並在持續評估中的個案分析取得合格成績，將獲發行政人員文憑《中國企業管理》。學生如成功完成單元一(中國公司行政)及其他任何一個單元，並在持續評估中的個案分析取得合格成績，將獲發行政人員證書《中國企業管理》。具體如下：

單元一 中國公司行政 Corporate Administration in PRC

單元三 中國稅務 Taxation in PRC

單元二 中國公司治理 Corporate Governance in PRC

單元四 中國公司法律 Corporate Law in PRC

## 行政人員文憑《中國公司治理》 Executive Diploma in PRC Corporate Governance

\*學生亦可報讀個別學科單元

學生如成功完成核心單元一至三及任何一個非核心單元(即四或五)，並在持續評估中的個案分析取得合格成績，將獲發行政人員文憑《中國公司治理》。具體如下：

**核心單元：**(必須全部修讀)

單元一 中國董事會秘書實務 Corporate Secretaryship in PRC

**非核心單元：**(可選單元四或五)

單元四 中國稅務 Taxation in PRC

單元二 中國公司治理 Corporate Governance in PRC

單元五 中國公司法律 Corporate Law in PRC

單元三 中國公司行政 Corporate Administration in PRC

最新  
單元

### 中國董事會秘書實務

講者簡介

端木梓榕先生

- 廣州市產權交易所專家委員會委員
- 總裁助理，廣州立白企業集團有限公司
- 董事會秘書，廣州珠江啤酒股份有限公司 (2002-2007)

上課時間及地點

每單元課程為期一個月

授課時間：4堂，每堂6小時，共24小時

上課時間：逢週六上堂，下午 (2:00-5:00) 及晚上 (6:00-9:00)

授課地點：港島區其中一所教學中心

授課日期

2014年(逢週六) 10月11日、10月18日、10月25日、11月1日

每單元課程學費

港幣3,850元

\* 學生如報讀個別單元，成功完成該學科單元，並在持續評估中的個案分析取得合格成績，出席率達75%或以上，可獲發修讀證明書。

## 課程查詢

電話：2867 8317 (蘇小姐) / 2867 8481 (黃小姐) 電郵：prcprogramme@hkuspace.hku.hk

每個單元課程出席率達75%或以上之香港特許秘書公會會員，可以獲得18個ECPD學分，但有關實際可帶往下年之ECPD學分詳情，請個別與公會聯絡。

電話：28816177 電郵：ecpd@hkics.org.hk

香港大學專業進修學院乃非牟利機構。



## Reaching new highs



[www.quorumcentral.com](http://www.quorumcentral.com)

Quorum is your gateway to a thriving professional services operation

Quorum是通往專業服務的門戶

Quorum is a company secretarial and practice management software solution, used by providers around the world since 1995. Our clients include accounting, legal and specialist fiduciary firms as well as groups of companies and family offices that want to better manage their operations.

- A complete suite of operations
- Scalable to suit any size firm
- Extremely easy and quick to deploy
- Increases chargeable work
- Increases productivity of your staff
- Reduces errors and omissions

GET IN TOUCH

Why don't you get in touch with our Hong Kong based team and find out how Quorum can assist your business.



Suite 211, 2/F, Prosperity Millennia Plaza,  
663 King's Road, Quarry Bay, Hong Kong  
T : +852 3622 2288  
e-mail: [hksales@quorumcentral.com](mailto:hksales@quorumcentral.com)  
[www.quorumcentral.com](http://www.quorumcentral.com)



公司秘書服務



客戶及通訊錄管理



文檔管理



工時及帳單管理



銀行賬目管理



報告



任務和流程管理



系統整合