



ACIIA NEWS

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Newsletter of the Association of Certified International Investment Analysts ACIIA



ACIIA Council meeting and seminar in Buenos Aires

ACIIA council members and representatives from 9 countries met in Argentina in mid November for the ACIIA Council Meeting in Buenos Aires. Key discussion topics at the meeting included the introduction of extra services for CIIA holders, the change of the entrance barrier to the CIIA exam at Foundation level and the review of the CIIA National Specific Examinations. The meeting was superbly organised by the Instituto Argentino de Ejecutivos de Finanzas IAEF and their warm welcome and wonderful hospitality added to the success of the meeting.

IAEF is a non-profit professional association integrating over 1000 directors and managers from leading companies in Argentina. The IAEF first became a member of the ACIIA in 2005 and the CIIA training course is offered by IAEF in cooperation with the Spanish ACIIA member, IAEF Spain.

The Instituto Argentina de Ejecutivos de Finanzas also organised a seminar under the theme "The International Financial Crisis – its causes throughout the various regions and its effects." Guest speakers included a presentation by Prof. Michael Theobald entitled "Risk Manage-

ment in Changing Markets" and "Asian Economies Today" presented by Prof. Toshio Idesawa. The seminar also included a question and answers session and was attended by over 300 guests.

The meeting was rounded off by a wonderful dinner hosted by the IAEF at the Circulo Militar. Our thanks go to Mr. Douglas Elespe, IAEF CIIA Committee President, and his staff whose meticulous planning ensured that the meeting, seminar and the dinner were a huge success. The next ACIIA Council Meeting will be held in Vilnius on 24th June 2009.

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“2nd Private Banking Seminar” in Tokyo – Again a Great Success

The “2nd Private Banking Seminar” held in Tokyo inviting prominent practitioners/professionals as speakers, was a great success, the one-day case study being particularly well received.

The “2nd Private Banking Seminar – Theory and Practice for Private Bankers” was held by SAAJ (in the SAAJ Conference Room) on 4–5 December 2008 with more than 50 participants from various industries such as banks, securities firms, wealth management companies, CPA firms, etc. Bearing in mind the candid comments of the participants in the “1st Private Banking Seminar” held in December 2007, we changed the time allocation between lectures and the case-study from 60:40 to 50:50.



1st day: Main lecture topics

1. Characteristics of Japanese clients targeted for private banking
2. What kind of advice and services do older people really want?
3. Alternative investments
4. Tax relating to business succession, particularly for small and medium-sized privately-owned companies
5. Panel discussion – Japanese-style family office

2nd day: Case study:

- “What is the best choice for business succession from the viewpoint of an owner, and what are the risks involved with respect to each possibility?”
1. Advantages and disadvantages of “business succession within a family”
 - (i) common case
 - (ii) 80% extension of tax payment due if tax law is applicable

2. Advantages and disadvantages of “MBO”
3. Advantages and disadvantages of “Sellout to a Capital Partner”
4. Advantages and disadvantages of “M & A”
5. Proposal of investment policy to the owner

In Japan, quite a few seminars have focused on private banking, but the SAAJ private banking seminar is quite unique since participants are from various industries and have the opportunity of exchanging opinions with other companies and/or industries. Thus, most participants highly evaluate the seminar and want to attend subsequent seminars.



ACIIA Inside – New Faces

Following the recent Council Meeting of the ACIIA held in Buenos Aires, Professor Robert Jarrow’s membership of The International Examinations Committee IEC was unanimously confirmed by Council with effect from 1st January, 2009.

Professor Jarrow’s teaching and research activities involve the study of mathematical finance with particular interest in derivatives, risk management, investments and asset pricing theory. Prof. Jarrow is currently engaged in research relating to the pricing of credit derivatives, liquidity risk, and risk management.

He is a graduate faculty representative at Cornell University in four fields: management, economics, operations research and industrial engineering, and applied mathematics.

Prof. Jarrow is the managing editor of *Mathematical Finance* and an associate editor for numerous other finance journals. His research has won numerous awards including the Graham and Dodd Scrolls Award 2001 and the CBOE Pomerance Prize in 1982. In 1997, he was named IAFE Financial Engineer of the Year in recognition of his research accomplishments

Prof. Jarrow succeeds Prof. Darrel Duffie who resigned from the IEC due to his new role as the Chairman of American Finance Association from 2009. Prof. Duffie served on the International Examinations Committee for 8 years and his efforts and participation helped the ACIIA to develop steadily.



Robert Jarrow

SAAJ/CFA Institute Joint Seminar

The SAAJ/CFA Institute Joint Seminar has continued for over 20 years, but, at the request of the CFA Institute, will be terminated following the seminar to be held 2–3 March 2009, entitled “Managing Investment Risk: Lessons of the Credit Crisis”. Needless to say, SAAJ will independently continue offering similar seminars in a bilingual form (Japanese/English) inviting prominent domestic/foreign speakers. As usual, SAAJ will welcome participants from abroad.

SFAF Agreement with the University of Paris Dauphine

FRANCE

SFAF is happy to announce that it concluded in November 2008 a major agreement with the University of Paris Dauphine, one of the most well known in France dedicated to Finance and Management.



Created in 1968, it represents today 400 professors and 1000 lecturers teaching to 9000 students (25% non French) specialised in Finance, Management, Economics, Mathematics and Law through 150 different programs including 80 Master and MBA levels as well as 10 Doctorate programs. The University is regularly listed as a top level training for Master levels similar as European Business Schools.

The agreement was successfully managed by Vincent Bazi, SFAF's Vice Chairman, and Ariane Lieure, SFAF's training center Director, and Professor Elyes Jouini, Vice Chairman of the University. Professor Jouini also heads Master 222 focused on Financial Analysis and Asset Management since 2003.

This agreement covers access of Dauphine's University Master program to SFAF's training to CIIA, exchange of professors between the two institutions, publication of the University's research in SFAF's quarterly review.

Master 222 is listed number 1 in France in Asset Management with SMBG rating (with 4 stars) and regularly organises conferences such as Islamic Finance and Shariah compliant funds in May 2007, Liquidity and Risk management conference in Jan-

uary 2008, and Sovereign Funds in April 2008. It also has also the support of major institutions such as Axa group, Natixis, Allianz Global Investors, Société Générale AsseManagement and Reuters.

Former students are mainly working in the field of Financial Analysis (10%) and Asset Management (55%) of main French Investment banks as well as in Trading Functions (10%), Quantitative Research (8%), Risks Control and Measure of Performance (7%).

EFFAS – New Faces

Dr. René Willemsen has resigned from his functions as Deputy Chairman of the EFFAS EMC and as EMC member due to an important appointment in a project of the Dutch Central bank. Subsequently the EMC elected Vincent Bazi as EFFAS Deputy Chairman. Vincent Bazi is the Vice-Chairman of SFAF and is responsible for its international activities. He is also the representative of SFAF in the ACIIA council and has been a very committed and skilled EFFAS EMC member since 2006.

According to the EFFAS statutes the EMC co-opted Kees de Vaan, from the Dutch association VBA, as an EMC member. In recent years Kees de Vaan has been active within EFFAS and is a member of the TQC Commission.



Vincent Bazi

IIIA – Iranian Institutional Investors Association

IRAN

Iranian Institutional Investors Association (IIIA) was established on February 4th of 2008, and began its major activities from February 20th 2008. In this short period of time, great attempts have been made to establish effective relations with financial institutions and the Iranian supervisory body of local capital market, Security & Exchange Organisation (SEO), in order to fulfill the objectives set forth by the articles of association. These objectives are as follows:

1. Improvement and development of the institutional investors' interaction with SEO

and other active investment institutional bodies.

2. Cooperation with such institutions around the world as ASIF and ACIIA. Iranian Institutional Investors association has already held three CIIA exams; two of the candidates passed the exam and received certificates and two more are going through the certification process.

IIIA has been effectively investigating challenging issues in the capital market by holding monthly meetings with market experts, investors and execu-

tives to analyse the state of Iran Capital Market in light of the prevailing global financial crisis. IIIA's educational committee has recently decided to make CIIA foundation exams compulsory for all the candidates regardless of their level of education thus in future all Iranian candidates will start the profes-



sional degree with foundation exams to this end the committee also decided to join ILPIP to enable Iranian candidates to use the platform facilities. In line with guidance of ACIIA CM in Argentina the First Iranian local CIIA seminar will be held on January 25th, 2009 at the Tehran Chamber of Commerce. In the latest session SEO's examinations committee the CIIA designation has been approved to be the highest investment professional certificate enabling the CIIA diploma holders to engage in all areas of investment analysis and practice.

HKSI – New Faces

Former SFC Chairman and CSRC Chief Adviser Anthony Neoh becomes the HKSI Honorary Fellow for 2008

Former Securities and Futures Commission (SFC) Chairman and China Securities Regulatory Commission (CSRC) Chief Adviser Mr Anthony Neoh, SC, JP was made an Honorary Fellow of the Hong Kong Securities Institute (HKSI) during the induction ceremony held at the HKSI's Autumn Dinner on 26 November. HKSI Honorary fellowships are awarded to individuals who have made distinguished contribution to the development of the Hong Kong securities and investment industry.



Mr Anthony Neoh (middle) inducted as the HKSI Honorary Fellow for 2008

In recognition of members' significant contribution to the development of the industry and

Institute, seven HKSI ordinary members were also inducted as HKSI fellows during the same occasion. They are Mr Gerald Greiner; Mr Lee Kam Hung, Lawrence; Mr John Maguire;

Mr Martin Rogers; Mr Colin Shaftesley; Ms Barbara Shiu and Mr John Williamson.

Mr Gary Cheung, HKSI Chief Executive, said, "Since its inception, the Institute has gained tremendous support from the industry and the members. We hope that the newly inducted Honorary Fellow and Fellows continue to support our work in leading the industry to new heights."

The HKSI is a premier membership organisation in the region. To date, there are about 25,000 individual members with 33 Honorary Fellows / Fellows as the highest rank.

Global Alliance in Promoting IAQ in Hong Kong

The HKSI has established a partnership with UK's Securities & Investment Institute (SII) to promote the globally-recognised SII Investment Administration Qualification (IAQ) to those working within the global and Hong Kong's finance and investment industry.

"The move is in response to the manpower gap in operations identified in a HKSI research study published in June," says Mr Gary Cheung, Chief Executive, HKSI. The gap is a structural issue that needs to be addressed.

"We are delighted to partner with HKSI on this project. HKSI and SII have a long history of collaboration and our IAQ complements the HKSI offerings to front office practitioners, en-

abling candidates to access a complete package of professional qualifications," says Mr Simon Culhane, Chief Executive, SII.

HKSI is the strategic partner of SII in promoting the latter's International IAQ within Hong Kong and China. The two organisations signed an agreement on 1 November 2008. HKSI is also accredited as an SII Accredited Training Provider to offer training in Hong Kong for the International IAQ candidates who would like to attend face-to-face training programme.

Mr John Williamson, HKSI Business Support Committee Chairman says, "Business support

qualifications, like the IAQ, help provide individuals with an overview of the financial services industry and its regulatory environment. The training modules within the programme cover a good range of highly relevant topics. This type of education is of enormous benefit to both new entrants to the industry and to existing participants who need to improve their understanding of the operational and administrative functions."

The business support training initiative has received a tremendous response from the industry. The International IAQ and the HKSI Certificate in Business Support Management are now supported by the HKEx.



Mr John Williamson

Barbara Shiu elected as new HKSI Chairwoman

The 11th Annual General Meeting (AGM) of the Hong Kong Securities Institute has been held on 10 December 2008. During the meeting, 7 new board directors were appointed. Ms Barbara Shiu has been elected to be the new Chairwoman at the inaugural meeting of the Board held immediately after the AGM.



HKSI Chairwoman
Ms Barbara Shiu

Young Talent Optimistic about Their Future Careers in the Financial Industry

On 31 October, approximately 200 students attended a career talk organised by the HKSI. During the presentation, senior industry practitioners Ms Chow Yuen-Yee, Executive Director, Morgan Stanley, and Mr Gerald Greiner, Chief Operating Officer, Hong Kong Exchanges and Clearing (HKEx), both of whom are HKSI members, gave an insider's view of the industry and shared their thoughts on career development.

Ms Chow said that passion and intellectual curiosity are some of the many qualities Morgan Stanley is seeking in candidates for positions in the firm. Other attributes include commitment, entrepreneurship, integrity, teamwork, leadership qualities, and strong interpersonal skills. Mr Greiner emphasised the importance of communication skills saying that: "Client servicing skills are also important to back office staff, as they have many internal clients to work with."

The response from students attending the presentation was encouraging. "I'm not scared by the recent financial crisis. Life goes on and the market is still there, though the focus may be different," said Mr Stephen Tam, a third year student studying financial services at the Hong Kong Shue Yan University. Ms



Mr Gerald Greiner, Ms Chow Yuen-Yee, Mr Gary Cheung and the participating students

Miranda Cheng, a post-graduate student in financial engineering at the Chinese University of Hong Kong, decided to pursue a career in finance because she found the industry "fascinating".

All the students were invited to participate in a survey about their career aspirations. Mr Gary Cheung, Chief Executive, HKSI, was encouraged to discover that despite the recent credit crisis, two-thirds of respondents were still keen to pursue a career in the financial industry. Mr Cheung advised, "If you are pursuing a career in the financial industry, you may find it useful to mix with leading in-

dustry professionals. This can be an important aspect of your professional development."

Respondents indicated that "Networking Opportunities", "Integrity" and "Training and Education" were the top three elements crucial for new entrants to develop their career in the industry.

In response to the manpower gap identified in the HKSI research "Grooming of Talent in the Financial Industry" published in June 2008, the HKSI has arranged several programmes ranging from classroom training to networking events. These events are designed to equip

young talent for the challenges ahead. The HKSI Career Talk, an annual event for university students, is one of the many programmes serving the needs of the student community. The primary purpose is to help students learn more about the financial industry and the many career paths they could follow.

"Degree holders are now eligible to apply for HKSI membership," said Mr Cheung. He encouraged all students to consider joining the HKSI if they want to develop their career as it provides an ideal platform for exchange of ideas and professional development.

Name Change for ASAF Asian Securities and Investments Federation (ASIF)

At the Annual General Meeting held on Saturday 25 October in Bangkok, Thailand, amendments to the Constitution and change of name from Asian Securities Analysts Federation (ASAF) to Asian Securities and Investments Federation (ASIF) were unanimously

approved so that the Federation can broaden its activities and membership base in Asia and Oceania. The new name and amended Constitution were lodged with the Commissioner of Fair Trading of the State of New South Wales, Australia. The new

name was approved on 27 November, and subsequently the new Constitution was approved on 22 December 2008. The amended Constitution allows the Federation to have more than one full member society from a country/region, and thus, we hope

to welcome full members from the broader financial community in Asia and Oceania. There is also a new clause enabling the appointment of advisors from among regulators, self-regulatory organisations, and exchanges in the region.

Credit Crisis Opinion Poll

JAPAN

The Securities Analysts Association of Japan (SAAJ) has conducted an opinion poll of its members on the current credit crisis and accounting standards. The survey was made in late November in preparation for a public round-table meeting hosted by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) of US. A representative of SAAJ attended the round-table held in Tokyo on 3rd Dec. and made comments based on the survey findings. The survey results can be obtained from the following.

<http://www.saa.or.jp/english/research/SAAJNEWSRELEASE081202.pdf>

On a related issue, the SAAJ sent a comment letter on 28 November to the Accounting Standards Board of Japan on the exposure draft of reclassification of holding purposes of bonds.

<http://www.saa.or.jp/research/SAAJComment28November.pdf>

Further, the SAAJ presented its comment on 24 December to the International Organisation of Securities Commissions (IOSCO) in regard to proposed restrictions on short selling of stocks.

<http://www.saa.or.jp/research/iken.pdf>

Ms. Naoko Mori of SAAJ elected as member of GIPS Nominations Committee.

At the recent election of the GIPS Council held on 30 November 2008, Ms. Naoko Mori, Vice President of SAAJ, was elected a member of the GIPS Nominations Committee from among four candidates put up by GIPS Country Sponsors. The Nominations Committee is mainly responsible for nominating individuals for GIPS membership who will provide broad representation of the investment industry to the GIPS Executive Committee. The committee comprises four members, namely the GIPS Council Chair, Executive Director of the GIPS Executive Committee, an appointee of the CFA Institute, and an elected member representing the interests of the 30 GIPS Council countries worldwide.



Presentation of the Observatory on Reforms of the European Financial Market

SPAIN

On the 19th of December the Observatory on Reforms of the European Financial Market was presented as the first of the research activities of the Foundation Programme 2008 of the Spanish Foundation for Financial Studies (FEF). The event was held at the Stock Market in Madrid. A public presentation will soon take place on the other two works (Corporate Governance and International Economy) as well as the rest of the studies carried out during the year.

These Observatory reports arose out of the Foundation's decision to conduct a periodic review to monitor and assess reforms targeted at integrating financial services in Europe. The Observatory's purpose is therefore to offer the Foundation's trustees, regulators and supervisors, business people, investors, shareholders and agents in the financial market in general, an independent and objective opinion on the reforms undertaken

and to publish that opinion and thereby contribute to better operation of European financial markets. Together with the guest of honour, the former Minister for Economic Affairs, Miguel Boyer, the board of speakers was composed by the IEAF and FEF Chairman Xavier Adserá, the directors of the study, Ramiro Martínez-Pardo and Javier Zapata as well as the representative of IVIE (Economic Research

Institute of Valencia), Joaquín Maudos. After the presentation, chaired by Mr. Xavier Adserá, both directors of the observatory explained the evaluated results with regard to the European financial integration by means of a series of indicators established by the IVIE and the global range of the observatory together with their principal conclusions. The event was concluded by Miguel Boyer who

expounded on the current financial and economical crisis. He placed it with respect to its magnitude and effects to former crisis and gave finally a moderately optimistic message about its duration and effects. However, he pointed out its painful present consequences and unemployment, as the principal aim to be combated by means of a series of direct and indirect measures.



Xavier Adserá, Javier Zapata, Miguel Boyer, Ramiro Martínez-Pardo, Joaquín Maudos

CHINA

Advanced Sino-French Financial Forum



On October 17, Advanced Sino-French Financial Forum was jointly hosted by China Securities Regulatory Commission (CSRC) and (AMF), co-organised by The Securities Association of China (SAC) and Paris Europlace. The theme of this forum was "Financial Market and Globalisation: Opportunities and Challenges for the Securities Industry of China and France". Mr. Shang Fulin, Chairman of CSRC, Mr. Huang Xiangping, Chairman

of SAC and Mr. Michel Prada, Chairman of AMF attended the conference and made speeches respectively.

Securities Brokers Examinations

Entrusted by China Securities Regulatory Commission, Securities Association of China held examination on securities brokers on December 6 and December 7 in 42 cities all over the country, the first such kind of examination on employees engaged in securities brokerage business in China. The total units registered in the exam amounted to 116000. The examination was taken on computers by the candidates.

Ministry of Commerce delegation

A Delegation from the training program on the development of emerging markets organised by The Ministry of Commerce visited SAC on October 22. The delegates included government officials from more than 20 developing countries including Vietnam, Indonesia, the United Republic of Tanzania, etc. Mr. Chen Ziqiang, vice chairman and Secretary General of SAC made a welcome speech to the delegation. During the meeting Mr. Jia Zhonglei, commissioner of SAC made a lecture on the Chinese capital market.

Capital Market of South Korea



Korea Securities Dealers Association held seminar on capital market of South Korea together with SAC on October 22 in Beijing. The theme of the seminar was to introduce the capital market of South Korea, its rules and regulations, key industries as well as mutual communication between the securities industry of the two countries. A total of 150 professionals from the securities industry of China and SAC delegates participated at the conference.

Finance and Investments Seminar India

INDIA

A series of seminars in the area of finance and investments were organised recently across various cities on topics such as

World Financial Crisis: Implications on Global Financial Markets, India – Net gainer in the present global upheavals? "The End of Wall Street – Its Impact on India", World Financial Crisis – Is the worst over?

The Financial Markets Meltdown: A Global Crisis, Financing Infrastructure Projects In India, Selecting Value Stocks for Portfolio Building, Equity Investment in Volatile Markets. These seminars were co branded with the CIIA logo to create brand

awareness. Prominent speakers from the industry spoke in these seminars. These seminars were organised for the benefit of CIIA

students and working executives and were well attended. These seminars were held in several cities across India.



New Publications

Icfai University Press (IUP) has come out recently with several books which are relevant to students pursuing the CIIA Program. One such book is Shareholder Activism: An Emerging Paradigm.

Shareholder activism is the reactive or proactive way in which shareholders use their ownership rights to influence the decisions of a company. Sharehold-

ers, dissatisfied with certain aspects of a company's management, seek to cause a change within the company by resorting to various forms of activism, ranging from selling off shares to acquisition of controlling interest in the company. In between these extreme steps, other actions like issuing private or public communications to the management and the board of directors demanding change in

the company's decisions, submitting shareholder resolutions, filing legal cases etc., are also taken by activist shareholders. This book focuses on the key issues related to shareholder activism and presents relevant cases and experiences. The book is divided into two sections. Section I deals with the concepts and issues pertaining to shareholder activism. This section comprises eight arti-



cles. Section II comprises six articles which focus on the cases and experiences with regard to shareholder activism.

Agenda

Meetings and Events

EFRAG Seminar

20th March 2009, Stockholm

CEE Forum

14th May 2009, Vienna

ACIIA Council Meeting

24th June 2009, Vilnius

ACIIA Annual General Meeting

25th June 2009, Vilnius

EFFAS Summer School

8 – 10th July 2009, Madrid

Taking ESG into Account

8 – 9th September 2009 Frankfurt

EFRAG Seminar

24th September 2009, Madrid



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