

Norman Chan: The new membership regime of ACI - The Financial Markets Association of Hong Kong

Remarks by Mr Norman Chan, Deputy Chief Executive of the Hong Kong Monetary Authority and Chairman of Treasury Markets Forum of Hong Kong, at the cocktail reception to mark the new membership regime of ACI - The Financial Markets Association of Hong Kong, Hong Kong, 14 October 2004.

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Good afternoon ladies and gentlemen,

I am pleased to welcome you all to this reception to mark the successful launch of the new membership regime of ACI - The Financial Markets Association of Hong Kong, and the introduction of accredited educational programmes for market practitioners. This is a major milestone in raising the professionalism of treasury market practitioners in Hong Kong.

The Treasury Markets Forum of Hong Kong was established in March this year with a view to promoting co-operation and synergy to raise the professionalism of practitioners and the overall competitiveness of the treasury markets in Hong Kong. The Forum brings together the providers, users and intermediaries in treasury markets, including representatives of Hong Kong Association of Banks, ACI - The Financial Markets Association of Hong Kong, Hong Kong Capital Markets Association, Hong Kong Association of Corporate Treasurers, DTC Association and Hong Kong Foreign Exchange and Deposit Brokers' Association, to consider how we can co-operate in raising the professionalism of market practitioners. I am pleased to report that we are made major progress in raising the professionalism of treasury market practitioners.

Treasury markets comprise a wide range of products including foreign exchange, fixed income, derivatives and so on. The boundaries between various markets have become blurred alongside more innovative and sophisticated structuring of new products. Whether dealing, sales or back-office staff in treasury markets all require strong technical, up-to-date knowledge in order to cope with the rapid changes in treasury markets. In the discussions between the Treasury Markets Forum and ACI - The Financial Markets Association of Hong Kong on the design of the new membership scheme, we consider that there is a need to bring together qualifying practitioners from various treasury markets. This can facilitate the exchange of views among practitioners within the industry on the one hand and promote the professional standing of practitioners on the other hand. In addition, accredited educational programmes should be introduced to raise the professionalism of practitioners and provide training to those who are interested to join the industry.

Following the active co-ordination among industry bodies, I am glad that the ACI - The Financial Markets Association of Hong Kong has successfully launched the new membership regime and made a major stride in raising professionalism of treasury market practitioners. While ACI - The Financial Markets Association traditionally is composed of professionals in foreign exchange market, today, it has expanded the membership to those engaged in other treasury markets (such as bonds and derivatives), encompassing dealing, sales, broker and back-office personnel.

In the introduction of accredited training courses, it is necessary to co-operate with leading and renowned educational institutions to provide quality training so as to achieve the objective of raising professional standard and gain wide recognition. I am happy to announce that the Chinese University of Hong Kong and the University of Science and Technology will offer certificate programmes on dealing, settlement and fixed income securities. Practitioners can take these courses to obtain a professional qualification to meet part of the membership requirement of the Association. In addition, the new regime recognises the rapid evolution in financial markets, and the need for continuous professional training in upgrading the skills and expertise of practitioners. A new requirement on continuous professional training is therefore introduced for the renewal of the membership.

In strengthening the international financial centre status of Hong Kong, it is important to foster our advantage in having a professional workforce. We believe that the launch of the new membership regime of ACI - The Financial Markets Association of Hong Kong and educational programmes will help upgrade the technical skills and expertise of treasury market professionals and help them to catch

up with the latest developments in the markets. This will work towards our ultimate goal in raising overall competitiveness of treasury markets in Hong Kong.

Alongside the rapid growth of the Mainland economy and the gradual liberalisation of their markets, there is an increasing demand for treasury markets products and services from the Mainland. The Treasury Markets Forum, as a broad-based and authoritative group, can help explore opportunities for closer co-operation with the Mainland on market development issues. Since the establishment of the Treasury Markets Forum, we have made visits to the Mainland financial regulatory bodies and the China Association of Banks to deepen our mutual understanding of the markets in two places. They were interested to learn about the work of the Forum, including those in raising the professionalism of our practitioners. The Forum also participated in the Hong Kong Financial Services Expo held in Shanghai in September to promote our treasury markets services to Mainland financial institutions and enterprises. We will also organise a seminar for the Mainland to promote their understanding in our financial markets, and responses from the Mainland have been very favourable. In addition, we will maintain close contacts with major overseas financial centres. In particular, we intend to invite major members from New York and London foreign exchange committees to meet with the Forum to facilitate the exchange of views on issues of mutual interest.

In the past half year since its establishment, the Treasury Markets Forum has made good progress in its work. We will continue to work closely with industry associations with a view to enhancing the competitiveness of Hong Kong's treasury markets and promoting Hong Kong's status as the preferred hub for treasury markets services.

Finally, may I represent the Treasury Markets Forum to thank the Chinese University of Hong Kong and the University of Science and Technology in developing the certificate programmes on dealing, settlement and fixed income securities. I would also like to congratulate ACI - The Financial Markets Association of Hong Kong in successfully introducing the new membership regime and expanding the membership.

Thank you.