

A

Academic and Accreditation Advisory Committee (AAAC)
p.36

Advisory Committee
p.5

Asia Pacific Group (APG)
An autonomous regional anti-money laundering body established in 1997 at the Fourth Asia/Pacific Money Laundering Symposium in Bangkok.
p.76

Audit Committee
pp.5, 12, 13

Australian Securities and Investments Commission (ASIC)
The market regulator that regulates the Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit.
pp.3, 68, 74

Automated Trading Services (ATS)
Generally, services provided by means of electronic facilities (except those provided by a recognised exchange company or clearing house) whereby offers to sell or purchase securities or futures contracts are regularly made or accepted in a way that results in a binding transaction in accordance with established methods.
pp.17, 19, 61

B

Boiler Rooms
Frauds in which unscrupulous but plausible salespeople cold call potential investors and use high pressure sales tactics to persuade them to buy real or bogus investments.
p.54

Budget 2003-2004
pp.4, 67

Budget Committee
p.12

C

Chief Executive, HKSAR
pp.9, 10, 11, 67

China Securities Regulatory Commission (CSRC)
The executive branch of the State Council Securities Commission responsible for conducting supervision and regulation of the Mainland's securities markets in accordance with the law.
pp.48, 68, 77

Committee on Payment and Settlement Systems (CPSS)
A forum for the central banks of the Group of Ten countries (G10) to monitor and analyse developments in domestic payment, settlement and clearing systems as well as in cross-border and multi-currency settlement schemes.
p.75

Commissione Nazionale per le Società e la Borsa (National Companies and Exchange Commission of Italy) (CONSOB)
The public authority responsible for regulating the Italian securities market and protecting the investing public.
p.75

Companies Ordinance (CO)
pp.27, 28

Commodity Exchange Compensation Fund (CECF)
The fund that provides compensation to investors who suffer a loss due to the default of an exchange participant of the Hong Kong Futures Exchange.
pp.21, 60

Complaints Control Committee
p.70

Continuous Professional Training (CPT)
The systematic maintenance, improvement and broadening of knowledge and skills to enable individuals carrying on regulated activities to perform their duties competently and professionally.
p.35

Corporate Governance
pp.5, 10, 29, 30

D**Derivatives Clearing and Settlement System (DCASS)**

The new clearing and settlement system to be launched by HKEx's for its derivatives market.
p.60

Director of Audit
p.14**Directors of the Commission**
pp.8, 9, 10**Disciplinary Action**
pp.26, 52, 53**Disclosure of Interests**
pp.4, 18, 51, 55, 64**Dual Filing**
pp.4, 18, 24, 29, 30**E****Electronic Investor Resources Centre (eIRC)**

An SFC operated website to provide investors with educational information on investments and regulations.
pp.21, 69

Electronic Public Offerings (ePO)

The use of Internet or other electronic means to distribute prospectuses, enable the downloading of application forms or collect application information from investors etc. in a public offering of securities.
p.60

Equity-Linked Instruments (ELIs)

A structured financial product with embedded "short" positions in options which allow an investor to take a bull, bear, or range view on the underlying asset.
pp.58, 70

Exchange Traded Funds (ETFs)

Basically index funds that are listed and traded on exchanges just like stocks.
p.45

Expert Group

The three-member group appointed by the Financial Secretary in September 2002 to review the operation of Hong Kong's securities and futures market regulatory structure.
pp.3, 30, 31

F**Financial Action Task Force (FATF)**

A Hong Kong inter-governmental body to develop and promote policies, both at national and international levels, to combat money laundering.
p.76

Financial Market Development Task Force

The task force set up under the direction of the Financial Secretary in December 2001 to provide a high-level forum to co-ordinate new initiatives on the development of Hong Kong's financial markets.
p.4, 27

Financial Services Network (FinNet)

A business-to-business network built to support financial communities in Hong Kong in conducting secure electronic transactions, information delivery and peer-to-peer communication.
p.60

Financial Resources Rules (FRR)

The rules that set out the capital requirements with which intermediaries have to comply in order to become and remain licensed by the SFC. The capital requirements comprise a liquid capital requirement and, for licensed corporations that are allowed to hold client assets, a paid-up share capital requirement.
pp.41, 54

Financial Secretary
pp.11, 30, 31, 67**Financial Services Authority (FSA)**

The single statutory regulator in the UK directly responsible for the regulation of deposit taking, insurance and investment business.
pp.54, 68

Financial Sector Assessment Program (FSAP)

The assessment program conducted jointly by IMF and World Bank to alert economies to likely financial vulnerabilities in order to reduce the potential of crisis.
p.77

Financial Services and Treasury Bureau (FSTB)
pp.25, 28, 68

G

Group of Thirty (G30)

A private, non-profit, international body composed of senior representatives of the private and public sectors and academia that aims to deepen understanding of international economic and financial issues, to explore the international repercussions of decisions taken in the public and private sectors, and to examine the choices available to market practitioners and policymakers.

p.75

Growth Enterprise Market (GEM)

p.3

H

Hang Seng Index (HSI)

pp. 3, 20, 58

Hedge Funds

No legal definition but may refer to a wide range of investment vehicles, which can vary substantially in terms of size, strategy, business model and organisational structure, among other characteristics.

pp.4, 44

Hong Kong Futures Automated Trading System (HKATS)

The trading system of HKEx's derivatives market.

p.59

Hong Kong Exchanges and Clearing Limited (HKEx)

pp.6, 30, 31, 58, 77

Hong Kong Futures Exchange Limited (HKFE)

A subsidiary of HKEx where derivatives products such as futures and options are traded.

pp.58, 59

Hong Kong Monetary Authority (HKMA)

pp.4, 34, 44, 68

Hong Kong Society of Accountants (HKSA)

p.42

I

Independent Commission Against Corruption (ICAC)

p.12

Initial Public Offerings (IPOs)

pp.30, 60

Insider Dealing Tribunal (IDT)

pp.46, 51

International Monetary Fund (IMF)

An international organisation to promote international monetary co-operation, exchange stability, and orderly exchange arrangements.

p.7

International Organisation of Securities

Commissions (IOSCO)

The leading international grouping of securities market regulators. Its current membership comprises regulatory bodies around the world who have day to day responsibility for securities regulation and the administration of securities laws.

pp.5, 36, 75

Investor Compensation Company Limited (ICC)

An investor compensation company established under the SFO to manage the new investor compensation fund and process claims.

pp.19, 61

Investor Compensation Fund

pp.18, 19, 61

J

Joint Financial Intelligence Unit (JFIU)

The Unit jointly run by the Hong Kong Police Force and the Customs & Excise Department to receive reports about suspicious financial activity.

p.42

L

Legislative Council (LegCo)

p.11

M

Management Committee

p.13

Mandatory Provident Fund (MPF)

p.44

Mandatory Provident Fund Schemes Authority (MPFA)
p.68

Market Misconduct
p.50

Market Misconduct Tribunal (MMT)
pp.18, 19, 46, 55

Memorandum of Regulatory Co-operation (MORC)
The memorandum signed between the CSRC, Shanghai Stock Exchange, Shenzhen Stock Exchange, SEHK and the SFC to promote mutual assistance and the exchange of information so that the parties may effectively perform their respective duties according to law.
p.77

Memorandum of Understanding (MOU)
Co-operative arrangements or agreements the SFC signed with other local or international organisations.
pp.23, 30, 34, 47

Money Laundering
A wide range of activities and processes intended to alter the identity of the source of illegally obtained money in a manner which creates the appearance that it has originated from a legitimate source.
p.76

Multilateral Memorandum of Understanding (MMOU)
The multilateral MOU that enhances the level of IOSCO members' co-operation and information exchange to combat cross-border fraud and other securities violations, and improve their ability to enforce securities regulation worldwide.
p.76

N
Non-Executive Directors
pp.9, 10

O
Ombudsman
p.14

Organisation for Economic Co-operation and Development (OECD)

An international organisation to help governments tackle the economic, social and governance challenges of a globalised economy.
p.77

P
Panel of Inquiry on the Penny Stocks Incident (PIPSI)
A Government-appointed independent panel of inquiry to look into the circumstances relating to the publication of an HKEx consultation paper, following the plunge in prices of penny stocks on 26 July 2002.
pp.3, 30

Performance Pledges
p.15

Price Stabilising Rules
p.29

Prosecutions
pp.50, 51, 52, 64

Process Review Panel (PRP)
An independent body appointed by the Chief Executive to review the SFC's internal operations and procedures to ensure that they are fair and consistently followed.
pp.4, 11

Protection of Investors Ordinance (PIO)
p.52

R
Real Estate Investment Trusts (REITs)
A collective investment scheme that holds and manages real estate.
pp.4, 45

Remuneration Committee
p.13

S
Scripless Market
A securities market where a security holding does not have a physical certificate nor require a physical instrument to effect a transfer.
p.59

Secretary for Justice
p.11, 64

Securities (Disclosure of Interests) Ordinance (SDIO)
p.51

Securities and Futures Appeals Panel (SFAP)
The part-time panel that hears appeals against the SFC's decisions concerning licensing and disciplinary matters made before the commencement of the SFO.
p.11

Securities and Futures Appeals Tribunal (SFAT)
An independent full-time appeals tribunal established under the SFO to replace the SFAP but with a wider jurisdiction.
pp.4, 12, 19

Securities and Futures Commission Ordinance (SFCO)
pp.49, 64, 65

Securities and Futures Ordinance (SFO)
pp.3, 4, 18, 19, 72

Shareholders Group
p.29

Short Selling
pp.52, 58

Single Licensing Regime
pp.19, 35

Sponsors [Listing]
pp.30, 49

Staffing
p.68

Steering Committee on the Enhancement of Financial Infrastructure II (SCEFI II)
The committee set up in 2000 to further the vision of and efforts of the original SCEFI initiatives. SCEFI was set up in 1999 to recommend improvements to the financial infrastructure of Hong Kong's securities and futures industry.
pp.4, 59

Stock Exchange of Hong Kong Limited (SEHK)
A subsidiary of HKEx where a wide range of securities including equities, debts, unit trusts, exchange-traded funds and warrants are traded.
pp.41, 58, 60

Subsidiary Legislation [of the SFO]
p.63

T
Takeovers Executive
The Executive that administers the Takeovers Code, undertakes the investigation of takeovers, mergers and share repurchases and monitors related dealings.
pp.26, 27

Takeovers and Mergers Panel
pp.26, 27, 65

Third Generation of Central Clearing and Settlement System, The (CCASS/3)
The latest clearing and settlement system of HKEx's cash market.
pp.59, 60

U
Unified Exchange Compensation Fund (UECF)
The fund that provides compensation to investors who suffer a loss due to the default of an exchange participant of the Stock Exchange of Hong Kong.
pp.21, 60

Unit Trust and Mutual Funds
p.43

University of Hong Kong (HKU)
pp.22, 69

W
Website
p.71
