

# Index

## > A

Advisory Committee  
*pp.7, 13*

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

Audit Committee  
*p.13*

Australian Securities and Investments Commission (ASIC)  
An independent Australian government body responsible for regulating financial markets, securities, futures and corporations. It is also responsible for consumer protection in superannuation, insurance, deposit taking and credit.  
*pp.43, 69, 74*

Automated Trading Services (ATS)  
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.23, 59*

## > 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.  
*pp.55, 70*

Budget 2003-2004  
*pp.3, 67*

Budget Committee  
*p.15*

## > C

Capital Investment Entrant Scheme (CIES)  
The Scheme introduced by the HKSAR Government to facilitate the entry for residence by capital investment entrants, i.e. persons who make capital investment in Hong Kong but would not be engaged in the running of any business here.  
*pp.37, 43*

Central Clearing and Settlement System (Third Generation) (CCASS/3)  
The new clearing and settlement system launched by HKEx for its cash market.  
*pp.4, 59*

Chief Executive, HKSAR  
*pp.10, 12, 55, 68*

China Futures Association  
One of the Mainland associations responsible for administering the industry qualification and awarding qualification to individuals who have passed the relevant examinations. The other one is the Securities Association of China (SAC). The two associations grant practicing qualification to individuals engaging in the futures and securities industry respectively under the delegated authority by the CSRC.  
*p.37*

China Securities Regulatory Commission (CSRC)  
The authorised department under the State Council that governs the securities and futures markets of China.  
*pp.7, 37, 55, 69, 76*

Closer Economic Partnership Arrangement (CEPA)  
An agreement between the Central People's Government and the HKSAR Government to strengthen trade and investment co-operation and promote joint development.  
*pp.3, 37*

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*

Committee on Payment and Settlement System (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*

Commodities Trading Ordinance  
*pp.23, 64*

Commodity Exchange Compensation Fund (CECF)  
The fund that provides compensation to investors who suffered a loss due to the default of an Exchange Participant of the Hong Kong Futures Exchange Ltd before implementation of the SFO.  
*p.61*

Companies Ordinance (CO)  
*p.31*

Complaints Control Committee  
*p.71*

Consumer Council  
*pp.31, 41*

Continuous Professional Training (CPT)  
The systematic maintenance, improvement and broadening of knowledge and skills to enable individual SFC licensees carrying on regulated activities to perform their duties competently and professionally.  
*p.37*

Corporate Governance  
*pp.6, 12, 31*

## > D

Derivatives Clearing and Settlement System (DCASS)  
The new clearing and settlement system launched by HKEx for its derivatives market.  
*pp.4, 60*

Director of Audit  
*p.16*

Directors of the Commission  
*p.10*

Disciplinary Actions  
*p.52*

Disclosure of Interests  
*pp.23, 49, 63*

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Dual Filing  
*pp.5, 22, 32, 49, 67*

## > E

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Electronic Investor Resources Centre (eIRC)  
An SFC operated website to provide investors with educational information on investments and regulations.  
*p.25*

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Equity-Linked Products  
Structured financial products with embedded "short" positions in options which allow an investor to take a bull, bear, or range view on the underlying asset.  
*p.42*

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Exchange Traded Funds (ETFs)  
Basically index funds that are listed and traded on exchanges just like stocks.  
*pp.4, 37, 43, 58*

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Exchanges and Clearing Houses (Merger) Ordinance  
*p.23*

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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  
*p.32*

## > F

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Financial Action Task Force on Money Laundering (FATF)  
An inter-governmental body established by the G-7 Summit to develop and promote policies, both at national and international levels, to combat money laundering and terrorist financing.  
*p.76*

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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.  
*p.41*

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Financial Secretary  
*pp.10, 13, 68*

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Financial Services Authority (FSA)  
An independent organisation responsible for regulating financial services in the UK. It is the single statutory regulator responsible for the authorisation and supervision of deposit taking, insurance and investment business.  
*p.69*

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Financial Services and the Treasury Bureau (FSTB)  
*pp.5, 60*

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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.59, 70*

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Financial Stability Forum  
An international Forum that promotes financial stability through information exchange and international co-operation in financial supervision and surveillance.  
*p.75*

## > G

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Growth Enterprise Market (GEM)  
*pp.5, 24*

## > H

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Hang Seng China Enterprises Index  
*p.58*

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Hang Seng Index (HSI)  
*pp.3, 24*

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Hay Report  
The report by the consultant Hay Group Limited on a study of the remuneration packages of senior executives of selected statutory and other bodies. The study was commissioned by the HKSAR Government in 2002 to provide guidelines to individual organisations for them to adjust or refine their remuneration policies and arrangements.  
*p.68*

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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.41, 42*

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Hong Kong Exchanges and Clearing Ltd (HKEx)  
*pp.4, 32, 37, 48, 58*

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Hong Kong Futures Exchange Ltd (HKFE)  
A subsidiary of HKEx where derivatives products such as futures and options are traded.  
*p.58*

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Hong Kong Monetary Authority (HKMA)  
*pp.55, 69*

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Hong Kong Police (Police)  
*p.55*

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Hong Kong Securities Clearing Company Ltd (HKSCC)  
*p.58*

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Hong Kong Securities Institute  
*pp.37, 69*

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Hong Kong Special Administrative Region (HKSAR)  
*pp.5, 10, 12*

## > I

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Independent Commission Against Corruption (ICAC)  
*pp.17, 55*

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Independent Financial Advisers (IFAs)  
*pp.4, 31*

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Initial Public Offerings (IPOs)  
*pp.3, 31, 41, 60*

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Insider Dealing Tribunal (IDT)  
*pp.5, 50*

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International Organization of Securities Commissions (IOSCO)  
The leading international grouping of securities market regulators and 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, 61, 74*

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**Investor Compensation Company Ltd (ICC)**

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

*pp.22, 61*

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**Investor Compensation Fund**

*pp.22, 61*

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**Investor Participant Accounts**

A depository account for safekeeping investors' stocks, that gives them legal protection and control over their shareholdings. Both individual and corporate investors may open stock accounts in CCASS and become Investor Participants.

*pp.4, 60*

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**> J****Joint Financial Intelligence Unit (JFIU)**

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

*p.55*

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**> L****Legislative Council (LegCo)**

*pp.13, 31, 41*

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**Leveraged Foreign Exchange Trading Ordinance**

*pp.23, 64*

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**> M****Management Committee**

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**Mandatory Provident Fund (MPF)**

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**Mandatory Provident Fund Schemes Authority (MPFA)**

*p.69*

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**Market Misconduct**

*p.22*

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**Market Misconduct Tribunal (MMT)**

*pp.22, 33*

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**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*

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**Memorandum of Understanding (MOU)**

Co-operative arrangements or agreements the SFC signed with other local or international organisations.

*pp.5, 44, 74*

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**Multilateral Memorandum of Understanding (MMOU)**

The multilateral MOU that enhances the level of IOSCO members' co-operation and information exchange to combat cross-border frauds and other securities violations, and improve their ability to enforce securities regulation worldwide.

*pp.55, 74*

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**> N****Non-Executive Directors (NEDs)**

*pp.7, 11, 12*

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**> O****Ombudsman**

*p.18*

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**Open University of Hong Kong**

*p.71*

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**> P****Penny Stocks Incident**

An incident on 26 July 2002 when prices of many lower priced stocks plunged after the publication of an HKEx consultation paper on initial listing and continuing listing eligibility and cancellation of listing procedures.

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**Performance Pledges**

*p.19*

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**Price Stabilizing Rules**

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**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.

*p.16*

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**Prosecutions**

*p.50*

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**Protection of Investors Ordinance (PIO)**

*pp.23, 32, 52*

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**> R****Real Estate Investment Trusts (REITs)**

Collective investment schemes constituted as a trust that invest primarily in real estate with the aim to provide returns to holders derived from the rental income of the real estate.

*pp.4, 37, 43*

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**Remuneration Committee**

*p.14*

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**> S****Scripless Market**

A scripless securities market provides the enabling environment for straight-through-processing, eliminates the risks associated with paper scrip, reduces the cost of ownership transfer and enhances the processing efficiency of securities transactions.

*p.60*

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**Secretary for Justice**

*p.33*

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Securities Association of China (SAC)  
See China Futures Association above.  
*p.37*

Securities and Exchange Commission (SEC)  
The securities market regulator created by the US Congress, whose primary mission is to protect investors and maintain the integrity of the securities markets. It oversees the stock exchanges, broker-dealers, investment advisors, mutual funds, and public utility holding companies.  
*pp.69, 75*

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.  
*pp.17, 54, 65*

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.17, 23, 54, 65*

Securities and Futures (Clearing Houses) Ordinance  
*p.23*

Securities and Futures Commission Ordinance (SFCO)  
*pp.5, 23, 64*

Securities and Futures Ordinance (SFO)  
*pp.4, 23, 31, 36, 40, 48, 61, 63*

Securities (Disclosure of Interests) Ordinance  
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Securities (Insider Dealing) Ordinance  
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Securities Ordinance  
*pp.23, 50*

Severe Acute Respiratory Syndrome (SARS)  
*pp.3, 73*

Shanghai Stock Exchange  
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Shareholders Group  
*p.31*

Shenzhen Stock Exchange  
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Short Selling  
*pp.52, 58*

Single Licensing Regime  
*pp.23, 36*

Sponsors [Listing]  
*pp.4, 31, 50*

Staffing  
*p.68*

Steering Committee on the Enhancement of Financial Infrastructure (SCEFI)  
The committee set up in 1999 to recommend improvements to the financial infrastructure of Hong Kong's securities and futures industry.  
*p.60*

Stock Exchange of Hong Kong Ltd (SEHK)  
A subsidiary of HKEx where a wide range of securities including equities, debts, unit trusts, exchange-traded funds and warrants are traded.  
*pp.22, 31, 39, 58*

Stock Exchanges Unification Ordinance  
*p.23*

SWIFT  
An industry-owned co-operative supplying secure, standardised messaging services and interface software to financial institutions worldwide.  
*p.60*

## ➤ T

Takeovers and Mergers Panel  
*p.30, 65*

Takeovers Executive  
*p.30*

## ➤ U

Undertakings for Collective Investment in Transferable Securities (UCITS)  
Collective investment funds as referred to by the European Commission.  
*p.21*

Unified Exchange Compensation Fund (UECF)  
The fund that provides compensation to investors who suffered a loss due to the default of an Exchange Participant of the Stock Exchange of Hong Kong Ltd before implementation of the SFO.  
*p.61*

Unit Trust and Mutual Funds  
*p.42*

## V

➤ Vocational Training Council  
*p.37*

## W

➤ Website  
*p.72*

Working Group on Review of the Financial Regulatory Framework for Licensed Corporations  
An SFC working group comprising representatives from the industry, academia and the Consumer Council. It reviews the practices of pooling and re-pledging client collateral and the risks involved in securities margin financing and examines the effectiveness of the overall financial regulatory framework for the securities industry, with a view to enhancing investor protection.  
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