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Indices do not include references in the Financial Statements.

A

Advisory Committee

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Alert list

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Anti-money laundering guidelines

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Audit Committee

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Australian Securities & Investments Commission (ASIC)

The ASIC is an independent government body which enforces and regulates company and financial services laws to protect consumers, investors and creditors.

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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.

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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. 50, 56

Budget Committee

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C

Callable Bull / Bear Contracts

A type of derivative product that tracks the performance of the underlying asset on an almost one to one basis. They expire on a fixed date and must be called (i.e. early terminated) by issuers when the price of the underlying (auto-matched price at any time during trading hours) reaches the call price (i.e. barrier level).

pp. 14, 47

Central Clearing and Settlement System (CCASS)

HKEX's clearing and settlement system for its cash market.

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Chief Executive, Hong Kong Special Administrative Region (HKSAR)

pp. 18, 23, 46

Chief Executive Officer (CEO), SFC

pp. 10, 12, 18, 21

Chief Operating Officer (COO), SFC

pp. 15, 20

China Securities Regulatory Commission (CSRC)

The authorised department under the State Council that governs the securities and futures markets of China.

pp. 11, 43, 46, 48

China Banking Regulatory Commission (CBRC)

The authorised department under the State Council that governs the banking sector of China.

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Closer Economic Partnership Arrangement (CEPA)

p. 49

Code of Conduct, SFC

pp. 20, 106

Codes on Takeovers and Mergers and Share Repurchases

p. 37

Commission Possible Volunteers Group

p. 27

Commercial Crime Bureau (CCB)

A bureau of the Hong Kong Police that investigates serious and complex commercial fraud; computer crime; and the counterfeiting or forgery of currency, coinage, credit cards, other commercial instruments and travel and identity documents.

pp. 40, 43

Commodity Exchange Compensation Fund (CECF)

p. 114

Companies Ordinance

pp. 14, 37

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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.

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Corporate Governance

pp. 10, 14-15, 18, 40, 50-51

Corporate Social Responsibility (CSR)

pp. 15, 18

Court of Appeal

pp. 23, 42

D

Department of Justice

p. 41

Derivative warrants

pp. 37, 40, 55

Director of Audit

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Disclosure of Interests

Anyone who has an interest of 5% or more of the voting shares of a listed company is required to disclose that interest within three business days of acquiring or disposing of the interest. Directors and chief executives of listed companies are required to disclose any acquisition or disposal of their company's shares, irrespective of the percentage they hold.

pp. 56, 108

Dr Wise column

pp. 4, 54, 115

Dual Filing

The arrangement that came into effect with the SFO, under which all corporate disclosure and listing application materials are filed with both the SEHK and the SFC. The SFC can exercise its enforcement powers against persons issuing false or misleading corporate information.

pp. 12, 37, 50, 116

Dual Filing Advisory Group

p. 116

E

Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong"

Convened by the HKSAR Chief Executive to discuss how Hong Kong should respond to the challenges and opportunities arising from the 11th Five-Year Plan. Four Focus Groups were established to discuss the development strategy for Hong Kong's four major economic sectors: financial services; maritime, logistics and infrastructure; trade and business; professional services, information & technology and tourism.

pp. 11, 14, 46

Exchange Traded Fund (ETF)

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

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Executive Committee

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Executive Directors (EDs), SFC

pp. 15, 18

F

Federation of Share Registrars Ltd

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Fidelity insurance

p. 48

Financial Secretary, HKSAR

pp. 3, 14, 15, 21-22, 38, 41

Financial Services and the Treasury Bureau (FSTB)

pp. 23, 38

Financial Services Authority (FSA), UK

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.

pp. 48, 110

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.

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Forest Stewardship Council

A non-profit organisation based in Germany with a mission to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.

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Index

G

Global Financial Centres Index (GFCI)
Launched by the City of London Corporation, it is an index of indices tracking changing perceptions of cities as financial centres on an ongoing basis.
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Growth Enterprise Market (GEM)
pp. 116-117

H

H-shares Index Futures
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Hang Seng Index (HSI)
pp. 14, 47

Hedge fund
pp. 39, 48, 50

Hong Kong Association of Banks
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Hong Kong Council of Social Service
pp. 15, 27

Hong Kong Exchanges and Clearing Ltd (HKEx)
HKEx owns and operates the only stock exchange and futures exchange in Hong Kong. It is the holding company of The Stock Exchange of Hong Kong Ltd, Hong Kong Futures Exchange Ltd and Hong Kong Securities Clearing Company Ltd. It went public in June 2000 following the integration of the securities and futures market.
pp. 2-3, 14, 36, 41-42, 46, 116-117

Hong Kong Futures Exchange Ltd (HKFE)
A subsidiary of HKEx where futures and options contracts are traded.
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Hong Kong Institute of Certified Public Accountants (HKICPA)
pp. 18, 25, 40, 51

Hong Kong Interbank Clearing Ltd (HKCL)
The HKCL is a private company jointly owned by the Hong Kong Monetary Authority (HKMA) and the Hong Kong Association of Banks (HKAB) which provides interbank clearing and settlement services to all banks in Hong Kong and operates a central clearing and settlement system for public and private debt securities on behalf of the HKMA.
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Hong Kong Management Association
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Hong Kong Monetary Authority (HKMA)
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Hong Kong Securities Clearing Company Ltd (HKSCC)
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Hong Kong Securities Institute (HKSI)
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I

Independent Commission Against Corruption (ICAC)
pp. 23, 43

Insider dealing
pp. 3, 41

Insider Dealing Tribunal (IDT)
pp. 41, 106

International Organization of Securities Commissions (IOSCO)
IOSCO is an international co-operative body recognised as the international standard setter for securities markets.
pp. 14, 49

Internet Professional Association
p. 27, 51

InvestEd
An SFC operated portal to provide investors with educational information on investments and regulations.
pp. 4, 54, 56

Investment advisers
pp. 2, 42, 54

Investment-linked assurance schemes
pp. 24, 54, 104

Investor Compensation Company Ltd (ICC)
p. 40

Investor Compensation Fund (ICF)
pp. 3, 40

Investor Participant Account (IP Account)
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.
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J

Judicial review
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L

Legislative Council (LegCo)
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Listing Rules
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M

Management Committee p. 21

Mandatory Provident Fund (MPF) pp. 24, 104

Margin financing pp. 38, 105, 107

Market manipulation pp. 41, 107

Market misconduct pp. 3, 41, 56

Market Misconduct Tribunal (MMT) pp. 3, 41

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. 43

Memorandum of Understanding (MOU)
Co-operative arrangements or agreements the SFC signed with other local or international organisations. p. 48

Mis-selling pp. 42, 54-55

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. p. 49

N

Non-Executive Directors (NEDs), SFC p. 18

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P

Performance pledges p. 24

Police pp. 3, 11, 14, 39, 43

Position limits pp. 14, 47

Process Review Panel (PRP) pp. 23, 119

Public Shareholders Group p. 116

Q

Qualified Domestic Institutional Investor Scheme (QDII)
A scheme which allows Mainland investors to invest in foreign securities markets via certain approved financial institutions such as fund management companies, insurance companies and securities companies. p. 48

Qualified Foreign Institutional Investor Scheme (QFII)
A scheme which allows approved qualified foreign institutional investors to invest in Mainland securities. p. 47

R

Radio Television Hong Kong (RTHK) pp. 14, 54

Real Estate Investment Trusts (REITs)
Collective investment schemes constituted as a trust that invest primarily in real estate with the aim providing returns to holders derived from the rental income of the real estate. pp. 37, 47, 55, 104, 113

Remuneration Committee p. 21

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S

Securities and Exchange Commission (SEC), US
The SEC is a United States government agency having primary responsibility for enforcing the Federal securities laws and regulating the securities industry.

pp. 39, 48, 110

Securities and Futures Appeals Tribunal (SFAT)
pp. 23, 42, 109, 119

Securities and Futures (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.
pp. 38, 48, 105-106

Securities and Futures Ordinance (SFO)
pp. 2, 18, 36-37, 40-41

Shanghai Stock Exchange
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Sponsors
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Staff Social Committee
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Stakeholder Survey
p. 50

State Administration of Foreign Exchange (SAFE)
The authorised department under the State Council that governs the foreign exchange market of China.
p. 48

Statutory backing
pp. 13, 36

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. 105, 116-117

Stock Segregated Account (SSA) service
A service provided by Hong Kong Securities and Clearing Company where investors will receive an account balance statement when there are changes in the stock balance.
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T

Takeovers and Mergers Panel
pp. 111-112

Takeovers Executive
p. 37

Trading spread
The minimum allowable change in price of securities traded on the SEHK.
p. 47

U

Undertakings for Collective Investment in Transferable Securities III (UCITS III)
A new set of regulations issued by the EU Commission governing funds domiciled in the EU member states. UCITS III comprises a new EU Product Directive and a new Management Directive adopted in 2001 (effective in February 2002) updating the UCITS I directive with a view to enhancing a "European fund passport system". Key changes include the expansion of the investment powers of funds and the use of financial derivatives for investment purposes.
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Unified Exchange Compensation Fund (UECF)
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