

Abbreviations and index

Abbreviations

Acceptable Inspection Regime	AIR
Australian Securities and Investments Commission	ASIC
China Banking Regulatory Commission	CBRC
China Insurance Regulatory Commission	CIRC
China Securities Regulatory Commission	CSRC
Chief Executive Officer, SFC	CEO
Chief Operating Officer, SFC	COO
Exchange Participants	EPs
Exchange traded funds	ETFs
Executive Directors, SFC	EDs
Financial Services Authority, UK	FSA
Hong Kong Exchanges and Clearing Limited	HKEx
Hong Kong Futures Exchange Limited	Futures Exchange
Hong Kong Institute of Certified Public Accountants	HKICPA
Independent Commission Against Corruption	ICAC
Initial public offerings	IPOs
International Organization of Securities Commissions	IOSCO
Memorandum of Understanding	MOU
Non-Executive Directors, SFC	NEDs
Open University of Hong Kong	OUHK
Process Review Panel	PRP
Qualified Domestic Institutional Investor Scheme	QDII
Real Estate Investment Trusts	REITs
Securities and Futures Appeals Tribunal	SFAT
Securities and Futures Commission	SFC
Securities and Futures Ordinance	SFO
Stock Exchange of Hong Kong Limited	Stock Exchange
The Mainland and Hong Kong Closer Economic Partnership Arrangement	CEPA
Undertakings for Collective Investment in Transferable Securities III	UCITS III

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The index does not include references in the financial statements and tables of data and committees which are defined or explained when used.

A

Acceptable Inspection Regime (AIR)	p. 46
Advisory Committee, SFC	pp. 11, 12, 14, 15
Alert List, SFC A list of entities which have come to the attention of the SFC because they are unlicensed in Hong Kong and are believed to be, or to have been, targeting Hong Kong investors or claim to have an association with Hong Kong.	p. 55
Association of Chartered Certified Accountants	p. 25
Audit Committee, SFC	pp. 11, 12, 13, 17, 18, 19
Australian Securities and Investments Commission (ASIC) An independent government body which enforces company and financial services laws to protect consumers, investors and creditors in Australia.	p. 15
Automated Trading Services 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.	p. 47

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B

Bill of Rights Ordinance p. 39

Boiler room
Fraud 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. 55

Budget Committee, SFC pp. 11, 12, 13, 14, 15, 17, 18

C

Chartered Financial Analyst pp. 25, 29

China Banking Regulatory Commission (CBRC)
The authorised department under the State Council that governs the banking sector of China. pp. 32, 41, 48

China Insurance Regulatory Commission (CIRC)
The authorised department under the State Council that governs the insurance sector of China. pp. 33, 41, 48

China Securities Regulatory Commission (CSRC)
The authorised department under the State Council that governs the securities and futures markets of China. pp. 5, 32, 41, 48

Code of Conduct, SFC p. 19

Codes on Takeovers and Mergers and Share Repurchases p. 37

Community Chest pp. 30, 31

Corporate governance pp. 3, 16, 18, 20, 33, 49

Court of Appeal pp. 20, 39

Crossroads International
A Hong Kong based non-profit organisation. It aims to serve as an intersection between those in need and those who can help. p. 31

D

Director of Audit, HKSAR p. 19

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. 38, 41, 47

Dr Wise pp. 10, 52, 54

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 Stock Exchange and the SFC. The SFC can exercise its enforcement powers against persons issuing false or misleading corporate information. pp. 37, 38, 56

E

Exchange Participants (EPs)
Companies which have obtained trading rights in either the Stock Exchange or Futures Exchange to trade on or through the respective exchange. p. 47

Exchange traded funds (ETFs)
Basically index funds that are listed and traded on exchanges just like stocks. pp. 45, 54

Executive Committee, SFC pp. 11, 14, 15, 17, 18

Executive Directors, SFC (EDs) pp. 13, 14, 15, 16, 17, 18

F

Federation of Share Registrars p. 40

Financial Reporting Council
An independent statutory body set up for investigating any financial irregularities or non-compliance in relation to listed entities. p. 33

Financial Resources Rules
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. 44, 45

Financial Secretary, HKSAR pp. 8, 9, 12, 19, 20

Financial Services and the Treasury Bureau, HKSAR p. 20

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. p. 14

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. p. 30

H		Institute of Financial Planners of Hong Kong	p. 53
H-shares Index futures	p. 48	International Organization of Securities Commissions (IOSCO)	An international co-operative body recognised as the international standard setter for securities markets. pp. 6, 10, 33, 45
Hang Seng China Enterprises Index	p. 48	InvestEd	An SFC operated portal to provide investors with educational information on investments and regulations. pp. 6, 10, 52, 53, 54, 55, 57
Hang Seng China H-Financials Index	p. 48	Investment-linked assurance schemes	Hybrid investment products combining life insurance with fund investment. p. 21
Hang Seng Index	pp. 5, 47	Investor Compensation Company Ltd	pp. 12, 15
Hedge funds		Investor Compensation Fund	A fund that covers defaults of Exchange Participants and non-Exchange Participants including licensed intermediaries and authorised financial institutions. pp. 9, 12, 14, 15
Loosely-regulated private pooled investment vehicles that can invest in both cash and derivatives markets on a leveraged basis for the benefits of their investors.	p. 54	Investor Participant accounts	Depository accounts for individual and corporate investors to safekeep their stocks, which give them legal protection and control over their shareholdings. p. 54
Hong Kong Association of Banks	p. 40	J	
Hong Kong Council of Social Service	p. 31	Judicial review	pp. 20, 39
Hong Kong Exchanges and Clearing Limited (HKEx)		L	
HKEx owns and operates the only stock exchange and futures exchange in Hong Kong. It is the holding company of the Stock Exchange, Futures Exchange and their related clearing houses. pp. 7, 8, 12, 14, 15, 36, 47, 48		Legislative Council	pp. 12, 13, 19
Hong Kong Futures Exchange Limited (Futures Exchange)		M	
A wholly-owned subsidiary of HKEx. It operates and maintains a futures market in Hong Kong and is the primary regulator of Futures Exchange Participants with respect to trading matters. pp. 8, 10		Mandatory Provident Fund	p. 21
Hong Kong Institute of Certified Public Accountants (HKICPA)	pp. 16, 25, 32, 33, 40, 49	Mareva Injunctions	Interlocutory court orders restraining parties from removing from the jurisdiction of the court, or otherwise dealing with, assets, whether money or goods, which are the subject of the injunctions. p. 39
Hong Kong Investment Funds Association	p. 32, 49	Market Access Products	Structured products issued on non-Hong Kong underlying assets listed on the Stock Exchange, which can take the form of zero / low strike or higher strike derivative warrants (DW), exotic DW, basket DW, callable bull / bear contracts and equity-linked instruments. They can carry various degrees of leverage, can be non-leveraged, and of different durations. p. 48
Hong Kong Management Association	pp. 32, 49	Market manipulation	pp. 38, 39
Hong Kong Monetary Authority		Market misconduct	pp. 6, 9, 38, 39, 41
The government authority in Hong Kong responsible for maintaining monetary and banking stability. pp. 8, 13, 40			
HKSAR Chief Executive	pp. 12, 19		
Hong Kong Society of Financial Analysts	pp. 32, 54		
I			
Independent Commission Against Corruption (ICAC)	pp. 12, 13, 20		
Initial public offerings (IPOs)	pp. 5, 40, 54		
Insider dealing	pp. 6, 9, 37, 38, 40		

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Market Misconduct Tribunal

An independent full-time body established under the SFO, which conducts civil proceedings in public and, where appropriate, imposes civil sanctions against those it determines to be guilty of market misconduct.

pp. 9, 27, 39

Memorandum of Regulatory Co-operation and the Memorandum of Regulatory Co-operation Concerning Futures

The memorandums signed between the CSRC, Shanghai Stock Exchange, Shenzhen Stock Exchange, Stock Exchange of Hong Kong 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. 41

Memorandum of Understanding (MOU)

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

pp. 6, 32, 33, 48

Mini H-shares Index futures

Mini contracts of the standard H-shares Index futures contracts. Their contract sizes are one-fifth of the contract sizes of the standard contracts.

p. 48

N

Non-Executive Directors, SFC (NEDs)

pp. 12, 13, 16, 17, 18

O

Ombudsman

pp. 20, 41

Open University of Hong Kong (OUHK)

pp. 12, 32, 53, 54

P

Performance pledges, SFC

p. 21

Police, HKSAR

pp. 9, 55

Position limits

pp. 5, 47, 48

Process Review Panel (PRP)

Reviews and advises the adequacy of the SFC's internal procedures governing operational decisions and actions.

pp. 12, 19, 20

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.

pp. 10, 32, 45, 48

Quarterly Reports, SFC

p. 19

R

Real Estate Investment Trusts (REITs)

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

pp. 14, 45, 46

Regulatory Co-operation Agreement of Understanding

A regulatory co-operation and information sharing arrangement signed with CIRC.

pp. 41, 48

Remuneration Committee, SFC

pp. 11, 12, 13, 17, 18

S

Securities and Futures Appeals Tribunal (SFAT)

pp. 12, 13, 20, 27, 40

Securities and Futures Ordinance (SFO)

pp. 8, 12, 16, 20, 28, 38, 47

Sponsor Guidelines

p. 40

Stock Exchange of Hong Kong Limited (Stock Exchange)

A wholly-owned subsidiary of HKEx. It operates and maintains a stock market in Hong Kong. It is also the primary regulator of Stock Exchange Participants in relation to trading matters and listing activities in the Stock Exchange's Main Board and GEM.

pp. 8, 9, 10, 12, 13, 38, 40, 41, 47, 56

Supplement IV to CEPA

An additional agreement signed to further enhance the level of economic and trade exchanges and co-operation between the Mainland and Hong Kong in relation to CEPA.

pp. 10, 45, 49

T

Takeovers and Mergers Panel

Administers the Code on Takeovers and Mergers.

p. 13, 47

Takeovers Appeal Committee

pp. 12, 13, 47

U

Undertakings for Collective Investment in Transferable Securities III (UCITS III)

A new set of regulations issued by the European Union Commission governing funds domiciled in the European Union member states. UCITS III comprises a new European Union 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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