

## PART VI

# TECHNOLOGY, MARKETS AND GOVERNANCE

*Andrew Sheng became Chairman of the Securities and Futures Commission (SFC) in October 1998. In his maiden speech, "Hong Kong and Global Markets: Back to Basics", Andrew Sheng pointed out the need for Hong Kong to adopt the highest international standards of accounting, law, transparency, accountability and business conduct. In the second speech, when Hong Kong faced the "Tech Bubble", he examined the New Economy and what it means for fundamentals, technology, markets and investors. The third speech provided insights into how the SFC will implement the composite Securities and Futures Bill. Finally, he examined the theoretical and practical aspects of regulation that make financial regulation a craft and not a science.*

*Then Deputy Chairman Laura Cha, one of the prime stewards of the merger of the exchanges, discussed the regulatory framework and Hong Kong's three-pronged reform of the securities market. Executive Director Mark Dickens discussed the implications of e-commerce in widening the scope of regulation, in enhancing investor protection and market integrity, and in reducing systemic stability without imposing undue burdens on industry. Then Executive Director Paul Bailey shared the SFC's philosophy of enforcement: the what, why, how and principles of enforcement.*

*This Part includes a speech by Charles Lee, Chairman of HKEx, on "The Outlook for Exchanges in the 21<sup>st</sup> Century". Dr Edgar Cheng, former Chairman of the Stock Exchange of Hong Kong, who first floated the need for the merger of the exchanges, shares his unpublished paper, "China's Horse in a Global Race - Positioning the Hong Kong Securities Market". In his speech, then Hong Kong Futures Exchange Chairman Geoffrey Yeh, pointed out the role played by the Exchange in the management of risk.*