

**Hong Kong Institute of Certified Public Accountants  
2006 Best Corporate Governance Disclosure Awards Press Conference**

**Remarks by Mr Paul Kennedy  
Chief Operating Officer, Securities and Futures Commission**

**28 November 2006**

Mr Paul Chan, President of the HKICPA,  
Mr Chew Fook Aun, Chairman of the Institute's Corporate Governance Committee,  
Mr Jim Wardell, Chairman of the Organising Committee of the Best Corporate Governance Disclosure (BCGD) Awards 2006,  
Ladies and Gentlemen,

The Hong Kong Institute of Certified Public Accountants has for many years organised this awards occasion which the Securities and Futures Commission is very pleased to support. The objectives of the Institute in promoting good corporate governance practices are consistent with our own objectives as a market regulator and the Commission is honoured to receive the Platinum Award in the Public Sector/Not-for-profit Organisations Category for its annual report for the year ended 31 March 2006.

The SFC's Annual Report was designed and written with the aim of communicating effectively with all of the SFC's stakeholders, enhancing transparency and accountability. It was also designed to try and make it reader-friendly; simple language, clear descriptions and with key information easy to locate.

Needless to say, in the preparation of our accounts we also benchmarked ourselves against the guide on corporate governance for public bodies set out by the Institute.

The SFC has a key role to play in ensuring that companies and their directors fully embrace the principles of good corporate governance, which we believe are a fundamental investor expectation from a leading international financial centre. However, as a regulator and gatekeeper for the financial market, we not only set high standards for market participants but also for ourselves, especially in transparency and reporting standards. Notwithstanding the kind recognition provided by this award, we will continue to work on these areas to enhance our own standards, so that our stakeholders can easily assess our performance in carrying out our statutory duties, and also measure the effectiveness of our governance structures in providing appropriate checks and balances.

I would like to mention that the SFC's 2005-06 Annual Report included for the first time a section on social responsibility, as we believe that our work should have a positive social impact. This section discussed our staff volunteering programmes, our environmental protection measures, and an expanded section on staff of the Commission.

Being socially responsible means addressing the legal, ethical, commercial and other expectations the society has for an organisation, and making decisions that fairly balance the legitimate claims of all key stakeholders.

Whilst corporate governance is an indispensable pillar of corporate social responsibility, it is also important that all organisations, profit making or not, build a socially responsible culture in their business behaviour. They should recognise other related social responsibility issues with a view to honouring ethical values and respecting people, communities, and the natural environment.

The Commission continues to identify possible improvements in its own policies and we look forward to formally updating you on our efforts in our next annual report.

Finally, I would once again like to thank the Institute and members of the judging panel for giving the Commission this prestigious award.

Thank you.