

## **Partnering to promote Corporate Governance in the Financial Sector**

To examine the topical issue of ethical governance in the financial sector amidst the recent “financial tsunami”, the Independent Commission Against Corruption (ICAC) jointly organised a three-day conference with the Ministry of Supervision, PRC (MoS) and the Commission Against Corruption, Macao from 8 to 10 December 2008. The first day was arranged as a sequel to the “Ethics – The Core Value of Leadership” 2007 Directors’ Forum to sustain the promotion of directors’ ethics. It was well attended by over 340 corporate leaders and senior executives including chairmen, chief executive officers and directors of listed companies, their professional advisors and delegates from the three co-organisers.

The Conference was well supported by seven local regulatory and professional bodies and six member chambers of the Hong Kong Ethics Development Advisory Committee, including The Law Society of Hong Kong, the Hong Kong Exchanges and Clearing Limited (HKEx), Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC) and others. Mr WONG Kwai-huen, Vice-president, The Law Society of Hong Kong, together with the heads of other 12 supporting partners, joined Dr Timothy TONG Hin-ming, ICAC Commissioner, Mr YAO Zengke, Vice Minister of Supervision, PRC, Mr CHEONG U, Commissioner Against Corruption, Macao and Professor the Honourable K.C. CHAN, SBS, JP, Secretary for Financial Services and the Treasury, Hong Kong SAR to officiate at the opening ceremony. With the rolling out of the “integrity tripod” on the stage to demonstrate the joint efforts of all related parties in charting the course to ethical governance and upholding integrity, the Conference was formally launched.

Dr Timothy TONG said in his welcoming remarks that it was mostly timely for Hong Kong, as an Asian financial centre, to hold the conference. He added “in recent years...cases investigated by the ICAC concerning listed companies invariably revealed a breakdown in corporate governance and integrity”. While some directors failed to lay down ethical standards for their corporation, some even sought personal gain on the pretext of fulfilling the corporation’s aspirations. There are still others who failed to set up a sound ethical framework or exercise effective supervision. Dr TONG thus highlighted “the culture of integrity” as the vital element for flourishing operations in all trades.

The whole day event comprised keynote and luncheon addresses by senior government officials of Hong Kong and the mainland, Expert Panel Discussions in which top

representatives from the local and mainland regulatory bodies shared with participants their latest regulatory measures in response to the “financial tsunami” or the underlying causes of the recent corporate scandals, Group Discussions on a newly produced filmlet on directors’ ethics, and an Open Forum. Participants found the presentations insightful and thought-provoking. With some 20 corporate leaders and professionals expert in corporate governance and directorship serving as facilitators to lead discussions, participants took part actively in exchanging views on the upcoming ethical challenges and explore possible solutions to master the grey situations under five topics. They regarded it as a rewarding experience while the exchanges were inspiring. Dr Moses Cheng Mo-chi, GBS, JP, Chairman of the Citizens Advisory Committee on Community Relations, ICAC, concluded the report back session by reiterating that personal integrity was the cornerstone of mastering these upcoming challenges.

The “Strong Ethical Governance – ICAC’s Guide to Corporate Success”, comprising a Toolkit on Directors’ Ethics and a Corruption Prevention Guide for Listed Companies, was launched by Dr Timothy TONG when he delivered his closing remarks for the whole day’s conference. As Dr. TONG pointed out, the Guide would help company directors manage personal integrity and practise ethical governance. For more information on the Guide, please contact the Hong Kong Ethics Development Centre of the ICAC by phone at 2587 9812, by fax at 2519 7762 or email at [hkedc@crd.icac.org.hk](mailto:hkedc@crd.icac.org.hk). The Centre will continue to organise regular workshops and seminars to help directors master ethical challenges at the personal, corporate and board levels.

The Conference on Corporate Governance in the Financial Sector is a three-day regional event. The first day was opened up for directors of listed companies and their professional advisors while other sessions are mainly designed for representatives from the Ministry of Supervision, PRC, ICAC and Commission Against Corruption, Macao.

Proceedings of the first day Conference on 8 December 2008 include:

- Welcoming remarks by Dr Timothy TONG Hin-ming, Commissioner, Independent Commission Against Corruption (ICAC), HKSAR
- Inauguration speech by Professor the Honourable K. C. CHAN, SBS, JP, Secretary for Financial Services and the Treasury, HKSAR
- Opening ceremony
- Keynote address by Mr YAO Zengke, Vice Minister of Supervision, PRC

- Expert Panel Discussions with The Honourable Laura M. CHA, SBS, JP, Chairman, Advisory Committee on Corruption, ICAC as the convenor. Panel speakers include:
  - Mr Paul CHOW Man-yiu, Chief Executive, Hong Kong Exchanges and Clearing Limited
  - Mr Martin WHEATLEY, JP, Chief Executive Officer, Securities and Futures Commission
  - Mr Y. K. CHOI, JP, Deputy Chief Executive, Hong Kong Monetary Authority
  - Mr OUYANG Jiansheng, Director, Supervisory Bureau, China Securities Regulatory Commission
  - Mr Daniel LI Ming-chak, IDS, Deputy Commissioner and Head of Operations, ICAC
- Luncheon speech by The Honourable John TSANG Chun-wah, JP, Financial Secretary, HKSAR
- Group Discussions on a newly produced filmlet entitled “The Boardroom Agenda” addressing directors’ ethical issues. Participants were divided into over 20 groups to discuss five topics related to insider dealing, role of directors in mastering ethical challenges, professionals’ supporting role, internal control and ethics management and conflict of interests.
- Report back on salient points deliberated at the Group Discussions by a representative facilitator of each topic.
- Open forum convened by Dr Moses CHENG Mo-chi, GBS, JP, Chairman, Citizens Advisory Committee on Community Relations, ICAC to share views together with the following Distinguished Discussants:
  - Dr Timothy TONG Hin-ming, ICAC Commissioner
  - Mr YAO Zengke, Vice Minister of Supervision, PRC
  - Mr CHEONG U, Commissioner Against Corruption, Macao
- Closing remarks by Dr Timothy TONG Hin-ming, ICAC Commissioner

Some of the speeches and a trailer of “The Boardroom Agenda” are uploaded on the Conference website at <http://www.icac.org.hk/hkedc/conference2008>. For more details, please contact the Hong Kong Ethics Development Centre of the ICAC.



The opening ceremony, officiated by the Secretary for Financial Services and the Treasury, HKSAR together with representatives from the three co-organisers and 13 supporting partners, signified a strong partnership of related stakeholders to “chart the course to ethical governance, reap the fruit of prosperity”.

開幕儀式由三個合辦機構和十三個支持組織的代表聯同香港特別行政區財經事務及庫務局局長攜手進行，象徵各相關機構「共建誠信管治 齊享興業成果」的決心。



Dr Timothy TONG, ICAC Commissioner, highlighted the conference as a timely occasion to explore with the management of listed companies effective ways to perfect their corruption prevention supervisory framework and enhance their directors’ capabilities in confronting ethical challenges.

廉政專員湯顯明博士表示研討會的舉行正合時機，能與上市公司管理層探討如何完善公司的防貪監管制度，以及提升董事處理誠信挑戰的能力。



Leaders of regulators shared with participants the challenges brought by the “financial tsunami” and their organisations’ regulatory measures at the Expert Panel Discussions convened by Mrs Laura CHA, Chairman of ICAC’s Advisory Committee on Corruption. The panel speakers included Mr Paul CHOW Man-yiu, Chief Executive, Hong Kong Exchanges and Clearing Limited, Mr Martin WHEATLEY, JP, Chief Executive Officer, Securities and Futures Commission, Mr Y. K. CHOI, JP, Deputy Chief Executive, Hong Kong Monetary Authority, Mr OUYANG Jiansheng, Director, Supervisory Bureau, China Securities Regulatory Commission and Mr Daniel LI Ming-chak, IDS, Deputy Commissioner and Head of Operations, ICAC.

出席專業嘉賓團環節的監管機構領導與參加者分享金融海嘯帶來的挑戰，及其機構近期的監管措施。是項環節由廉政公署貪污問題諮詢委員會主席史美倫議員擔任主持，其他講者包括香港交易及結算所有限公司集團行政總裁周文耀先生、證券及期貨事務監察委員會行政總裁韋奕禮先生、香港金融管理局副總裁蔡耀君先生、中國證券監督管理委員會監察局主任歐陽健生先生及香港廉政公署副廉政專員兼執行處首長李銘澤先生。



Participants were divided into 20 groups to interact and share their valuable views with facilitators on proposed measures to tackle ethical challenges at the Group Discussions.

參加者在分組討論環節中分為二十多個小組，與主持人分享心得，交流處理誠信挑戰的建議措施。



Facilitators reported the fruitful discussion on five areas of ethical issues illustrated by a newly produced filmlet on directors' ethics to all participants and Distinguished Discussants.

小組討論主持代表就一套最新拍攝、講述董事誠信的短片所涉及討論的五大範疇輪流發言，向參加者和領導評講匯報小組的討論要點。



Dr Timothy TONG, ICAC Commissioner, called for all stakeholders' support to strengthen ethical governance in the financial sector in response to the financial tsunami.

廉政專員湯顯明博士呼籲各相關機構及人士在金融海嘯的衝擊下，共同支持金融領域的誠信建設。



Dr Timothy TONG launched the “Strong Ethical Governance – ICAC’s Guide to Corporate Success” newly produced by the ICAC to help company directors manage personal integrity and practise ethical governance. 湯顯明專員向參加者推介廉署最新製作的「重誠信 強管治」廉署企業管理指南，以協助公司董事實踐個人誠信及管治。



The Conference was well attended by over 340 corporate leaders, professionals and delegates from the mainland and Macao.

研討會吸引超過 340 名企業領導、專業人士，以及內地與澳門的代表參加。