

HKCMA Forum 2005

Hong Kong as an International Debt Financing Centre

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Speech by

Mr. Brian C.P. Yiu
Chairman, The Hong Kong Capital Markets Association
Standard Chartered Bank (Hong Kong) Limited

Deputy Chief Executive of the Hong Kong Monetary Authority, The Honourable Norman Chan, Ladies and Gentlemen, Good Afternoon.

It gives me great pleasure to welcome you to the HKCMA Forum 2005 cocktail as the incumbent chairman of The Hong Kong Capital Markets Association. It's great to see old and new friends and different market participants gathered in an informal environment like this.

When people talk about the bond market in Hong Kong, it's quite often that they would focus first and foremost on the issuance of bonds in Hong Kong or even more narrowly on the HKD bond market. However, for the Forum today, we decided to take a slightly different angle and looked at two dimensions of the Hong Kong bond market as follows: 1) The role of Hong Kong as a centre through which international bond issues are arranged. 2) The prospects of the domestic bond market in Hong Kong taking into account both the institutional and retail markets. In fact, these two points are the themes of Sessions A and B of the plenary discussions this afternoon.

In Session A, the moderator and panelists discussed the competitive advantages of Hong Kong as an international debt financing centre. Session B then focused on the latest developments in the Hong Kong institutional and retail fixed income markets. After a coffee break, Session C switched to a subject slightly more technical in nature but extremely informative: "The Impact of IAS39 and other Regulatory Developments on Bond Investment and Issuance".

Taking this opportunity, I'd like to thank all the moderators and panelists of the plenary discussions for participating in the Forum. As the list is a long one, instead of thanking them one by one here, I would like to extend a big thank you to them as a group and would urge you to look at their very impressive biographies that are contained in the programme. I'd also like to thank all the sponsors for the generous support to the event and the Association. Finally, I need to thank the organizing committee for doing a great job in putting this event together.

Many people might question what could be achieved during such a short forum and indeed the same question has been asked about the value of industry associations such as the HKCMA. However, I am a firm believer that there is more to life than doing deals and making money or a living. I also believe that

we all have the corporate and social responsibility to contribute to this city that we live and work in. For those of you who are not yet members of the HKMCA, I'd encourage you to consider joining our cause to make the market a better place for all by becoming a member of the HKCMA as a first step.

Taking this opportunity, I'd like to highlight a couple of the recent initiatives undertaken by the HKCMA jointly with our members and other industry associations. First of all, with the help of Reuters, an Associate Member of the HKCMA and the generous sponsor of this evening's cocktail, we have convinced TVB, the leading local television station, to commence daily broadcasting of yield information of Exchange Fund Notes in December 2004. Secondly, again with Reuters, we are exploring the prospects of setting up an electronic bond trading platform in HK. Thirdly, the Securities & Futures Commission has recently authorized the HKCMA in granting Continuous Professional Training credits. We are exercising this privilege for the first time for today's Forum. Furthermore, thanks to the suggestion of one of our Full Members, Mr. Horace Fan of IBA who is also the President of ACI-HK, participants in the plenary discussions this afternoon have also got the CPT credits from ACI-HK too. As such, congratulations are in order for all participants for having successfully gained 6 CPT credits in total today.

In my speech during today's luncheon, I quoted President John F. Kennedy's famous line "Ask not what your country can do for you, ask what you can do for your country". I said that in our case, while this may sound too altruistic, if more of us could subscribe to the statement "Ask not what the market can do for us, ask what we can do for the market", even just once in a while, then the prospects of Hong Kong in becoming a better international debt financing centre would certainly be even brighter. It's up to people like you and me to make a difference for the market.

Talking about making a difference, our guest of honour this evening, Mr. Norman Chan, is a man with a vision and stamina to take the lead in bringing different participants of the HK financial market together. More specifically, Norman founded the Treasury Markets Forum in 2004 and has led the TMF to achieve a lot for the market last year. Without further adieu, please join me in welcoming Mr. Norman Chan.