

## PRESS RELEASE

### ASIFMA STATEMENT REGARDING HONG KONG SFC CIRCULAR ON MANAGER IN CHARGE REGIME

Hong Kong, 16 December 2016 – [ASIFMA](#), the financial industry's leading regional trade association, has the following statement in response to the Hong Kong Securities & Futures Commission (SFC) circular on its new Manager in Charge regime:

The industry understands the SFC's objective and rationale to enhance accountability of senior management of licensed corporations in Hong Kong, and applauds the SFC for taking the lead on this important issue in Asia Pacific.

However, as previously indicated to the SFC, the industry is concerned that there has been no formal consultation on the introduction of a regime that will hold not only SFC- licensed individuals but also unlicensed individuals responsible for the management of a licensed corporation.

The informal consultation with the industry has not been afforded the time and rigorous process appropriate for such a significant regulatory change. The industry is also concerned that a circular and FAQs is not sufficient to achieve the SFC's objectives without going through what we would expect to be a long and iterative process. Firms will also have to comply with a tight implementation timeframe.

There's a considerable amount to do in 10 months as over 2,000 entities in Hong Kong will need to review the organisational structure for each of their business lines, identify everyone deemed to be a Manager in Charge and then submit that information to the SFC.

Regardless of these challenges, we're ready to work with the SFC to ensure the regime works as intended.

Patrick Pang, Head of Fixed Income and Compliance for ASIFMA, said: "We certainly appreciate the SFC's objectives and support the implementation, but we are concerned with how the industry will implement the complex regime in such a short timeframe. Our focus now is to ensure that the implementation is as effective and efficient as possible for our members and the industry."

Herbert Smith Freehills acted as legal adviser to ASIFMA's working group on the Manager in Charge initiative.

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### **About ASIFMA**

[ASIFMA](#) is an independent, regional trade association with over 90 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

More information about ASIFMA can be found at: [www.asifma.org](http://www.asifma.org)