

Students gain SIA membership

The Institute has adopted a new policy allowing students enrolled within any financial year to be eligible for membership.

At the recent AGM a decision was made to make student membership available for students who are enrolled in an Institute award course within any financial year and who are not otherwise eligible for Affiliate or Associate membership. The Institute welcomes the first student member, Anthony Jones, Pacific Mortgage Brokers, of Victoria, and looks forward to long and fruitful relationships with new Student members.

The President's address and the CEO's address from the AGM are recorded elsewhere in this issue. Other Constitutional changes approved at the meeting include the insertion of references to the Institute's Masters and Graduate Certificate programs.

POLICY MATTERS

The Institute's Policy team is actively considering several regulatory reforms including a more effective alternative to the mandatory bid rule and removal of the prohibition on escalators.

The Institute supports the Principles of Good Corporate Governance and Best Practice Recommendations issued by the ASX Corporate Council. The Institute will have an ongoing role on the ASX Corporate Governance Council.

In a letter to Treasury containing our view on the draft Corporations Amendment Bill, we reiterated our support for the proposal to make the 5% rule the sole test for members wishing to requisition an extraordinary general meeting. We also indicated our support for the proposal to reduce the notice period for general meetings of listed companies in s.249H from 28 days to 21 days. This is consistent with our earlier submission which also suggested that the notice period should be reviewed regularly to take account of trends such as electronic voting.

Institute representatives met with ASX and ASIC representatives to discuss a revised draft business rule guidance note on independence of research and disclosure of conflicts of interest. The revised draft is a significant improvement on two earlier drafts however, the Institute remains concerned that the guidance note will be issued prior to draft CLERP 9 legislation which will also address conflicts of interest by analysts. ASX and ASIC have assured us that both regulators are liaising to ensure no inconsistencies or confusion arises.

As Chair of the ASAF Advocacy Committee, the Institute prepared a draft position paper containing guidance on research integrity and how analysts can avoid conflicts of interest. The paper has been circulated for comment to ASAF members and will be discussed in detail at a meeting of the Advocacy Committee later in the year.

INSTITUTE SELECTED

The Institute has been selected by the Asian Development Bank (ADB) for two special training and development projects in Asia, underlining Australia's role as a financial innovator for the Asia-Pacific region.

The Institute was chosen to assist the Vietnamese Government with the development of the country's non-bank financial sector (see paper Page 36), after being shortlisted with organisations from the USA, UK and South Korea. Work on the project will begin in mid-June. Entitled "Capacity Building for Non-Bank Financial Institutions and the Capital Market", the project will see the Institute assist Vietnam's State Securities Commission with the establishment and development of a trading board for the Hanoi Securities Trading Center; developing market



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surveillance systems for Hanoi and Ho Chi Minh City's stock exchanges; and enforcing corporate governance.

The project will also help the local market to develop an independent securities depository and a capital markets resource centre, and a legal framework for public offerings, backdoor listings and mergers and acquisitions.

At the same time, the Institute was selected by the ADB for the APEC (Asia-Pacific Economic Cooperation) Training Initiative, which aims to strengthen financial regulation in the region. This move will see the Institute organise and facilitate three regional training seminars for securities regulators and regulation advisory groups to be held in May and September this year.

These latest moves add to the Institute's active involvement in training initiatives throughout the Asian region, with involvement in three separate education programs in Thailand, Fiji and India.

PROFESSIONAL DEVELOPMENT

Continuous disclosure: the new regime

A recent seminar on continuous disclosure was presented jointly by the Institute and the Centre for Corporate Law and Securities Regulation (CCLSR) in both Sydney and Melbourne. A distinguished list of speakers from Clayton Utz, the ASX and ASIC along with Gai McGrath, Perpetual, and Charles Macek covered the false market rule and the effect of the disclosure regime on market participants. Professor Ian Ramsay, CCLSR, chaired both seminars.

Mortgage lending practices: are troubled times ahead?

In another professional development event, Charles Littrell from APRA was joined by other speakers from the MIAA, CBA and Newcastle Permanent Building Society to debate current mortgage lending practices.

At issue were the implications for the housing market in an environment of high levels of householder debt and the prospect of future interest rate rises—is it time for regulation in the mortgage lending market?

FSRA update: how well do you know your client?

FSRA Update seminar series continued to explore the impact of legislative and regulatory change affecting financial product advisers. The focus of this seminar, held in Sydney, Melbourne and Perth, was on Section 945A of the Corporations Act, the Know Your Client rule and the recent spate of court cases. Speakers outlined what compliance procedures and processes are required to protect advice firms in the courts or in a dispute resolution process.

Securities Institute/API seminar series—NSW

A record attendance at each of the three seminars in this series throughout February–April 2003 endorsed our commitment to this successful partnership with the Australian Property Institute. It also marks the first time that the series has attracted sponsorship with the Commonwealth Bank, our inaugural sponsor.

Participants heard leading industry practitioners present on a wide range of property based topics. Mark Rider, Chief Economist, UBS Warburg, and other property specialists gave a comprehensive view on the outlook for residential, industrial and the retail /commercial and tourism sectors for 2003.

Corporate property financing post-Enron focused on governance issues, particularly auditing practices and changes in accounting standards and just how this will impact on property financing. In April, new methods of equity and debt raisings were explained by the use of case studies on Record Realty Listed Trust presented by Tony Wood, Head of Property, Record Realty, and the financing of No. 1 Martin Place, by Adrian Taylor, General Manager, Macquarie Office Trust. Peter Eastman, Standard & Poor's, and Angelo Catalano, CBA, were also speakers.

Finance and Investment Week—VIC

The inaugural Finance and Investment Week was held in Melbourne from 12–16 May 2003. Highlights of the week included Mr Bill McHarg, Executive Chairman of Colliers International

(Victoria) Pty Ltd, talking on Property—a 2003 Perspective; Mr Kirby Adams, Chief Executive Officer, BHP Steel Limited; Mr Ray Horsburg, Managing Director and CEO, Smorgon Steel Limited; Mr John Ellise-Flint, Chief Executive Officer, Santos Limited; a Gold Industry showcase, Stock Options and Derivatives seminars and a session on Career Moves with Rohan Carr, Director, The Insight Group, and Heidi Di Santo.

EDUCATION GRADUATIONS FOR 2002

Thirty-five graduates of the Institute's Master of Applied Finance and Investment completed their courses during 2002, and I congratulate them warmly. Six of the graduates have progressed from Diploma through Graduate Diploma to Masters level. Congratulations especially to Ben Margow ASIA, Dux of the Masters program, and to Matthew Nolan ASIA, the first student to complete each of the Institute's Diploma, Graduate Diploma and Masters programs in three consecutive years.

Congratulations also to national education prizewinners, whose names are listed elsewhere in this issue.

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ICAA ALLIANCE

We remind members that the Securities Institute, through its strategic alliance with the ICAA, is supporting the ICAA's reciprocal recognition agreement with the USA. 