

ASIFMA/HERBERT SMITH FREEHILLS STATEMENT: HONG KONG SFC'S CIRCULAR ON NEW MANAGER IN CHARGE REGIME

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News

ASIFMA, the financial industry's leading regional trade association, has issued the following statement in response to the Hong Kong Securities & Futures Commission (SFC) circular on its new Manager in Charge regime, issued today. Herbert Smith Freehills acted as legal adviser to ASIFMA's working group on the Manager in Charge initiative.

"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 the circular and FAQs are not sufficiently detailed and question how it will apply in practice to individual businesses who are impacted. 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 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."

Notes for editors

1. Operating from over 26 offices across Asia Pacific, EMEA and North America, Herbert Smith Freehills is at the heart of the new global business landscape providing premium quality, full-service legal advice. We provide many of the world's most important organisations with access to market-leading dispute resolution, projects and transactional legal advice, combined with expertise in a number of global industry sectors, including energy, natural resources, infrastructure, technology and financial services.
2. In Asia, Herbert Smith Freehills operates through eight offices – in Bangkok, Beijing, Hong Kong, Jakarta*, Seoul, Shanghai, Singapore and Tokyo. The firm has some 250 lawyers in Asia, including 53 partners.
3. [ASIFMA](#) (the Asia Securities Industry & Financial Markets Association) 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. More information about ASIFMA can be found at: www.asifma.org

**In Jakarta, Herbert Smith Freehills' international counsel practise alongside our affiliate firm, Hiswara Bunjamin & Tandjung, one of Indonesia's leading commercial and corporate law firms.*

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