

Minutes of the Town Hall Gathering for Rebranding

TO : Participants of town hall gathering AND
HK SFA's Regular Members who didn't attend the town hall

DATE : 21st Mar 2019

TIME : 7 pm – 8:30pm

PLACE : HK SFA office

MODERATOR : Tony Watson, CFA, President of HK SFA

NOTE TAKER : Vivian Chan, Corporate Communications Manager

** The minutes below are taken in no-name basis.*

** Appendix is attached where Item 1 are the feedbacks we receive via emails and Item 2 are the onsite feedback from participants via sli.do poll.*

AIM OF THE TOWNHALL

Hear members' questions, comments and concerns about changing the Society Brand

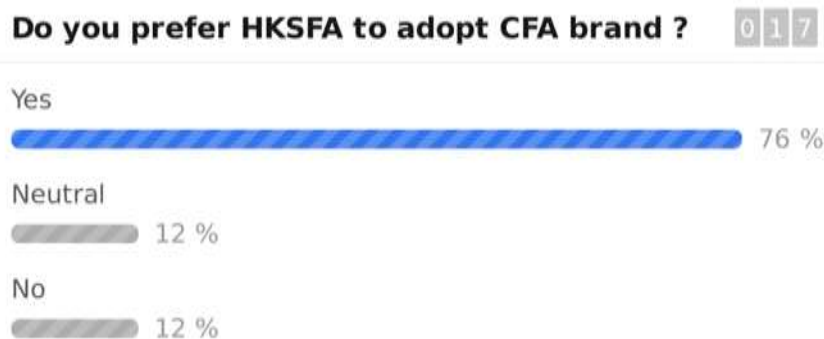
FLOW:

7:00-7:20pm Registration and Networking

7:20-8:30pm Moderator gives the flow of the event
First Round of Vote
Sharing of written or verbal feedback from members
Discussion
Second Round of feedback

8:30pm End of event

RESULTS OF THE FIRST POLL (BEFORE DISCUSSION):



FEEDBACK FROM/DISCUSSION AMONG THE AUDIENCE

(Unexpected) Debate about the process of Town Hall

- After the moderator talked about how the town hall would be held, a participant requested to provide more background information before the first poll. He considered the audience should be provided with the historical background of the name-changing matter, e.g. why in 2003, 95% of the societies in the world has changed their name to CFA Society XX but HKSFA stayed with our own name. Otherwise, it was an unfair vote (in the town hall). Another participant thought it was okay to get two rounds of voting (in the town hall), one before the discussion (clean vote) and another vote after the discussion.
- Another participant thought it was okay to get two rounds of voting (in the townhall), one before the discussion (clean vote) and another vote after the discussion.

Background and history shared by one of the audience

- Back to 1992 (at the time HKSFA was established), Financial Analyst Federation (FAF) and Institute of Chartered Financial Analyst (ICFA) merged to form AIMR.*
- In 1992, HKSFA loved to be named with association with CFA Institute when it was established in 1992 as a way of branding, but was not allowed. However, HKSFA was not directly affiliated with AIMR when it's established. They wanted us to be the grandson, not their son. Due to the small size of HKSFA by that time, HKSFA was only allowed to affiliate with International Society of Financial Analysts (ISFA) which was affiliated with CFA Institute.
- A few years later, when we have grown to have 100 members, AIMR let us affiliate with it directly.
- HKSFA started to be more active in advocacy in 1995/1996. Around 2008 or 2009, CFA Institute just focused on regional advocacy topic, so in these 15 years, advocacy of HK region was mainly done by HKSFA.
- Till 2003, CFA Institute allowed us to use the name. But at that time, there was a concern below;
 - CFA Institute established "Asia Pacific" office. If we named CFA society HK, external stakeholders e.g. regulators, may consider we are just a subsidiary of a bigger institution, i.e. CFA Institute, and this may undermine HKSFA's position in local advocacy.
 - HKSFA has been doing the whole work and the main concern of anti-name change camp was why we would need to undermine ourselves by associating with CFA Institute with all the ground work done by HKSFA.
 - Another reason was that we would like to attract members apart from CFA charterholders, being a bigger tent for the financial analysts. But after all these years, this "bigger tent" strategy seemed not really successful. The participant admitted that it was a trend of name change.
- CFA Institute asked us to change our name from time to time. At the very beginning of the name change, most of the big societies did not change their names. We are the only one in Asia that did not change name. Now the operation has changed and CFA Institute has more set up in its organisation. It wants to put more emphasis in advocacy. Right now, only 2 societies have not yet changed their names. One is Atlanta Society and the other one is HKSFA.

**Note: from CFA Institute's website that AIMR changes its name to CFA Institute in 2004: www.cfainstitute.org/en/about/press-releases/2014/cfa-institute-completes-move-to-new-charlottesville-facility).*

Questions, sharing and comments related to Membership

- Assess the potential impact to our membership base
 - One participant suggested that we might refer to the membership figures pre- and post- rebranding of other societies.
 - Another participant voiced that there may be distorted figures because different societies were in different stages. Some growing societies may deliver a strong natural growth by the candidate pool, which distort the impact of rebranding. Difficult to iron out different impact on membership by their name change action.

- Brand recognition
 - Positive side on Brand recognition
 - A participant supported the name change as it would save the confusion of external parties of “HKSFA” to other organisations with similar name, HKSXX, HKFXX etc.
 - Another participant also shared the experience of the need to tell the new friend that HKSFA is associated with CFA Institute before they got to understand what HKSFA was about.
 - A participant considered the name change could create a centralised space for financial analysts when it’s associated with the global organisation, CFA Institute.
 - Another participant also thought that it was a pride for being associated with this designation in terms of professionalism.
 - A participant thought HKSFA and CFA Institute could grow together, not against each other.

 - Neutral on Brand recognition
 - A participant didn’t think it was troublesome to explain the relationship of CFA Institute and HKSFA. Many examples show that those mother company got another name as their subsidiaries for different reasons, e.g. stay away from trouble of each other.
 - A participant considered the future was not predictable, so it would be left to the board and staffed office to uphold the core value of the society.

 - Negative side on Brand recognition
 - A participant considered that HKSFA should pursue a seat in Legco which will enhance the branding, status and respect of the society.
 - Another participant told the concerns that regulators, e.g. SFC, may get the impression that we are not from a locally grown programme, but a US programme, it would affect our pursuit of seat in regulators’ committee.
 - A participant thought that HKSFA gave a sense that we set the first priority for our HK members, but CFA Institute would treat all members from the globe equally.
 - There was a concern that a change of name would be able to help board to lobby for a seat in Legco.
 - In view of the US-China trade war, it should also be taken into considerations too.
 - A participant pointed out that we didn’t have corporate members as we wanted to maintain independence. But it also translated to the fact that we didn’t have the influential power as HKICPA.
 - Another participants said that the associations of social worker only got individual members, but they got a seat in Legco as well. HKSFA should try to achieve this.
 - A participant concerned that when HKSFA decided to change the name just because of it was advocated by CFA Institute, it was not independent thinking as we have been advocating.

- Advocacy Independence / loss of autonomy in advocacy
 - A participant expressed that after name change, if HKSFA got a different Advocacy view from CFA Institute, no idea if it would be still okay for HKSFA to voice out our local view openly.
- Others
 - A participant asked whether the format of new brand can be something other than “CFA Society HK”.
 - Other participants clarified that “CFA Society XXX” is the standard society brand structure, and “CFA” is an adjective.

RESULTS OF SECOND ROUND VOTE:



Please be aware that :

- *The figures may not reflect the full picture of mind changes as some people joined late and some left early.*
- *One participant highlight he has changed his mind from support to neutral.*

By the end of the town hall, moderator has also invited the participants to send email to the president@hksfa.org account if they have any further comments after the meeting.

Tony WATSON, CFA
President, HKSFA

APPENDIX

I. Feedback from other members via emails

- It is in the **best interest** of the Members and for the financial service industry that HK SFA transitions to become CFA Society Hong Kong both in name and in spirit.
- In a time of **global integration** of financial markets and regulatory environment I think being one group to the industry and members is more important than ever. **The risk of being separate** from CFA Institute is that the HK SFA becomes **less relevant** to Members in Hong Kong.
- I have gladly registered to attend and observe. Looking forward to catching up with some old friends :)
- I am traveling that week, but would otherwise definitely be there, as this is such an **important topic**.
- I will be **interested in the feedback** you receive.
- I am in. See you.
- I like **HK SFA** – let's remain **independent** 😊
- HK SFA has a strong brand, not only in the CFA World, but also in HK, having contributed our expertise to the local society (education and advocacy) and to the local government (policy recommendations). There is no reason to abandon the brand. There is nothing to gain to abandon the goodwill. There is value in the brand. The HK general public may be more likely to interact with HK SFA, rather than the HK chapter of a US organization. The same is true for the HK Government. We can expect occasional tensions between China and the US for many years to come. Although the CFA Institute is trying to be a global professional society, the general public may not understand this, and mistake us to be a representative of the US, which is not our intention. Why should we do a lot of work to change the name, just to throw away the reputation that have been built by the society over many years?

II. The comments in the sli.do record which is the onsite feedback from participants

1. If conditionally yes to the poll, what is the condition?

- Do you have any data on membership increase or decrease upon change in name for those societies that changed in the past?
- Stronger recognition and stronger brand name for members benefit
- Better brand name for people to recognize
- Easy explain who we are and differentiation from others
- Because there are too many financial societies in HK, many of disputable character
- The brand "CFA" is much more popular globally for marketing purpose both for the Society and for the individual members.
- More than 95% of our members are CFA charterholders
- Better name recognition. It is always difficult to tell people which society you belong in HK. There are lots of societies in HK getting similar professional names.
- Stronger brand recognition

2. If neutral, why?

- I want to know what the market will think of us if we were to adopt this name.

3. If no, what's your concern?

- Local advocacy
- Loss of autonomy in advocacy