Beijing Pushed for Reappointment of Hong Kong's Chief Regulator

The surprise reappointment decision was reportedly proposed by the Chinese government to signal stability to international investors.

The reappointment of Ashley Alder to another 3-year term as the head of the Securities and Futures Commission (SFC) came as a surprise to staff at all levels internally, according to an «SCMP» report citing unnamed sources.

Interestingly, Beijing allegedly proposed for Alder to stay at the last minute due to the belief that his regulatory track record and market reputation would inspire calm in the international community. Prior to this suggestion, the search for a successor had already been underway with onlookers expecting long-time deputy Julia Leung to take the role.

«Rule of Law»
As a regulator, Alder’s track record demonstrated willingness to take action, having issued fines of nearly $9 million under his watch to multiple investment banks alongside license suspicions and revocations. During his supposed retirement speech, Alder lauded the SFC’s staff for their ability to maintain a «brand of ethical, clear-eyed and tough decision-making» based on prior incidents.

«I am told that some of you were even summoned to Government House which put you under further pressure. The fact-specific issues at stake no longer matter. But the point is this: you dug in your heels and you refused to cave in,» Alder said in the published speech.

«And this leads me back to that well-worn phrase – ‘the rule of law’. For me, it simply means that public authorities like us are never above the law. We can and should always be held publicly and transparently accountable for our actions.»

«Familiar to Western Investors»

Alder was also reelected this week as chairman of the International Organisation of Securities Commissions, group of financial regulators from more than 115 jurisdictions.

Speaking to «Bloomberg» about the task at hand in Hong Kong, Alder said his key focus would be to keep the city operating «in a manner that’s completely familiar to western investors». 