



CAPITAL MARKET
REGULATORS **FORUM**
COMCEC

FINAL REPORT ¹
COMCEC 4th CAPITAL MARKET REGULATORS FORUM

November 2015

Istanbul

¹ This report is prepared for information purposes by the COMCEC CMR Forum Secretariat, which is executed by the Capital Markets Board of Turkey.

FINAL REPORT

COMCEC 4th CAPITAL MARKET REGULATORS FORUM

(Drafted by the COMCEC CMR Forum Secretariat, Capital Markets Board of Turkey)

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Participant list

Original: English

REPORT OF THE 4th COMCEC CAPITAL MARKET REGULATORS FORUM

(Istanbul, November 19)

COMCEC 4th Capital Market Regulators Forum (COMCEC CMR Forum) convened in Istanbul on November 19th, 2015. Addressing the capital market regulators of the Organization of Islamic Cooperation (OIC) and the Standing Committee for Economic and Commercial Cooperation (COMCEC) member countries, “**COMCEC 4th Capital Markets Regulators Forum**” is hosted by the Capital Markets Board of Turkey as the Secretariat of the COMCEC CMR Forum. The delegates representing the capital market regulators from Bangladesh, Brunei Darussalam, Iran, Jordan, Kuwait, Lebanon, Malaysia, Maldives, Pakistan, Palestine, Sudan, Tunisia and Turkey as well as representatives from the, the Union of Arab Securities Authorities, COMCEC Coordination Office and the Central Registry Agency of Turkey and Takasbank Turkey have participated in the meeting.

This year’s Forum meeting has focused on the output of the Forum Secretariat’s report titled “*Real Estate Exchange Initiative for COMCEC Member States*” as well as “**Market Development**”, “**Islamic Finance**” and “**Financial Literacy**” Task Forces’ 2015 activities. In 2015, Forum Task Forces organized meetings and drafted reports on their respective mandates to determine the current state of status at member countries in terms of Islamic capital market, financial literacy, transparency requirements and public disclosure systems.

On the basis of the analysis of the member authorities’ responses and research, Secretariat, the Market Development Task Force and Financial Literacy have prepared the following reports which are submitted for the first time to the General Assembly participants:

- “**Real Estate Exchange Initiative for COMCEC Member States**”, (Forum Secretariat)
- “**Transparency Requirements, Public Disclosure Systems**” (TF Market Development)
- “**Key Issues in Financial Literacy Improvement in Securities Markets**” (TF Financial Literacy)

The Meeting was attended by the representatives of capital market regulatory authorities from the following COMCEC Member States:

- Securities and Exchange Commission, Bangladesh,
- Autoriti Monetari Brunei Darussalam, Brunei Darussalam
- Banque des Etats de l'Afrique Centrale (BEAC), Republic of Cameroon
- Securities Commission, Jordan,
- Capital Market Authority of Kuwait,
- Capital Market Authority of Lebanon,
- Capital Market Development Authority Maldives,
- Securities Commission Malaysia,
- Securities & Exchange Organization of Iran
- Capital Markets Authority, Palestine,
- Securities Commission, Pakistan,
- Central Bank of Sudan,
- Conseil du Marché Financier of Tunisia
- Capital Markets Board of Turkey

(The list of participants is attached in Annex 1).

19 November 2015

I. OPENING REMARKS AND PRESENTATION

The meeting was opened by Dr. Vahdettin ERTAS, Chairman of Capital Markets Board of Turkey and the Chairman of the Forum. He welcomed all the participants from member states and international organizations. Mr. Chairman, commended Forum members on work conducted so far on key issues of Islamic finance, financial literacy and disclosure. The Chairman also touched upon latest economic and financial trends and developments in advanced as well as emerging economies. In the context of challenges and difficulties faced by financial markets, the Chairman emphasized the importance of cooperation among COMCEC Members in several key issues that would support the development of efficient financial markets that support growth by channeling savings into investment. In this regard, COMCEC capital market regulatory authorities, working together, supporting each other for market development, product diversification or compliance to international standards were mentioned among issues that would provide momentum to the improvement of COMCEC financial markets.

The Chairman concluded his speech with his full support and wishing a fruitful 4th COMCEC Capital Markets Regulators Forum meeting.

Following the opening remarks of Dr. ERTAŞ, Mr. Selçuk KOÇ, Director of COMCEC Coordination Office has made his opening speech. Mr. KOÇ has informed the participants regarding COMCEC's strategy, mission, activities and project cycle management procedure as a new instrument to serve the COMCEC Strategy as well as the activities of the COMCEC Financial Cooperation Working Group.

Opening remarks were followed by the adoption of the agenda and presentation by the Secretariat, member authority delegates and Task Force representatives in relation to their 2015 activities and plans for 2016.

II. REAL ESTATE EXCHANGE INITIATIVE FOR COMCEC MEMBER STATES (FORUM SECRETARIAT)

Forum Secretariat has informed the participants regarding the initiative and the report. Following issues of the Report have been underlined at the briefing;

- Value of real estate sector for an economy, financial markets and the possibilities for a more effective functioning real estate market.
- Advantages of bringing together the supply and demand sides for physical real estate and or real estate securities on an accessible electronic trading platform would integrate national real estate markets.
- Two possible exchange models: One model focusing on setting up an electronic trading platform for physical real estate and the other examines the feasibility of establishing a real estate securities exchange/market/trading platform.
- Real estate securities concept; real estate investment trusts, real estate mutual funds, sukuk, sukuk participation funds, real estate certificates and waqf assets as well-founded instruments for consideration. The market facts and regulatory frameworks relevant to each of these instruments.
- The feasibility and the ways and means of realizing the proposal for establishing a market/electronic platform/ exchange for trading COMCEC member states' real estate and/or real estate securities.

In the country presentations, Iran, Malaysia and Turkey have explained their specific institutions and instruments for real estate finance.

III. TASK FORCE SESSIONS

• Islamic Finance Task Force Session

Securities Commission Malaysia informed the Forum delegates on their project proposal that was accepted and funded by the COMCEC Coordination office in the framework of COMCEC project cycle management facility. Within the framework of their project proposal their first

activity Islamic Capital Market Capacity Building Programme, Workshops Level 1 and Level 2 were held on 31 May - 2 June 2015 and 2-4 June 2015, in Dubai, UAE. The workshops aimed at developing and strengthening domestic capacity, promoting awareness as well as identifying issues/gaps in Islamic capital market.

- **Market Development Task Force Session**

Securities & Exchange Commission of Pakistan has informed the Forum on Transparency Requirements, Public Disclosure Systems Report. Their Report is based on a Thematic Questionnaire prepared by the Chair and circulated to the Forum members by the Secretariat. The report compiles and discusses primary public disclosure systems available globally and details issues such as Disclosure systems in COMCEC members states, international standards adopted by developed economies, key challenges and issues on disclosure in OIC region and relevant conclusion and recommendations.

- **Financial Literacy Task Force Session**

Securities & Exchanges Organisation Iran has informed the Forum delegates on their Report titled “Key Issues in Financial Literacy Improvement in Securities Markets”. The Report consists of relevant international standards and a list of key issues for improvement. The definition of financial literacy from the Organization for Economic Co-operation and Development (OECD) and International Organization of Securities Commissions (IOSCO) perspectives are examined in their work and they introduce a new definition regarding financial literacy in securities markets which identify components of financial literacy and bases key issues in these components. 28 key issues regarding financial literacy improvement are discussed which the taskforce assumes as the most important issues regulatory bodies in capital markets should consider.

IV. OTHER ISSUES

- **Future Co-Operation/Work Program for 2016**

Islamic Finance Task Force stated that after the completion of their “**Islamic Capital Market Capacity Building Programme, Workshops Level 1 and Level 2**”, they would return to the original mandate for the Task Force. As a sub-topic of the core mandate the Task Force proposed to focus on Shariah Compliance with a proposal to improve the capacity of Shariah Scholars

through exposure to current market developments by use of the training program offered in Malaysia.

Market Development Task Force proposed more detailed work to be conducted on the implementation of the recommendations made as a result of their questionnaire and report work on transparency and disclosure, after prioritizing in accordance with the specific needs of Forum members.

Financial Literacy Task Force stated that, pursuant to their report they have determined key issues for the improvement of financial literacy policies for capital market authorities and proposed to conduct more detailed work on these topics.

Capacity Building Task Force stated that member authorities may benefit from COMCEC Project Cycle Management Facility via project proposals to be submitted in September 2016. Also Task Force Chair, CMB Turkey has proposed to cooperate on information sharing programs or staff training on capital market topics such as initial public offerings, institutional investors and public disclosure.

- **Chairman Election**

According to the Forum Statute, Chairman is elected every two years and in 2013 Chairman election was made. Following the circulation of the Draft Agenda announcing Chairman Election, the Forum Secretariat had not received any nomination. At the meeting, no chairman nomination was received and the delegates by unanimity have confirmed the renewal of current Forum Chairman Mr. Vahdettin ERTAŞ, Chairman of Capital Market Board of Turkey as the new Forum Chairman for the next two year period ahead.

Annex

COMCEC 4th CAPITAL MARKETS REGULATORS FORUM

(Participants List)

Place/Date : Istanbul-19.11.2015

No	Participant's Name and Surname	Country/Institution	Title
1	Dr. Vahdettin Ertaş	TURKEY/Capital Markets Board Of Turkey/ COMCEC Capital Markets Regulators Forum	Chairman
2	Mr. Mohammad Shamsur Rahman	BANGLADESH / Securities and Exchange Commission	Deputy /Capital Issue Department
3	A. M. Esnawi Bin Hj Sharbawi	BRUNEI / Autoriti Monetari Brunei Darussalam	Senior Legal Officer
4	Dr. Ali Saeedi	IRAN / Securities and Exchange Organization	Vice President of the Board, Deputy for Supervision on Financial Institutions
5	Mr. Meysam Hamedi		Supervisory Expert, R&D and Islamic

		IRAN / Securities and Exchange Organization	Studies Dept.
6	Mr. Ahmad Alhayari	JORDAN / Securities Commission	Legist
7	Dr. Faisal Al Fahad	KUWAIT / Capital Markets Authority	Commissioner
8	Mr. Fadi Fakh	LEBANON / Capital Markets Authority	Vice Chairman
9	Mr. Radzuan Ahmad Tajuddin	MALAYSIA / Securities Commission	General Manager
10	Mr. Ashraf Abdul Raheem	MALDIVES / Capital Markets Development Authority	Chairperson of Board of Directors of CMDA
11	Dr. Aishath Muneeza	MALDIVES / Capital Markets Development Authority	Deputy Minister of Finance and Treasury & Chairperson of the Capital Market Shariah Advisory

			Council
12	Mr. Imran Inayat Butt	PAKISTAN / Securities Commission	Director
13	Mr. Barraq Al Nabulsi	PALESTINE / Capital Markets Authority	General Director
14	Mr. Dikwe Gaston	REPUBLIC of CAMEROON / Banque des Etats de l'Afrique Centrale (BEAC)	Statistical Engineer / Economic Policy Analyst
15	Mr. Mashair Mohamed Ibrahim	SUDAN / Central Bank of Sudan	
16	Dr. Nagwa Shaikh Eldin Mohamed	SUDAN / Central Bank of Sudan	
17	Mr.Salah Essayel	TUNISIA / Conseil du Marché Financier of Tunisia	CMF Chairman
18			General

	Jalil Tarif	Union of Arab Securities Regulators	Secretary
19	Selçuk Koç	Comcec Coordination Office, Turkey	Director
20	Sezai Bekgöz	TURKEY / Takasbank	Executive Vice President
21	Zeynep Şahin	TURKEY / Takasbank	
22	Ayşegül Ekşit	TURKEY/ Capital Markets Board of Turkey	Executive Vice Chairman
23	Gül Ertan İlal	TURKEY/ Capital Markets Board of Turkey	Head of Strategy Development Department
24	Seçil Sayın	TURKEY/ Comcec CMR Forum Secretariat	Senior Legal Expert
25	Selami Erbaş	TURKEY/ Comcec CMR Forum Secretariat	Senior Expert
26	Erkan Özgüç	TURKEY/ Capital Markets Board of Turkey	Expert
27	İliç Başak Karakoç	TURKEY/ Capital Markets Board of Turkey	Expert

28	Dilara Kankoç	TURKEY/ Capital Markets Board of Turkey	Expert
39	Ebubekir Saner	TURKEY/ Capital Markets Board of Turkey	Expert
30	Deniz Tunca	TURKEY/ Capital Markets Board of Turkey	Assistance Expert
31	Ahmet Taşçı	TURKEY/ Capital Markets Board of Turkey	Assistance Expert