



CAPITAL MARKET REGULATORS FORUM COMCEC

FINAL REPORT ¹ COMCEC 12th CAPITAL MARKET REGULATORS FORUM

7th November 2023

¹ This Report is prepared by the COMCEC CMR Forum Secretariat, the Capital Markets Board (CMB) of Türkiye for information purposes only.

FINAL REPORT

COMCEC 12th CAPITAL MARKET REGULATORS (CMR) FORUM MEETING

(Drafted by the COMCEC CMR Forum Secretariat,

Capital Markets Board of Türkiye)

7th November 2023

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REPORT OF THE 12th COMCEC CAPITAL MARKET REGULATORS FORUM

November 7th, 2023

The 12th COMCEC Capital Market Regulators Forum (COMCEC CMR Forum) Meeting was conducted virtually on November 7th 2023 and was hosted by the Capital Markets Board of Türkiye (CMB) which serves as the Secretariat and the Chair of the COMCEC CMR Forum.

The Forum Meeting addressed the capital market regulators of the Organization of Islamic Cooperation (OIC) and the Standing Committee for Economic and Commercial Cooperation (COMCEC) member countries. Delegates from member regulatory authorities from across numerous OIC member jurisdictions attended the Forum Meeting. Amongst the participating countries were Azerbaijan, Bangladesh, Egypt, Indonesia, Jordan, Lebanon, Malaysia, the Maldives, Morocco, Pakistan, Palestine and Türkiye. In addition, there were also delegates from the Borsa İstanbul, the Central Securities Depository of the Turkish capital markets MKK, the Central Bank of the Republic of Türkiye (CBRT), IOSCO, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and the COMCEC Coordination Office.

This year the 12th COMCEC CMR Forum Meeting was conducted straight after the closing of the COMCEC CMR Forum ‘Sustainability in Capital Markets Workshop that had taken place during 6th and the morning of the 7th November 2023 and had been jointly

organised by the Capital Markets Board (CMB) Türkiye and the Securities Commission (SC) Malaysia.

The host of the 12th COMCEC CMR Forum Meeting, the Capital Markets Board of Türkiye welcomed the audience. Mr. Ali ERDURMUŞ, Vice Chairman from the Capital Markets Board (CMB) Türkiye gave his welcoming remarks. Thereafter Mr. Selçuk KOÇ, Acting Director General from the COMCEC Coordination Office (CCO) Türkiye provided his opening remarks.

I. Welcoming Remarks by Mr. Ali ERDURMUŞ, Vice Chairman, Capital Markets Board (CMB) Türkiye

Mr. ERDURMUŞ, Vice Chairman of the CMB Türkiye welcomed all representatives from the Organisation of Islamic Cooperation (OIC) member states capital market regulators and delegates from the COMCEC Coordination Office to the 12th COMCEC Capital Market Regulators Forum. On behalf of the Chair and Secretariat of the COMCEC CMR Forum, Mr. ERDURMUŞ expressed the importance of Forum members in sharing their views and knowledge in order to enhance financial cooperation among member states since the foundation of the Forum in 2011. He mentioned that all Task Forces of the Forum play a crucial role in promoting financial collaboration amongst members.

Mr. ERDURMUŞ mentioned that this year's 2-day virtual COMCEC CMR Forum 'Sustainability in Capital Markets Workshop' which was conducted during the 6-7th of November prior to the Annual 12th Forum Meeting was very beneficial in providing useful insights to all participants from both the public regulatory side, and also from the private industry side. He stated that the discussions pertaining to the adoption of sustainability reporting, corporate investor issues and trends facing the financial markets were very useful to all members. Moreover, he extended his thanks to the Securities Commission of Malaysia for helping jointly organise the workshop event.

More importantly, Mr. ERDURMUŞ expressed his condemnation at the attacks on Gaza right now and said that an immediate ceasefire should take place as soon as possible.

Mr. ERDURMUŞ informed the audience, that the transition towards sustainable financial markets has become profoundly inevitable. He said Forum members must be well equipped to adapt their financial markets to the evolving new sustainable ecosystem. In line with the growing demand for sustainable financing, he stated that the COMCEC CMR Forum has decided to creating a new Sustainability Task Force which would be devoted purely to issues pertaining to sustainability mandates. The Sustainability Task Force would serve as a useful means for the exchange of views and experiences of members in accordance with the transition towards a new sustainable investment environment. He informed all COMCEC CMR Forum members that each and every regulatory authority from member OIC countries are welcome to join and or chair the Sustainability Task Force. He indicated that interested members should express their willingness to join the Sustainability Task Force by November 30th 2023.

Furthermore, Mr. ERDURMUŞ informed the audience, that the COMCEC CMR Forum is planning to broaden the scope of financial products that are currently covered by the GEFAS Data Platform. He stated that the Forum is proposing to incorporate new sustainable financial products onto the GEFAS Data Platform. He reiterated that international cooperation is of vital significance to the Platform and invited and encouraged all members' regulatory authorities who have not yet joined the Data Platform to join.

II. Welcoming Session by the COMCEC Coordination Office, Acting Director General Mr. Selçuk KOÇ

Mr. KOÇ, Acting Director General at the COMCEC Coordination Office, Türkiye welcomed all member regulators. Mr. KOÇ started his speech, by firstly extending his condemnation at the on-going attacks on Gazza and expressed his hope for a speedy ceasefire. Mr. KOÇ mentioned that global economic developments are currently facing

extraordinary circumstances right now. Higher energy prices, supply mismatch, detrimental impact of the regional ongoing crisis, combatting the adverse effects of the past pandemic, higher global inflation rates and geopolitical risks are all among some of the major challenges facing today's global economic environment. He mentioned, that within this context, ensuring sustainability in capital markets has become more important than ever.

He stated that the COMCEC CMR Forum has already recorded some achievements in enhancing cooperation among member regulators of OIC members. Mr. KOÇ mentioned that the GEFAS Data Platform which was designed as an information hub for real estate investors in the OIC capital markets aims to enhance financial cooperation among member countries. In line with the relevant Resolution of the 38th Session of the COMCEC, Mr. KOÇ invited all relevant member regulators to encourage their relevant authorities to join the GEFAS Data Platform.

Mr. KOÇ also talked about the efforts and activities of the COMCEC Financial Cooperation Working Group. The Working Group has so far, in recent years focused on Islamic Finance, Islamic Fund Management, Islamic Finance Strategies, Infrastructure Finance, Islamic Insurance, Sukuk and Shariah compliance. Mr. KOÇ stated that this year, the Working Group has focused on the issue of improving cooperation among Central Banks in the digitalization of currencies. A comprehensive report has been prepared with applicable policy recommendations and shall be presented to the upcoming COMCEC Ministerial Session this year.

III. Islamic Finance Task Force

‘An Overview: Key Development of Malaysia’s Islamic Capital Market’ Mr. Ridzham Zaidi RIZIZUWAN, Deputy General Manager, Securities Commission (SC) Malaysia

Mr. RIZIZUWAN made his presentation about the ‘Key Developments of Malaysia’s Islamic Capital Markets’. He stated that Malaysia is taking the lead in Islamic finance. He talked about the establishment of the SC Malaysia in 1993. In 1996 the Shariah Advisory Council of the SC was established. He stated that creating a centralised point for the Islamic capital products was important to investors. Providing investors with credibility regarding which product is Shariah compliant and not remains vital he said. In 2020 the Waqf Featured Funds Framework for unlisted funds was launched. In 2022 the SRI linked Sukuk Framework was launched. He also mentioned that in 1997, the SC had launched a list of Shariah compliant securities which helped to be beneficial to all Islamic finance investors in the equities markets. Moreover, he mentioned that the Sukuk and equities markets have grown a lot since the 1990s. Due to these key milestones, Islamic Capital Markets (ICM) has developed a lot in Malaysia. In fact, the ICM accounts for more than 60% of the size of Malaysia capital markets he stated.

IV. COMCEC Capital Market Regulators (CMR) Forum Members Presentations

- ‘Challenges for the Capital Market Development & Sustainability Reporting in Maldives’
Mr. Ibrahim SALEEM, Director General, Market Regulation and Enforcement Department and Mr. Abdullah ZAKARIYYA, Director General, Pension Supervision Department, Capital Market Development Authority (CMDA) Maldives

Mr. SALEEM discussed the challenges facing the Maldives. He provided some background information in relation to the Maldives capital markets and mentioned that the CMDA had been established in 2006. Since its foundation, the CMDA’s objectives have been to regulate and supervise the markets and to help to take measure to prevent inappropriate conduct. He stated that currently there are 15 listed companies. Also, he touched upon the World Economic Forum (WEF) Global Risk Report 2023 where it has been stated that the main areas of priority remain with the environment and sustainability issues.

Mr. ZAKARIYYA talked about sustainability reporting in the Maldives by listed companies. He mentioned that these had been introduced in 2014 through the CMDA CG

Code on a voluntary basis. He also mentioned that a Sustainability Reporting Framework is going to be established in cooperation with the UNDP and PlusValue. He also talked about the market infrastructure and stated that they are currently using manual trading but that this will transform to electronic trading. He also stated that there is no investment bank /underwriting. Capacity building remains very vital as the knowledge in relation to RegTech and SupTech needs to improve he stated. He also stated that awareness and financial literacy needs to improve and that the business culture needs to change.

- **Securities and Exchange Commission (SECP) Pakistan**

‘Recent Structural Reforms in the Capital Markets’

Mr. Asif İQBAL, Director/Head of Policy and Regulations, Securities and Exchange Commission (SECP) Pakistan

Mr. İQBAL talked about the recent reforms that have taken place in Pakistan. Among these, he mentioned that digitization of account opening took place in Pakistan. Also, he mentioned the launch of the Centralised Gateway Portal which provides a uniform digital on boarding process across different asset classes regulated by the SECP. Also a broker categorisation was introduced he stated which aims to improve efficiency. In relation to the governance reforms that took place, Mr. İQBAL mentioned that a category voting procedure for election of directors was introduced. The introduction of electronic voting (e-voting) was introduced he said. Also the appointment of scrutinizers took place. The concept of an independent scrutinizer was introduced to increase transparency in the voting processes during general meetings of listed companies. He stated that the requirement to appoint a scrutinizer exists in case of voting on election of directors, investment in companies or other businesses.

V. Capacity Building Task Force

Announcement of the creation of a new Sustainability Task Force & Survey of Capacity Building Seminars, Ms. Seçil SAYIN KUTLUCA, Deputy Head, Strategy Development Department, Capital Markets Board (CMB) Türkiye

Ms SAYIN KUTLUCA discussed the survey results that was conducted by the CMB Türkiye in 2022. In the survey the regulator authorities of the member countries were asked to identify which subjects they would require further training. The responses revealed that risk based supervision, sustainability in capital markets, crypto assets, strengthening regulatory capacity on cyber security resilience and market manipulation and insider trader are the top 5 topics that the members requested more training. She stated that due to the demand for further training in issues relating to sustainability, the COMCEC CMR Forum Capacity Building Task Force Chair the CMB Türkiye together with and the COMCEC CMR Forum Islamic Finance Task Force Chair, SC Malaysia have jointly organized the COMCEC CMR Forum ‘Sustainability in Capital Markets Workshop’ during 6-7th November 2023. She mentioned that the Capacity Building Task Force has decided to create a new Sustainability Task Force and that every member is welcome to join and also chair this new Task Force.

VI. Presentation on ‘The Real Estate Based and Developing Financial Instruments GEFAS Data Platform’ by Ms. Sedef BARAN GÜRBÜZ, Economist, Strategy Development Department, Capital Markets Board (CMB) Türkiye

Ms BARAN GÜRBÜZ gave a presentation about the GEFAS Data Platform which was officially launched on 16th September 2022 by the Chair of the COMCEC CMR Forum Capacity Building Task Force, CMB Türkiye. She mentioned that the GEFAS Data Platform serves as a useful data hub for real estate and newly developing financial products. Specifically, the Data Platform consists of data pertaining to Sukuk, lease certificate, real estate investment company shares, and real estate investment funds. All of these products are traded on Borsa Istanbul. She touched upon the benefits of the GEFAS Data Platform to all current and potential investors in the OIC countries and also across the globe. A single compact source of data pertaining to the real estate market provides easier access to data to investors across the globe she added. Promoting international cooperation among members remains vital she said. Ms. BARAN GÜRBÜZ was pleased

to inform the audience that the GEFAS Data Platform has recently been internationalized in 2022. She informed the Forum members that stock market links of twelve esteemed COMCEC CMR Forum members were integrated to the Platforms international markets due to interest received from them. These are the stock market links of Bangladesh, Egypt, Iran, Kuwait, Lebanon, Malaysia, Maldives, Morocco, Pakistan, Palestine, Qatar and Saudi Arabia. She welcomed and encouraged all other members who have not yet joined the GEFAS Data Platform to join and emphasized that every member is welcome to join the Platform.

Ms. BARAN GÜRBÜZ mentioned that looking ahead, the COMCEC CMR Forum is currently planning to broaden the scope of the types of financial products that are covered by the GEFAS Data Platform in order to integrate sustainable financial instruments as well. Due to the rising demand from investors and also from regulators, enhancing transparency and sustainable financial markets has become vital she stated. Therefore, in line with these trends, the Forum is planning widen the product coverage to incorporate sustainable financial products to the GEFAS Data Platform she concluded.

VII: Other Issues and Upcoming Meeting
Closing of Forum

Annex

LIST OF ATTENDEES 2023

12th COMCEC Capital Market Regulators (CMR) Forum Meeting

7th November 2023

1	Azerbaijan	Central Bank of Azerbaijan	Ms. Aysel Gasimova
2	Azerbaijan	Central Bank of Azerbaijan	Ms. Nilufer Aliyeva
3	Azerbaijan	Central Bank of Azerbaijan	Mr. Nagi Naghiyev
4	Azerbaijan	Central Bank of Azerbaijan	Ms. Nazrin Zeynalli
5	Bangladesh	Bangladesh Securities and Exchange Commission (BESC)	Mr. Bivas Ghosh
6	Egypt	Financial Regulatory Authority	Ms. Ala Aya
7	Indonesia	OJK	Ms Retno İçi
8	Indonesia	OJK	Ms Ni Nyoman Rai Sudani
9	Indonesia	OJK	Mr. Eko Ğurwantoro
10	Indonesia	OJK	Mrs Wulan Suparwanti
11	Indonesia	OJK	Ms. Gratia Kristines Ekklesia Rotti
12	Indonesia	OJK	Mr. Nailin Nimah
13	Indonesia	OJK	Ms. Gede Arya Wicaksana Santosa
14	Indonesia	OJK	Ms. Destina Femilda

15	Indonesia	OJK	Mr. Fithri Alvionita Nuryaman
16	Indonesia	OJK	Mr Vivi Rizmayani
17	Indonesia	OJK	Mr. Agus Nugroho
18	Indonesia	OJK	Ms. Istiana Maftuchah
19	Indonesia	OJK	Ms. Dena Aksinia
20	Indonesia	OJK	Ms. Martina Nagasia
21	Indonesia	OJK	Ms. Riani Sagita
22	Indonesia	OJK	Mr. Yusak Liestia Ramagit Setiawan
23	Indonesia	OJK	Ms. Halimahtusya
24	Indonesia	OJK	Ms. Atika Kamilia
25	Jordan	Jordan Securities Commission	Mr. Ahmad Hiyary
26	Lebanon	CMA	Mr. Wajbeb Kansa
27	Malaysia	Securities Commission	Mr. Ridzham Zaidi Rizizuwan
28	Malaysia	Securities Commission	Ms. Sarah Aisha Adams

29	Maldives	CMDA	Mr. Ibrahim Saleem
30	Maldives	CMDA	Mr. Abdullah Zakarriya
31	Morocco	AMMC	Mr. Malki Tarik
32	Morocco	AMMC	Ms Nada Zoukaghe
33	Pakistan	Securities and Exchange Commission of Pakistan	Mr. Asif İqbal
34	Pakistan	Securities and Exchange Commission of Pakistan	Mr. Hussain Ali
35	Pakistan	Securities and Exchange Commission of Pakistan	Mr. Umair Ahmed
36	Palestine	Ministry of Finance	Mr. Nebal İbrahim
37	Palestine	Ministry of Finance	Mr. Shadi Hantash
38	Türkiye	COMCEC Coordination Office (CCO)	Mr. Selçuk Koç
39	Türkiye	COMCEC Coordination Office (CCO)	Mr. Can Aygöl
40	Türkiye	COMCEC Coordination Office (CCO)	Ms. Seyyide Ravza Özer
41	Türkiye	Capital Markets Board of Türkiye	Mr. İbrahim Ömer Gönül

42	Türkiye	Capital Markets Board of Türkiye	Mr. Ali Erdurmuş
43	Türkiye	Capital Markets Board of Türkiye	Ms. Sedef Baran Gürbüz
44	Türkiye	Capital Markets Board of Türkiye	Ms. Secil Sayın Kutluca
45	Türkiye	Ministry of Foreign Affairs	Mr. Özgür Arslan
46	Türkiye	Borsa İstanbul	Mr. Mahmut Varlı
47	Türkiye	Borsa İstanbul	Mr. Muhteşem Karbaş
48	Türkiye	SESRIC	Mr. Ahmet Öztürk
49	Türkiye	SESRİC	Ms. Semiha Abdullah İnan
50	Türkiye	Central Bank of the Republic of Türkiye (CBRT)	Ms. Ezgi Aslan
51	Türkiye	MKK	Ms Çağla Derse Yayla