



# UNION NEWS

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## Corporate governance Opportunities And Challenges

2015  
Turkey  
G20

ANTALYA SUMMIT



in this  
issue

- Cover Story
- Union News
- Summary of the stock exchanges performance
- UASA Memebtrs News
- International News
- Arab Exchanges News
- UASA - Active Members Directory



# in this SSUE

**Cover Story**

**Union News**

**Summary of the stock exchanges performance**

**UASA Memembs News**

- **Market Regulation**
- **Market Oversight**
- **Education and Awareness**
- **International Cooperation**
- **Enforcement Actions**
- **Other News**

**International News**

**Arab Exchanges News**

**UASA - Active Members Directory**

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## **G20/OECD principles of the corporate governance**

Following the adoption of the new corporate governance principles by the OECD council, the principles were submitted to the G20 leaders on 16-15 November 2015 in Antalya, Turkey, where they were endorsed as the G20/OECD principles of the corporate governance.

Published in 1999 for the first time, the principles since considered as international benchmarks worldwide. The principles are also considered as one of the financial stability standards for the financial system.

As Mr. Rintaro Tamaki, Deputy Secretary-General of OECD pointed out, corporate governance is not the end in itself, it is a means to create market confidence and business integrity, which in turn is essential for companies that need access to equity capital market for long term investment. Corporate governance weakness in remuneration, risk management, board practices, and exercise of shareholder rights played an important role in the development of the global financial crisis in 2008, and such weakness extended not only to the financial sector but to companies more generally.

To shed light on this important issue, particularly the new corporate governance principles, the Union of Arab Securities Authorities and the Arab Monetary Fund, in association with the International Financial Corporation (IFC) and the Organization of Economic Cooperation and Development (OECD) will hold a forum on "Arab Regulators' Corporate Governance" in February 2016 in Abu Dhabi. We hope this forum will contribute to the enhancement of implementation of corporate governance principles and the assessment of compliance of these principles.

# Corporate Governance:

## G20/OECD Principles



BETTER POLICIES FOR BETTER LIVES

Corporate governance purposes is to help build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. The G20/OECD Principles of Corporate Governance provide this benchmark. They clearly identify the key building blocks for a sound corporate governance framework and offer practical guidance for implementation at a national level.

The principles was discussed by the G20/OECD Corporate Governance Forum in April 2015. Following that meeting, the OECD council adopted the principles on 8 July 2015. The principles were then submitted to the G20 leaders' summit on 15-16 November 2015 in Antalya, where they were endorsed as the G20/OECD principles of corporate governance.

In order to ensure their continuity relevance and accuracy, the review of the principles was supported and informed by extensive empirical and analytical work addressing relevant changes in both corporate and financial sectors.

The principles are intended to help policymakers evaluate and improve the legal, regulatory, and institutional framework for corporate governance, with a view to support economic efficiency, sustainable growth and financial stability. This is primarily achieved by providing shareholders, board members and executives as well as financial intermediaries and service providers with the right incentives to perform their roles within a framework of checks and balances.

### I. Ensuring the basis for an effective corporate governance framework

The corporate governance framework should promote transparent and fair markets , and the efficient allocation of resources. It should be consistent with the rule of law and support effective supervision and enforcement.

a.The corporate governance framework should be developed with a view to its impact on overall economic performances, market integrity and the incentives it creates for market participants and the promotion of transparent and well-functioning markets.

b.The legal and regulatory requirements that affect corporate governance practices should be consistent with rule of law, transparent and enforceable.

c.The division of responsibilities among different authorities should be clearly articulated and designed to serve the public interest.

d.Stock market regulation should support effective corporate governance.

e.Supervisory, regulatory and enforcement authorities should have the authority, integrity and resources to fulfil their duties in a professional and objective manner. Moreover, their rulings should be timely, transparent and sully explained.

f.Cross-border cooperation should be enhanced, including through bilateral and multilateral arrangements for exchange of information.

The corporate governance framework should promote transparent and fair markets , and the efficient allocation of resources. It should be consistent with the rule of law and support effective supervision and enforcement.

### 2. The rights and equitable treatment of shareholders and key ownership functions

The corporate governance framework should protect and facilitate the exercise of shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.

### 3. Institutional investors, stock markets, and other intermediaries

The corporate governance framework should provide sound incentives throughout the investment chain and provide for stock markets to function in a way that contributes to good corporate governance.

### 4. The role of stakeholders in corporate governance

The corporate governance framework should recognize the rights of stakeholders established by law or through mutual agreements and encourage active cooperation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

### 5. Disclosure and transparency

The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company.

### 6. The responsibilities of the board

The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.

## Arab regulator's corporate governance forum: opportunities and challenges

The Union of Arab Securities Authorities (UASA) and the Arab Monetary Fund in association with the Organization for Economic Cooperation and Development (OECD) and the International Finance Corporation (IFC) will hold the "ARAB REGULATOR'S CORPORATE GOVERNANCE FORUM: OPPORTUNITIES AND CHALLENGES" on 9-10 February 2015 in Abu Dhabi, United Arab Emirates. The forum will bring together a group of experts and specialists in this field from various international, regional and Arab institutions where the focus will be on the role of regulatory authorities in implementation of corporate governance principles.

The forum will discuss OECD's recently revised and launched Principles of Corporate Governance (2015), endorsed by the G20 this year. The forum will discuss also some of the global changes in the adapting and implementing effective corporate governance. The participants will discuss how the strengthening of the corporate governance framework may help countries and companies in overcoming some of the more recent challenges around key corporate governance issues such as transparency, shareholders rights, risk management concepts and related parties transactions.

The forum will also discuss the importance of having a solid legislative and regulatory environment that promotes good governance practices for a flourishing and sustainable private sector in any country. This forum will bring practitioners from the Arab Region and other countries to discuss the role of regulators as well as international financial institutions (IFIs) in strengthening the regulatory and legal environment for corporate governance. The participants will provide a 360 degree view of what good regulation entails, and how the regulatory and legal environment can be strengthened through an iterative process—taking into consideration the country and market based realities. The forum will discuss as well the enforcement of corporate governance principles. The speakers will explore the ecosystem in which effective enforcement takes place—which includes the importance of educating, training and communicating with the private sector and explaining the business case for corporate governance.

The corporate governance framework should recognize the rights of stakeholders established by law or through mutual agreements and encourage active cooperation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

Challenges in applying the principles of corporate governance in the Arab region, the role of the supervisory authorities in facilitating the implementation of good corporate governance practices will be discussed. In addition, it addresses the role played by regional and international institutions in supporting Arab countries in the implementation of those principles. The forum will point out different methodologies and tools used in effectuating implementation of corporate governance principles. A number of Arab and international experiences and case studies will be explored in order to highlight lessons learned for effective assessment and monitoring of implementation of corporate governance, and discuss future steps to be taken related to this subject.



## Concluding the second practical training program

The Capital Market Authority of Saudi Arabia and the Union of Arab Securities Authorities (UASA) held the second practical training program on media and investor awareness and market oversight in the Saudi Capital Market Authority headquarters in Riyadh during the period 26-27/10/2015.



(19) trainees have participated in this training program from Jordan Securities Commission, UAE Securities and Commodities Authority, COSOB Algeria, Oman Capital Markets Authority, Kuwait Capital Markets Authority and the Egyptian Financial Supervisory Authority. In addition to Dubai Financial Services Authority, Beirut Stock Exchange and Khartoum Stock Exchange. The program discussed a number of topics related to media and investor awareness, including access to information strategy of the authority and education activities and strategic relations with the local media and analysis of media content programs. The program presented an overview of the Saudi Capital Market Authority experience in the field of market oversight and control on trading based on inside information and electronic oversight. It discussed also the electronic link system on continuous disclosure and following-up board members ownerships and senior corporate executives, as well as the Saudi CMA experience in the field of corporate governance.

## The UASA's Strategic Plan Committee held its Second Meeting



The Temporary Committee for the preparation of the UASA 2016 – 2020 strategic plan held its second meeting on 16-17/12/2015 at the Union headquarters – Dubai. During the meeting, the committee released a draft of the strategic plan, which is expected to be discussed in the UASA Board's next meeting in Cairo on 03/03/2016.

In addition to the Lebanese Capital Markets Authority, the Committee includes in its membership the Securities and Commodities Authority - UAE (SCA), the Saudi Capital Market Authority, the Capital Markets Authority of Oman and the Egyptian Financial Supervisory Authority.

## Clearing, Settlement & Custody Middle East

The UASA General Secretariat participated in The Clearing, Settlement & Custody Middle East conference held in Dubai during the period 07-10 / 12/2015. Different securities authorities, stock exchanges and depository centers and other related financial institutions participated in this event. Organized by IBC Asia - an Informa business, the conference discussed the most important recent developments of the Arab stock markets, particularly Clearing, Settlement and Custody systems, in addition to the most important challenges facing the financial markets with a review of Arab stock exchanges and depository centers experiences in this regard.



## UASA participates in the Global Islamic Economy Summit and the 4th Annual Islamic Finance Conference



The Union of Arab Securities Authorities (UASA) General Secretariat participated in the Global Islamic Economy Summit (GIES) that was organized in Dubai on the 5th and 6th of October 2015 by Dubai Chamber in cooperation with Thomson Reuters. More than (3500) experts and specialists attended the summit and stressed on the importance of supporting the efforts to develop Islamic finance instruments in the region for the benefit of its economies. The UASA General Secretariat had also participated in the 4th Annual Islamic Finance Conference that was organized by Standard &

Poor's agency in collaboration with Dubai International Financial Centre (DIFC) where participants discussed ways for enhancing Islamic Sharia Comply Investments and the challenges facing this sector and ways to overcome these challenges.

## UASA's General Secretariat participates in the Middle East Alternative Investment Summit and the workshop on Islamic Financial Services and Products

The UASA's General Secretariat participated in the Middle East Alternative Investment Summit, sponsored by SCA's training center in Dubai in collaboration with the Chartered Alternative Investment Analyst (CAIA) Association. The summit was attended by an elite group of securities and investment experts and specialists from across the globe. The Summit discussed the alternative investments include real estate, hedge funds, commodities, and private equity funds in addition to hedge funds strategies in the Middle East.



The UASA's General Secretariat participated also in a technical workshop on the development of financial products in Islamic financial institutions organized by The Securities and Commodities Authority's Training Center (SCA TC) in collaboration with the General Council for Islamic Banks and Financial Institutions (CIBAFI). Throughout the workshop, various topics and issues were addressed, including product development, financial engineering, legal frameworks for product development and innovation, methodologies and applicable procedures for product development, harmony between legal requirements and practices, and practical case studies about innovative products and services in Islamic finance.

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## The UASA Participates in the 55th General Assembly and Annual Meeting of WFE



The Union of Arab Securities Authorities participated in the 55th General Assembly and Annual Meeting of the WFE which was held in Doha / Qatar hosted by the Qatar Stock Exchange during October 19-21, 2015. CEOs

and other representatives of member exchanges worldwide attend the main yearly WFE meeting for in-depth discussion on major issues surrounding the exchange industry.

During the Meeting, the Sustainability Working Group (SWG) published a position paper, setting out the views of global market operators and CCPs. In addition to that, the participants elected the Board of Directors members. The Chairman of Bolsa Valores de Colombia is unanimously appointed as Chairman of the Board for a 2-year term; the Chairman of National Stock Exchange of India, as Vice Chairman of the Board of Directors; and the Chairman of SIX Swiss Exchange as Chairman of the Working Committee. During the meeting, it was agreed to hold the 2016 General Assembly in Cartagena, Colombia, hosted by Bolsa Valores de Colombia from October 19 to 21, 2016.

## COMCEC 4th Capital Market Regulators Forum and the G20 international conference on "Mobilizing Islamic Finance for Long-Term Investment Financing"

The UASA's General Secretariat participated in COMCEC 4th Capital Market Regulators Forum that was held in Istanbul/Turkey on the 19th of November 2015. The Forum meeting focused on the report on Real Estate Securities Exchange in the OIC Member Countries, the outputs of "Capacity Building", "Market Development", "Islamic Finance" and "Financial Literacy" Task Forces' 2015 activities.



Respectively. UASA's General Secretariat also participated in the G20 international conference on "Mobilizing Islamic Finance for Long-Term Investment Financing" in Istanbul, Turkey on November 18-19, 2015. This conference was organized by the World Bank Group's Global Islamic Finance Development Center (GIFDC), jointly with the Capital Markets Board and Borsa İstanbul. The event brought together various stakeholders from Islamic finance industry, multilateral development institutions, institutional investors, sovereign wealth funds, policy makers, regulatory bodies, and academia to exchange views and discuss how Islamic finance can contribute to the long-term sustainable growth with respect to G20 framework.

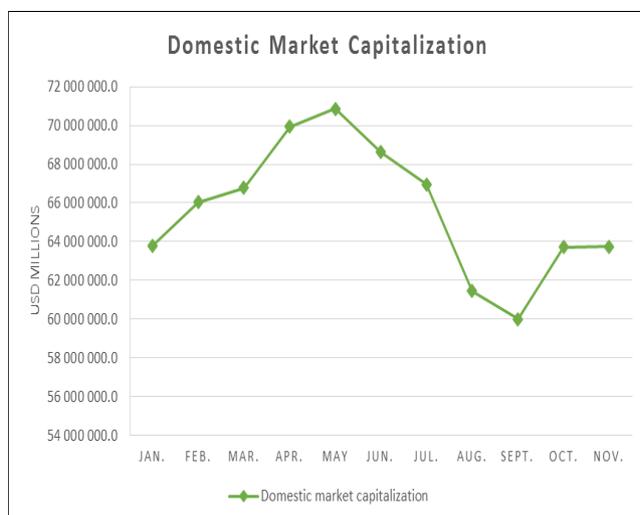
## Summary of Arab Stock Markets Performance

	Market Capitalization (U.S. Million)	Value Traded (U.S. Million)	Composite Price Index
2011	884,490	379,897	213.36
2012	941,412	586,387	219.63
2013	1,120,247	483,364	310.77
2014	1,231,538	800,891	265.78
2015	1,085,673	539,834	222.56



Source : <http://www.amf.org.ae/>

## Summary of the World Stock Exchanges Performance



Source : <http://www.world-exchanges.org/>

## Market Regulation



**Algeria - Commission d'Organisation et de Surveillance des Opérations de Bourse - COSOB**

### Issuance of new rules for brokers

The COSOB published the regulation No. 01/15 issued on 15 April 2015 in the Official Gazette No. 55, dated October 21, 2015. The Regulation concerns the oversight and the conditions of brokers licensing, In addition to the brokerage rules.



**KSA - Capital Market Authority - CMA**

### Announcement regarding the public consultation of the draft amended Listing Rules

The CMA Board has issued its Resolution which includes publishing the draft amended Listing Rules ("Rules") on the CMA's website to enable concerned and interested parties to provide their comments and observations.

These proposed amendments also come as part of the current joint project between the CMA and the Saudi Stock Exchange (Tadawul) for the purposes of separating the functions and jurisdictions between both entities as per the relevant CML provisions, in which the working-teams appointed for such project will conduct a comprehensive review of all Implementing Regulations and Internal Policies and Procedures at both the CMA and Tadawul.



**Syria - Syrian Commission on Financial Markets and Securities - SCFMS**

### The Law No /22/ Regulating the SCFMS Work is on the Discussions' Meeting

The SCFMS held a meeting to discuss its suggestions for the changes on the Legal Texts of Law No /22/ for 2005, that regulates the SCFMS.

The highlighted topics within the meeting were the Responsible Entity for Issuing the Regulations of the Commission, the tasks of SCFMS board of commissioners, the adopted method for issuing the charges and fines' regulations.



**Oman - Capital Markets Authority - CMA**

### Board of Oman Center for Corporate Governance and Sustainability held its first meeting

Oman Center for Corporate Governance and Sustainability held its first meeting, the meeting's agenda included visual presentation on the importance of corporate governance and sustainability for companies, and their role in promoting national economy and the developments of corporate governance in the Sultanate since 2002, in addition to nominating the Vice Chairman of the Center.

The meeting also discussed the regulations of the statute of the Center, which are; Board's system, internal regulations, Human Resources regulations, financial regulations, and regulations for members from private sector institutions.

### CMA issues the Rules for Selling the Securities the Client fails to pay their value

The Capital Market Authority has issued Decision No. 3/2015 approving the Rules for selling the Securities the client fails to pay their value. These rules would reduce the risks to which market brokers are exposed to due to clients failure to pay the value of the shares they purchase as the client's failure to pay obligates the companies to pay from their own accounts which is additional financial burden and might affect their efficiency.

## Market Regulation

### Kuwait - Capital Markets Authority - CMA

#### Issuance of the New Executive Bylaws

The CMA has taken into consideration the effect of such new rules which the Bylaws included, and the transitional periods that the persons addressed in the Bylaws need in order to benefit from the new provisions mentioned in the Bylaws as soon as they are issued. However, the Bylaws provided sufficient time which extends to a year to satisfy any new requirements or additional obligations which may arise. It is worth mentioning that the Corporate Governance Regulations shall be implemented on June 30, 2016 as decided earlier. The New Executive Bylaws is available through the following link:

[https://www.cma.gov.kw/Ar\\_bylawnew1.cms](https://www.cma.gov.kw/Ar_bylawnew1.cms)

### Capital Markets Authority of Lebanon

#### Launching the third group of applied bylaws in CMA Lebanon

The Capital Markets Authorities of Lebanon organized a seminar where the third group of applied bylaws in the CMA were launched that includes " Collective investment schemes" in cooperation with experts from the World Bank, with the participation of representatives from banks, financial brokerage companies, lawyers, and auditors involved in the industry.

During the seminar, representatives of the Financial Markets Authority presented the applied bylaws and explained the importance of the proposed articles in addition to the positive impact of investment funds' good management and marketing.



### Egyptian Financial Supervisory Authority- EFSA

#### EFSA issued the Updated Regulations Set for Real Estate Financing

EFSA issued a new decision that organizes and regulates of the updated formulas in the field of real estate financing, which include Musharaka (participation) , Ijarah (Lease Ending with Ownership) and Murabaha. After consultation with the operating companies, EFSA's BOD has issued decision no. 111 of 2015 regarding the rules and standards that real estate financing companies must abide by in practicing the activity. These rules shall be applied whether upon using the traditional systems of financing to purchase or build a unit or upon using the new formats. Also, the decision regulates the data and conditions that must be met upon signing any real estate financing agreement.

In addition, the said decision defines the required guarantees for financing and cases of accelerated payment and the assignment of rights and cases of contract's expiry before the time limit because of the client's death or disability, or failing to meet the installments due.

## Market Regulation



**Egyptian Financial Supervisory Authority- EFSA**

### **EFSA Starts working with Governance Rules Set for Private Insurance Funds**

EFSA's BOD approved the rules set for managing the investment portfolio of private insurance fund and the governance rules set for these funds. The rules define the cases of appointing a full-time director who is responsible for the investment of the Fund that is more than 100 million pounds. Also, the rules stated that the fund can sign a contract with a company or more than to configure and manage the Fund's investments in light of a number of conditions to be adhered to. Besides, it identified the responsibilities of each party and the terms of the contract.

### **EFSA issued new Amendments to Listing and Delisting Rules**

EFSA's BOD issued decision no. 126 of 2015. The new decision added Article to listing and delisting rules which states the following: "Without prejudice to the provisions of Law No. 159 of 1981 and Law No. 95 of 1992, the obligations stated in Chapters no. 3,4,5 of the said rules are not applicable to companies in the initial period of listing and that is until meeting listing requirements, particularly conditions no. (1, 2) in articles no. (7,9) of these rules and until the beginning of trading on the company's shares."

### **The Issuance of the First Law that Regulates Movable Guarantees Facilitates Financing of Small enterprises**

EFSA announced the issuance of the first law in Egypt to regulate the movable guarantees, the Law 115 of 2015, where an electronic registry will record all the rights guaranteed by movable amounts and give these rights a priority for the rest of the other guarantees. Consequently, this will activate financial leasing and other forms of financing and lending, in particular for small and medium-sized enterprises, through using movable assets which will be recorded in the registry as Financing Guarantees. In this respect, risks of financing and credit costs will be reduced relatively.

### **EFSA Reduces Corporate Governance Rules for Unlisted Companies**

EFSA has amended the corporate governance rules for unlisted securities companies in order to facilitate some aspects related to its commitment to the said rules. According to the said amendments the commitment to the Board sub-committees shall be only for the Auditing Committee. The companies- which capital is more than 50 million pounds, or its assets are more than 500 million pounds, or its transactions exceeds 500 million pounds a year- shall form a risks committee. Moreover, a single committee shall be formed for both auditing and risks.

## Market Oversight



**Jordan Securities Commission - JSC**

### **Circular related to the auditors registration**

The JSC announced the required criteria for qualified auditors to audit entities subject to the commission oversight and supervision and to be registered in the relevant registry. According to the Accounting Law No. (73) for the year 2003, JSC stressed also on coupling the appointment of the audit entity with the name and the registration number of the auditor responsible for the audit process.

## Market Oversight



### *UAE - Securities and Commodities Authority - SCA*

#### **SCA Holds Consultative Meetings with Companies Listed on Financial Markets**

The Securities and Commodities Authority (SCA) developed a program that involves a series of visits during which consultative meetings with the boards of public joint-stock companies listed on UAE financial markets. These meetings come to promote SCA's partnership with its strategic partners and acquaint them with its initiatives and plans in preparing regulations and legislations that support the legislative infrastructure of markets and upgrade market performance. The meetings discussed a number of corporate matters, such as governance and corporate discipline mechanisms and controls, governance disclosure reports, increasing the representation of women on boards of joint-stock companies, encouraging companies to appoint women to their boards, encouraging companies to adopt innovative mechanisms for disclosure of preliminary financial statements, and drawing a road map to upgrade performance to serve the interest of investors and market participants.

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### *KSA - Capital Market Authority - CMA*

#### **CMA Obliges Authorized Persons to Comply and Disclose Additional Information on Their Websites**

The Capital Market Authority Board has issued a decision to oblige Authorized Persons (financial institutions licensed by CMA to perform securities business) to apply additional requirements in order to improve their levels of disclosure. This should be effective by April 1st, 2016 to raise the levels of transparency and protect investors.

CMA has directed APs to establish the infrastructure of governance by setting the rules and policies needed and developing the governance policies of the AP and supervising its effectiveness and adjusted when needed. This includes restructuring the boards of directors to include independent members in order to activate the board of directors' performance and assembling audit, nomination and remuneration committees in addition to issuing an annual report on the previous financial year.

A full list of Authorized Persons is on the official website of CMA where the activities licensed are listed for each person in order to avoid dealing with unauthorized persons or institutions.

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#### **CMA Alerts Market Participants: Insider Trading is Prohibited and a Criminal Offense**

The Capital Market Authority (CMA) stresses that the Capital Market Law and its implementing regulations prohibit insider trading on shares of listed companies and consider it a criminal offense.

CMA warned members of boards of directors, senior executives, employees of listed companies, in addition to the public, from directly or indirectly trading a security of a company after obtaining insider information through their families, business, or contractual relationship that are not available to the general public and not announced yet.

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### *Syria - Syrian Commission on Financial Markets and Securities - SCFMS*

#### **Issuance of the Corporate Governance report of the companies under the commission oversight for the year 2014**

SCFMS issued the Corporate Governance report of the companies under the commission oversight for the year 2014, this sixth report presents the most important indicators of the Corporate Governance in addition to the details of governance of these companies according to sectors.

## Market Oversight



### *Kuwait - Capital Markets Authority - CMA*

#### **CMA issues a decision for licensed companies that adjusted their positions**

The Capital Markets Authority issued licenses for a number of companies that adjusted their positions for a period of three years, subject to renewal. The CMA granted six companies preliminary approval of six months, subject to unrenewable in order to meet the specific criteria or to complete the necessary legal procedures.

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### *Libyan Stock Market*

#### **Listing 4 insurance firms in the Libyan Stock Market**

The Libyan Stock Market announced the listing of 4 insurance companies in the Central Depository Centre with a total capital of 50,000,000 LD, thus bringing the total number of registered companies in the Central Depository Centre to 68 companies.

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## Education and Awareness



### *UAE - Securities and Commodities Authority - SCA*

#### **SCA TC Introduces Certified Wealth Manager Certification**

The Securities and Commodities Authority Training Center (SCA CT) announced that a workshop on certifying wealth managers is to be organized, as part of a series of programs, courses, workshops, and professional certificates offered in the securities and investment industry. The workshop is jointly organized with professional experts and institutions from across the globe.

The Certified Wealth Manager is a professional certification sought by wealth management experts, investment portfolio managers, financial asset managers, treasury managers, as well as planners, analysts, and financial assessors.

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#### **Workshop on Islamic Financial Services and Products in Collaboration with CIBAFI**

SCA TC held a technical workshop on the development of financial products in Islamic financial institutions in collaboration with the General Council for Islamic Banks and Financial Institutions (CIBAFI). Throughout the workshop, various topics and issues were addressed, including product development, financial engineering, legal frameworks for product development and innovation, methodologies and applicable procedures for product development, harmony between legal requirements and practices, and practical case studies about innovative products and services in Islamic finance.

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#### **Seminar in ADCCI to Review SCA's Experience in Corporate Governance and Promoting Role of Women on Corporate Boards**

SCA held a seminar titled "SCA's Experience in Corporate Governance: Towards A Bigger Female Role on Corporate Boards" in collaboration with the Abu Dhabi Chamber of Commerce and Industry (ADCCI). The presentation addressed corporate governance concepts, principles, general conditions, the expertise and skills board members must possess, board formation, member autonomy, evaluation of board performance and effectiveness in light of the tasks set out in governance discipline, corporate board committees that must be formed as per corporate governance rules, as well as the importance of corporate internal control systems.

## Education and Awareness



*KSA - Capital Market Authority - CMA*

### **CMA Urges Shareholders in Listed Companies to Exercise Their Rights in General Assemblies**

The Capital Market Authority (CMA) urges shareholders in listed companies to exercise all their rights in general assemblies regardless of their shareholdings' percentage in the company. Those rights are guaranteed to them by the Capital Market Law and its implementing regulations especially the Corporate Governance Regulations.



*Syria - Syrian Commission on Financial Markets and Securities - SCFMS*

### **Workshop for the Listed Joint – Stock Companies at Damascus Securities Exchange (DSE)**

With the participation of the SCFMS, the Board of Commissioners' Members, and the representatives of the listed joint – stock companies, Damascus Securities Exchange (DSE) launches its workshop under the title of "The Scope of Cooperation Between Damascus Securities Exchange (DSE) and the Listed Joint – Stock Companies." A comprehensive presentation is offered about the development of Damascus Securities Exchange and the method for the investment, in addition to answer the raised inquiries by the participants.



*Oman - Capital Markets Authority - CMA*

### **CMA Organizes a Programme on Management of Work Procedures**

CMA organized a training programme on the Management of Work Procedures for the teams of electronic transformation project of CMA during the period from 11th -14th October, 2015. The programme aims to enhance work procedures through specifying goals, defining strategies and setting up aims for every operation affecting the performance of the institution.



*Qatar Financial Markets Authority - QFMA*

### **QFMA Organizes a Workshop on: "Investors and Financial Community Awareness"**

Qatar Financial Markets Authority, in cooperation with Statistical, Economic and Social Research and Training Centre for Islamic Countries "SESRIK"- Ankara and Istanbul Stock Exchange, organized a workshop on "Investors and Financial Community Awareness" which aims to develop the concepts of investor relations and educate the financial community in this regard.

The workshop, which targeted the entities related to investors and the financial community in the state, covered a range of topics related to the field of investor awareness on exchange traded products and their risk exposures. It also shed light on market structure & services and the precautions to be taken in various conditions.



*Kuwait - Capital Markets Authority - CMA*

### **CMA Concludes its Awareness Program for the Fourth Quarter of the Year 2015**

The Capital Markets Authority has concluded the events of its awareness program for the fourth quarter of the year 2015. It is worth mentioning that the awareness program of the last quarter of the year 2015 included two main phases: the first one comprised of five workshops that took place between the end of last September and throughout October. The second phase was dedicated to awareness events that tackled the amendments of the Executive Bylaws of Law No. 7 of 2010, which is amended pursuant to Law No. 22 of 2015.

## Education and Awareness

### Egyptian Financial Supervisory Authority- EFSA

#### EFSA Organizes a Workshop on the Egyptian Real Estate Appraisal Standards



The Financial Services Institute organized a workshop with the presence of a large number of real estate appraisers, representatives of banks and REA.

The workshop included sessions that introduced the basics and concepts for practicing real estate appraisal , the code of conduct. Also, it discussed the appraisal set for calculating the market's value and preparing the appraisal report . In addition to a detailed explanation of the guideline note of appraisal approaches stated in real estate appraisal standards which includes sales comparison approach (SCA), income capitalization approach and cost approach.

#### EFSA Prepares a Training Program for NGOs in the Field of Microfinance

Financial Services Institute (FSI) which is affiliated to Egyptian Financial Supervisory Authority (EFSA) hosted representatives of all associations and NGOs to attend an intensive training program to help those entities in fulfilling the requirements set for obtaining a final license to practice microfinance.

The training program will discussed the microfinance standards, business rules, controls set for financing contracts , I-score procedures, the calculation of doubtful debt and how to set up NGO s' regulations.

#### The Egyptian Institute of Directors Prepares Numbers of Training Programs in the Fields of Corporate Governance and Supervision

The Egyptian Institute of Directors held numbers of workshops in the Fields of Corporate Governance and Supervision in cooperation with The International Finance Corporation (IFC) a member of the World Bank Group. The workshops provided small and medium enterprises and family business with the information and practical tools to apply corporate governance. The said workshops was designed to promote the active participation among trainers through discussing governance's principles and defining the best means to apply these principles in the companies and so, it can be listed at the Stock Exchange.



## International Cooperation

### UAE - Securities and Commodities Authority - SCA

#### MOU between SCA and CAIA Association

SCA signed MOU with the Chartered Alternative Investment Analyst Association CAIA Association to promote mutual cooperation in professional development. The MOU aims at developing capital markets, the financial services industry, and investment in the UAE in general by raising the level of knowledge and expertise of finance industry professionals in alternative investments through mutual cooperation on promoting the importance of the CAIA Charter Program and the FAI Certificate Program.

## International Cooperation



### *Oman - Capital Markets Authority - CMA*

#### **CMA Receives Official Delegation of GCC Accounting and Auditing Organization**

The Capital Market Authority received an official delegation of the GCC Accounting and Auditing Organization at the CMA premises. The meeting discussed the accounting profession in the GCC region and ways of developing it to better standards compatible with the international accounting principles and standards stressing the importance of mutual work to promote the audit firms by adding more professionalism to their work beside taking care of national cadres in audit firms through coordination and integration among the member states and preparing professional standards in accounting and audit and professional conduct in addition to the continued training and education relating to the profession.

#### **CMA concludes MOU with ICMA**

The Capital Market Authority has concluded a memorandum of understanding with the International Capital Market Association (ICMA) to enhance mutual cooperation and exchange of information relating to capital markets.

The MOU enables the exchange of information about the laws and regulations relating to regulation and supervision of capital markets and the practices of international and local capital markets, training and research.



### *Palestine Capital Market Authority - PCMA*

#### **The Capital Market Authority signs cooperation agreements with Birzeit University to integrate the course of corporate governance**



The Palestinian CMA, Birzeit University and the International Finance Corporation IFC signed a tripartite cooperation agreement aims to integrate the course of corporate governance in the teaching plan for the College of Business and Economics at the University.

The PCMA and the University of BirZeit signed also a memorandum of cooperation and understanding in order to promote cooperation, institutionalize the relationship between the two sides and unify the efforts to implement a range of programs and awareness activities that contribute in the promotion of the financial awareness for the students of the Faculty of Business and Economics.



### *Qatar Financial Markets Authority - QFMA*

#### **Signature of a MoU between the Qatar Financial Markets Authority (QFMA) and the Commission de Surveillance du Secteur Financier (CSSF) – Luxembourg**

The Qatar Financial Markets Authority (QFMA) and the Commission de Surveillance du Secteur Financier (CSSF) - Luxembourg signed a Memorandum of Understanding (MoU) on mutual assistance and exchange of information relating to the supervision of securities markets. The MoU covers in particular the exchange of regulatory and technical information, as well as, cooperation as regards supervision and inquiries.

## International Cooperation

 **Kuwait - Capital Markets Authority - CMA**

### CMA Inks MOU with the Capital Market Authority of Oman

The Capital Market Authority and the Capital Market Authority of Oman signed a memorandum of understanding for the exchange of information and mutual cooperation. The MOU includes a number of clauses on exchange of information to enhance investor protection and the integrity of the stock markets by providing a framework for cooperation and upgrading the mutual understanding based on exchange of information and professional expertise between the two countries. They agreed

on exchange of information and mutual cooperation, encouraging cooperation between capital market institutions including stock markets, clearing and depository institutions, financial services companies and dispute resolution according to the applicable laws and regulations.



### The Capital Markets Authority Announces Joining XBRL International

The CMA joined XBRL international, which is concerned with setting standards of disclosure using XBRL language, preparing and issuing standards and specifications of such language, in addition to developing it in order to promote and improve the disclosure process in the capital markets.

Joining the organization would provide the CMA the opportunity to benefit from the experiences and services offered by the Organization in the field of electronic disclosure of financial and nonfinancial information and data in the XBRL language. It also allows contacting, cooperating, and exchanging experiences with related global entities and organizations, in addition to participating in courses, technical workshops and conferences.

## Enforcement Actions

 **UAE - Securities and Commodities Authority - SCA**

### SCA Requires Internal Auditors at Brokerage Companies to Prepare Periodic Internal Auditing Reports

The Securities and Commodities Authority (SCA) issued a circular concerning the internal audit reporting form for securities brokerage companies, requiring internal auditors there to prepare and keep quarterly periodic reports and submit them to SCA upon request. The form includes a part about ensuring compliance with the rules and regulations and another part about monitoring and classifying different corporate risks.

 **Iraq - Iraqi Securities Commission**

### Suspend trading shares on some companies

Given the lack of providing financial disclosure requirements and to provide the Board with financial statements by the companies listed below in 2015, therefore, the commission has decided to suspend trading on the shares of these companies at Iraqi Stock Exchange.

## Enforcement Actions

### Oman - Capital Markets Authority - CMA

#### CMA launch E-Complaint System

The CMA launched an e-complaint system. The new system will enable the participants of the capital and insurance markets to file comments and complaints against the companies regulated by CMA. Complaints may be submitted electronically through the CMA's website [www.cma.gov.om](http://www.cma.gov.om) and selecting CMA services on the main page of the website, fill the form and attach the supporting documents.

The service enables CMA to follow up the information and statistics received from the citizens on the insurance complaints, consideration and finding swift solutions.



### Egyptian Financial Supervisory Authority- EFSA

#### A Final Reminder regarding Submitting the Periodic Reports and the summary of the decisions issued by the General Assembly and the BOD

EFSA asserted that the listed companies at the Egyptian Stock Exchange shall inform it with the notifications stated in Article no. (30) and (31) and (32) of Listing and Delisting Rules issued pursuant to EFSA's BOD decision no.11 dated 22 January 2014 and amended by EFSA's BOD decision no. 170 dated 21 December 2014. Also, EFSA emphasizes that the necessary legal action shall be taken in case of non-compliance as that will be considered as a violation to Article 85 of the Executive Regulations of the Capital Market Law and also it violates the provisions of the Stock Exchange's listing and delisting rules.

## Other News

### UAE - Securities and Commodities Authority - SCA

#### Dr. Obaid Al Zaabi Acting CEO of SCA



The Securities and Commodities Authority of UAE (SCA) announced that Dr. Obaid Saif Al Zaabi has been appointed as acting CEO of SCA as a successor to Mr. Abdullah Salem Turaifi due to his retirement.

Dr. Obaid Al Zaabi holds a PhD in Banking and Finance from Durham University in the UK, in addition, he also holds CMA and CIPA qualifications. He has served in leading UAE regulatory organizations and financial institutions such as the UAE Central Bank, the Securities and Commodities Authorities, Dubai Islamic Bank, and AMLAK Finance.

## International Organization of Securities Commissions - IOSCO

### Transparency of Firms that Audit Public Companies

The Board of the International Organization of Securities Commissions (IOSCO) published the final report Transparency of Firms that Audit Public Companies. The report addresses "audit firm transparency reporting", which considers the practices employed by audit firms to be transparent in their own reporting to investors and other stakeholders about the firm itself, notably, with respect to firm governance and elements of their system of quality control for their financial statement audits.



Transparency reporting can foster internal introspection and discipline within audit firms and may encourage audit firms to sharpen their focus on audit quality, which would be of benefit to investors and other stakeholders. In comparing audit firms competing for an audit engagement, audit firm transparency reporting can aid those responsible for selecting a public company's auditor in their decision making process by providing information on a firm's audit quality.

The report includes an IOSCO Statement on, as well as a Guide for, audit firm transparency reporting. The Guide is intended to serve as a frame of reference for promoting good practice and contributing to high quality audit firm transparency reports.

In light of what IOSCO has learned, IOSCO believes that an audit firm transparency report could be considered of high quality if the information in the report includes, among other matters, reporting on the following elements: the audit firm's legal and governance structure, its measures to foster audit quality, its internal indicators of audit quality as generated by the work of external bodies.

### IOSCO publishes report on SME financing through capital markets

The Board of the International Organization of Securities Commissions (IOSCO) today published its final report on Standards for the Custody of Collective Investment Schemes' Assets (CIS Assets).

The report seeks to clarify, modernize and further develop international guidance for the custody of CIS assets consistent with IOSCO's core Objectives and Principles of Securities Regulation.

It sets out eight standards divided into two sections aimed at identifying the core issues that should be kept under review by the regulatory framework to ensure investors' assets are effectively protected. The first section focuses on key aspects relating to the custody function. It reaffirms the importance for the regulatory framework to provide for suitable custodial arrangements to be in place, clear segregation requirements and appropriate independence. The second part of the report is dedicated to standards relating more specifically to the appointment and ongoing monitoring of custodians.

## Arab Monetary Fund - AMF

### AMF reinforce cooperation with Deutsche Bundesbank and the International Islamic Liquidity Management Corporation



The AMF signed a MoU with the Deutsche Bundesbank. The MoU aims to establish a partnership between the two institutions in order to pursue joint efforts for providing technical assistance and promoting capacity building activities in the Arab Region within the goals and programs of both institutions. The scope of cooperation will include also participation in conferences and seminars in the common interest of the two institutions to serve the Arab countries.

The Arab Monetary Fund signed also a MoU with the International Islamic Liquidity Management Corporation (IILM). The MoU aims to establish and implement a framework for cooperation between the two institutions that supports economic development, opportunities, as well as to promote financial inclusion in the Arab region. The scope of cooperation includes, providing technical advice, launching training programs, and conveying conferences and seminars in areas of common interest of the two institutions according to the needs of the Arab countries.

## Amman Stock Exchange

### Performance of the Amman Stock Exchange, 2015

The ASE price index weighted by free float shares decreased by (1.35%). The market capitalization of listed shares at the ASE decreased slightly to JD (18) billion; a decrease of (0.5%), compared with last year closing, constituting (70.7%) of the GDP. In spite of the decline in the ASE price index, the trading value for the ASE increased during 2015 reaching JD (3.4) billion; an increase of (51%), compared with 2014.

As for the non-Jordanian investment at the ASE, which is distributed to more than one hundred nationality around the world, the statistics showed that the Non-Jordanian ownership in companies listed at the ASE at the end of December 2015 becomes around (49.5%) of the overall market capitalization, where Arab investors constituting (36.8%), and non-Arab investors constituting (12.7%) of the overall market capitalization of the ASE.



## Dubai Financial Market (DFM)

### workshop in Kuwait to update Dual-listing companies on electronic disclosure system and depository services



Dubai Financial Market (DFM) organized a workshop in Kuwait with the participation of 11 dual listing companies. The workshop has focused on the main features and benefits of the online disclosure solution 'Efsah'. The workshop also included an update about DFM's depository services such as; share book management, electronic connectivity with the clearing system, cash dividend distribution, trading reports as well as the electronic Shareholders Analysis Report (eSAR).

## Bahrain Bourse

### Bahrain Bourse Announces the Launch of Bahrain Islamic Index



The Bahrain Bourse issued the resolution No. (5) regarding amending the listing requirements of the listed shareholding companies on the Main Board in Bahrain Bourse, including the currently listed companies on the Bourse and the companies that intend to list their securities in the future. The resolution raises the minimum capital of the listed company to one million Bahraini Dinars or its equivalent in other currencies, in addition to raising the minimum company's shareholders to 100 excluding the shareholders from the company's employees, staff, and key persons and their directly related people.

## Bourse De Tunis

### BVMT organizes awareness and educational programs

The BVMT organized a number of activities related to the deployment of financial culture among the educational institutions and universities, and received groups of students to brief them on the stock market and its mechanisms in addition to its role in corporate finance and economic development. The BVMT's affiliated teams organized seminars discussing the mechanisms of stock market transactions in a number of universities and institutes, and held information meetings for professionals, especially doctors and workers in the banking sector, professors and business owners. These activities represented an opportunity to introduce new teaching aids brought about by Tunis Stock Exchange especially myinvestia competition and the educational website Investia Academy.



## TADAWUL

### TADAWUL is targeting 2018 as the year for its IPO



The Saudi Stock Exchange (Tadawul) intends to launch an Initial Public Offering (IPO) in 2018 after completing the readiness exercise and obtaining the necessary approvals. The Exchange is the sole entity authorized to carry out trading in securities in the Kingdom and it holds a leading position among emerging markets in terms of its liquidity and traded value. Tadawul will announce its readiness exercise developments as it occurs.

## Damascus Securities Exchange



### Trading Report, 2015

Damascus Securities Exchange issued its trading reports for the year 2015, the value traded weighted approximately (8.4 million) shares, with a total value of more than (1.1 billion) SP distributed on a total value of more than (4.2 thousand) deal, compared to the value traded during 2014 (25 million) shares with a total value of (3.3 billion) SP distributed on (7 thousand) deal. The Market Capitalization of listed companies increased about (134 billion) SP as it is at the end of 2015, with an increase of 1.36% compared to 2014. The index closed by the end of 2015 in (1,227.86 points), with the lowest value during the year (1,195 points) on 07.13.2015 and the highest value (1,268 points) on 01.14.2015.

## Qatar Exchange



### MARGIN TRADING LAUNCHED AT QATAR STOCK EXCHANGE

Qatar Stock Exchange announced the introduction of Margin Trading at QSE and the start of application process to allow QSE members get licensed as Margin Lenders. Once a brokerage firm is licensed as a Margin Lender, it will be able to perform margin trading activity at Qatar Stock Exchange. Margin Trading allows investors to purchase securities that are partially financed by a loan made available by a Margin Lender, a Member licensed to provide Margin Trading services. And as part of its keenness to raise awareness among investors and market participants, QSE held a seminar on this new mechanism.

## The Egyptian Exchange

### EGX Signed The UN Initiative To Work For The Climate And Forms its Sustainability Advisory Committee

The Egyptian Exchange (EGX) signed yesterday on the "United Nations (U.N.)' initiative to work for the climate" that comes in the framework of the U.N. Convention on Climate Change, by adhering to the "investors' database to work for the climate". EGX announced the formation of an advisory committee for sustainability that includes a number of sustainable development experts from a group of active institutions and companies in the market and society.



## Khartoum Stock Exchange

### Delisting Sudan from the list of countries suffering from deficiencies in anti-money laundering and terrorist financing

During its meetings in Paris, the International Financial Action Task Force (FATF) write off Sudan from the list of countries suffering from deficiencies in anti-money laundering and terrorist financing.

This decision allows the Central Bank of Sudan and other banks to conduct financial transfers to and from Sudan easily and without restrictions.

The decision came as a result of the great efforts made by the central bank, the KSE and the rest of competent authorities in the past years.

سوق الخرطوم للأوراق المالية  
KHARTOUM STOCK EXCHANGE



## Palestine Exchange



### Palestine Exchange Holds a Workshop for member Firms on "IFSAH" E-disclosure system

PEX held a workshop for two days with the participation of the employees of PEX listed firms. The workshop included detailed illustrations on IFSAH, its use and phases, a step toward using the system in disclosing member firms financial statements as of the end of 2015.

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