



UNION OF ARAB SECURITIES AUTHORITIES

**Memorandum of Association
Of the Union of Arab Securities
Authorities**

**Union of Arab Securities Authorities
Dubai – United Arab Emirates**

Union of Arab Securities Authorities

P.O Box: 117555, Dubai, UAE

Tel: +971 4 290 0056

Fax: +971 4 290 0050

Email: info@uasa.ae

Website: www.uasa.ae

Memorandum of Association Of the Union of Arab Securities Authorities^(*)

(*) Amended by a decision of the Union of Arab Securities Authorities Board in its eighth meeting held in Marrakesh, Morocco on May 8th, 2014

Part 1

General provisions and definitions

Chapter 1

The establishment of the Union of Arab Securities Authorities

Article (1):

Pursuant to this Memorandum of Association, a not-for profit union for the securities authorities under the name ***“the Union of Arab Securities Authorities”***, shall be established with an independent legal personality and with the Arabic as its official language.

Article (2):

United Arab Emirates shall be the headquarters of the Union. Branch offices may be established in other Arab member countries.

Chapter 2

General Definitions

Article (3):

The following words and phrases shall have the following meanings assigned thereto hereunder:

Union	Union of Arab Securities Authorities.
Memorandum of Association	The Memorandum of Association of the Union.
Board	The board of the Union.
Chairman	Chairman of the board of the Union.
Secretary General	The Secretary General of the Union.
Secretariat	The Secretariat of the Union.
Active Members	The securities authorities and financial markets regulators members of the Union and those who will join the union in the future.
Associate Members	Securities Markets, clearing settlement and depository institutions, entities, bodies and institutions related to the function and activities of the Union subject to the approval by the Board of the Union by two-third majority vote of members in attendance.
Observer Members	Arab, regional and international bodies, institutions and associations related to Union's functions and activities.

Part 2

The Union's objectives and tasks

Chapter 1

Objectives of the Union

Article (4):

The main objectives of the Union shall be as follows:

1. To upgrade the legislative and regulatory level of Arab securities markets with a view to achieving fairness, efficiency and transparency.
2. To unify the efforts towards achieving effective levels of control over transactions in the Arab securities markets.
3. To exchange information, technical assistance and expertise to support the development of the Arab securities markets and the development of effective regulatory statutes thereof.
4. To promote cooperation to achieve the highest levels of coordination on the efficiency and integrity standards of transactions, and ensure stability and development of the Arab securities markets.
5. To provide possible technical assistance to Arab countries in the field of securities market regulation and oversight.
6. To ensure coordination and cooperation among members to achieve maximum harmony and consistency with regard to relevant laws and regulations applicable in the Member States.
7. To cooperate with Arab and international organizations and associations concerned with the financial markets and to harmonize the members stands and views in these institutions.

8. To exert efforts to overcome difficulties facing investment in the Arab securities markets, and to expand its base, diversify its tools and promote the culture of investing in the Arab securities markets.
9. To promote the concepts of disclosure and transparency.
10. To promote the application of relevant international standards, including the standards of the International Organization of Securities Commissions (IOSCO).
11. To encourage dual listing among the securities markets.
12. To promote the independence and protection of the regulators of the Arab securities market and protection of their active members.
13. To upgrade the level of professionalism of the companies operating in the area of securities.

Chapter 2

Functions of the Union

Article (5):

The Union shall assume the following functions to achieve its objectives:

1. Seek the development of the business of the Arab securities markets authorities and promote their oversight, legislative and regulatory roles.
2. Establish channels of communication among the members to achieve the Union objectives.
3. Coordinate among the members to establish the appropriate mechanism to achieve the highest degree of harmony and consistency among the applicable laws and regulations in the Arab securities markets.
4. Coordinate and cooperate in the areas of regulating the public offering of and trading in securities.

5. Develop the Arab securities markets and enhance the levels of efficiency and transparency.
6. Promote the establishment and development of companies of specialized financial services, including underwriters and marketing companies for new offerings.
7. Contribute to the dissemination of investment awareness among the citizens of the Union member states.
8. Conduct regional and international seminars related to the functions of the Union, either directly or in cooperation with international unions and organizations.
9. Publish newsletters and periodicals aimed at strengthening relationships between the members and to introduce the various activities and events of the Union.
10. Work on standardizing the terminology used in the securities sector.
11. Establish training centers to serve the objectives of the Union.
12. Any other functions as determined by the Board of the Union.

Part 3

Rights of Union members

Article (6):

Union membership includes active members, associate members and observer members with the following rights of each category:

1. **Active Members:** The active members shall have all the rights and obligations of membership including the membership of bodies and committees formed by the Union and the right to vote, provided that each member state shall have one vote.
2. **Associate Members:** The associate members shall have the following rights:
 - a. Attend meetings held by the Union and its committees and participate in the deliberations without the right to vote.
 - b. Participate in committees formed by the Board of the Union, as well as the right to participate in conferences and seminars organized by the Union and access to all data and information published by the Union.
 - c. Form of a committee that handles coordination and cooperation with the Board after determining its functional mechanism by Board decision.
3. **Observer Members:** The observer members shall Have the rights to participate in plenary sessions of the Union, conferences and seminars and get all the data and information issued by the Union.

Article (7):

No Union member may be denied part or all of the membership rights unless by a decision taken by the Board upon a recommendation from the Secretary General or one half of the active members. Such decision shall be made by a majority vote of two thirds of the registered active members through secret ballot. Such decision to deprive all membership rights, if taken, shall not waive the member of the payment of the financial obligations due to the Union.

Part 4

Union Organizations

Chapter 1

The Board

Article (8):

The Board of the Union shall be the supreme authority in the Union and shall be responsible for determining the Union's general policy within the framework of the objectives for which it was established. The Board of the Union shall be formed of the heads of member securities authorities or their deputies.

Article (9):

The Chairman of the Union shall be selected based on the alphabetical order of Member States of the Union for tenure of one year.

Article (10):

The Board meets as follows:

1. The Board of the Union shall hold at least one ordinary session each year upon invitation addressed by the Chairman of the Board. At the end of each session, the Board shall determine the time and venue of the next session.
2. The meeting of the Board shall be valid if attended by two thirds of the members including the Chairman. In the absence of a quorum on the day scheduled for the meeting, it shall be held in the next day provided that at least one half of the members are present.

3. Each Member of the Union shall have one vote. The Board decisions shall be made by consent of two thirds of the Board members in attendance. Exceptionally, decisions related to suspending the activities of the Union or winding it up shall be made by a majority vote of two-third of the active members.
4. The Board shall be having the right to invite any party whom it deems appropriate to attend the meetings of the Board as an observer.
5. The Secretary General shall participate in all meetings of the Board without the right to vote.

Article (11):

The Board shall have all the powers necessary to achieve its objectives and tasks prescribed under this Act, including:

1. Approve the Union's action plans and methods of their implementation.
2. Form permanent and ad hoc committees.
3. Approve the financial, administrative and procedural by-laws.
4. Determine the annual subscriptions and membership fees.
5. Select and discharge the Secretary General of the Union.
6. Identify the means of cooperation with authorities and bodies relevant to the activities of the Union.
7. Approve the annual report on the activities of the Union; and approve and endorse the final accounts within three months from the end of the Union's fiscal year.
8. Approve the appointment of the Union's external auditor.
9. Approve the estimated budget.
10. Supervise the performance of the Union's executive staff.

11. Amend the Memorandum of Association and the other internal by-laws of the Union by a majority vote of two-third of active members.
12. Consider applications of accession to the Union and look into requests to withdraw from its membership.

Article (12):

The Board may form an Executive Committee for the union. Functions, structure duration and its meetings shall be determined by a Board decision. The Board may form other permanent and ad hoc committees and the Board shall determine the terms of reference for each committee and shall appoint a chair thereof from its active members.

Chapter 2

The Secretariat

Article (13):

The Secretariat of the Union shall be the technical and administrative staff for the Union and shall comprise the Secretary General and a number of employees and administrative bodies as approved by the Board upon the recommendation of the Secretary General. The Secretariat shall report to the Secretary General and operate under his supervision and guidance.

Article (14):

The duties of the Secretariat shall include the following:

1. Provide technical assistance and consultancy to the Arab States.
2. Prepare the draft agenda of the Board.

Article (14):

3. Communicate the Board's decisions to the active members and follow up their implementation.
4. Implement the decisions and instructions issued by the Board with respect to the functions of the Union.
5. Initiate the preparation of draft action plans for the Union.
6. Prepare the draft estimated budget.
7. Prepare proposals for the by-laws of the Union.
8. Prepare the draft annual report on the activities of the Union and the efforts of its active members.
9. Prepare the required studies and researches to develop the securities sector.
10. Any other work approved by the Board.

Article (15):

The Secretary General shall be the legal representative of the Union before third parties. He shall also have the right to sign on the Union's behalf within the limits of his powers as stipulated in this Memorandum Of Association and other internal regulations and bylaws of the Union.

Part 5

Union Financials

Article (16):

The Union shall have its own budget comprising the following resources:

1. Accession fees as determined by the Board.
2. Annual membership subscriptions.
3. Subsidies, grants and donations which are accepted by the Board.
4. Proceeds of the services provided by the Union.
5. Any other resources as approved by the Board.

Article (17):

The active member mentioned in article (6) of the memorandum of association where the headquarters of the Secretariat is located, shall bear 25% of the total budget of the Union, and the remaining portion shall be equally shared and distributed among the remaining active members.

Article (18):

In the event of a deficit in the budget, it shall be covered by the accumulated general reserve account and if it is not sufficient by all active members in accordance with the proportions mentioned in article (17).

Article (19):

The Board of Directors of the Union may decide to deprive any member of the voting rights if such member fails to pay the annual subscription for two consecutive years.

Article (20):

The Union funds shall be deposited in one or more banks as determined by the Secretary General. Disbursement therefrom shall be in accordance with the financial rules set forth by the Board.

Article (21):

The fiscal year of the Union shall commence on the first day of January and end on the 31st of December of each year. The first fiscal year shall commence on the date of approval of the establishment of the Union and end on the 31st of December of the following year.

Article (22):

The Board shall appoint a legally accredited auditor, recognized as efficient and reputable, to audit the annual accounts of the Union according to the financial regulations.

Part 6

Memorandum of Association

Effective Date

Article (23):

The Union shall be established as soon as its Memorandum of Association is signed by at least four Arab securities markets authorities belonging to four Arab countries qualified for its membership.