



إتحاد هيئات الأوراق المالية العربية
UNION OF ARAB SECURITIES AUTHORITIES

Annual Report

2015

**Union of Arab
Securities Authorities**



**10th
Annual
Report**

2015

Content

- 4 UASA's Chairman Message
- 6 UASA's Secretary General Message
- 9 Global and Arab Financial Markets Performance
- 15 UASA's Members Activities
 - 17 Market Regulations
 - 20 Market Oversight
 - 22 Enforcement Actions
 - 23 Education and Awareness
 - 26 International Cooperation

33 UASA's Activities

35 I. Training Programs

36 II. Organizing Conferences, Seminars, and Forums

38 III. The ninth annual meeting of the Union of Arab Securities Authorities

38 IV. UASA's new website

40 V. UASA's participation in Arab and International Conferences, Seminars, and Activities

43 VI. UASA's Strategic Plan 2016 – 2020

44 VII. Studies, Reports and Surveys

45 VIII. Expanding the Union membership Base

45 IX. Press and Publications

47 Union of Arab Securities Authorities Financial Statements 2015

51 UASA Members Directory

Message

UASA's Chairman

” I am pleased to present the annual report of the Union of Arab Securities Authorities (UASA) for 2015 which includes a review of the most important developments in the Arab and International capital markets and the Union's key accomplishments in 2015. We have witnessed during 2015 changes and sharp fluctuations rattled the world financial markets coincided with the continued decline in global oil prices, which added new challenges to the Arab capital markets, however, the Arab capital markets has managed to absorb the effects of these sharp fluctuations in the international financial markets and maintained its relative stability.

The Arab Securities Authorities have continued in 2015 to enhance its legislative capacity aiming at strengthening its oversight on the capital markets, especially in the areas of market surveillance, disclosure, enforcement and governance. The Arab Securities Authorities also continued its efforts to develop and modernize its business and train their staff on the latest developments and latest regulatory systems, in line with building their own capabilities, and implementing the best practices and standards that are applicable internationally, and protecting investors and traders in the Arab capital markets.

At the Union of Arab Securities Authorities level, UASA has continued during 2015 to work on the completion of the action plan's tasks as approved by the UASA's Board in their last meeting held in Algeria. The Union was able during 2015 to enhance its international cooperation and coordination with key international institutions, including the International Organization of Securities Commissions (IOSCO) and its committees, the Organization for Economic Co-operation and Development (OECD), the International Finance Corporation (IFC), the Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC), and the Arab Monetary Fund (AMF) and other institutions of Arab, regional and international organizations. Within this framework, the Union has been able to accomplish a number of activities and events with these organizations mentioned in this report. Also, it was agreed to hold a forum on modern practices in corporate governance in cooperation with a number of Arab, regional and international institutions to be held on February 2016, where It will review the latest developments in this area.


The Union has also worked during 2015 within this framework, on supporting UASA's members' orientations to IOSCO, where a consultative meeting for the UASA's members was held on the sidelines of the IOSCO annual meetings in London in June in order to strengthen UASA members



stand on issues discussed on IOSCO's meeting agenda. The Union has also stepped up his efforts and contacts with IOSCO and its committees with a view to adopt the Arabic language as an official language of IOSCO.

The year 2015 witnessed an intensive effort to prepare the Union's strategic plan for the years 2016-2020, where a temporary committee was formed in cooperation with the General Secretariat of the Union to prepare a strategic plan for the UASA that focused on identifying the most important strategic objectives which the Union seeks to achieve over the next five years and the means to achieve them. The committee has plotted the members of the Union through a survey, which was prepared in this area so that the strategic plan reflects the aspirations of the members of the Union and the high priority goals that must be achieved over the next five years. The temporary committee formed has thankfully managed over a short period to complete the assigned task. The strategic plan has been submitted to the UASA's board for revision and to adopt the appropriate decision in this regard.

With respect to activities and events, the Union has completed many studies, surveys and reports that covered a number of issues that concerns the Arab Securities Authorities. The union also has organized a number of training programs, workshops and other activities during the 2015, where two practical training programs were completed, that witnessed a large participation from UASA's members and stock exchanges and Arab depository centers. The Union also collaborated with a number of Arab, regional and international institutions in organizing a number of conferences and events, including the Arab IPO summit which was held in Dubai.

In conclusion, we hope that UASA's activities will continue through 2016 with the same determination and achieve more of its members' strategic objectives and aspirations and enhance cooperation and coordination among them for the benefit of the Arab capital markets. On this occasion, I am pleased to extend thanks and gratitude to all UASA's members for the trust given to me and for their support and cooperation with Union and the General Secretariat. I also take this occasion to offer best wishes and success to the new presidency of the Union, asking God Almighty to prevail peace and prosperity and goodness on our Arab countries. 

Abdelhakeem Berrah

Message UASA's Secretary General

” The UASA General Secretariat continued its work under the plan approved by the UASA's Board, especially in completing the self-capabilities of the UASA General Secretariat, the electronic infrastructure and its administrative and technical departments in order to enhance communication between the Secretariat and the Union members and the world. Within this context, the Union has launched an upgraded version of the UASA website during September 2015. The upgraded website provides, in addition to the basic information associated with the work of the Union and its members, the procedures carried out by the members in the areas of oversight, disclosure and enforcement, as well as access to UASA's members' legislations as required by the type of the legislation or by the member country.

Within the framework of the completion of the action plan for 2015, the UASA's General Secretariat conducted a number of surveys and studies and reports that focused on business priorities and needs. The General Secretariat of the Union prepared a survey on Islamic financial instruments and another about costs and revenues in Arab capital markets. The UASA's General Secretariat worked on completing the members responses on these surveys, analyzing the results and presenting reports and studies to the UASA board after providing a range of recommendations in order to take the appropriate decision. The General Secretariat also followed up and analyzed the results of the questionnaire, which was prepared on UASA Strategic Plan and cooperated with the committee formed for this purpose. On the other hand, the UASA's General Secretariat prepared a report on the nature of the relation of the Arab Regulatory Authorities with entities subject to its supervision, where the report shed light on the Arab regulatory authorities and its relationship with stock exchanges and depository centers and compared it with international models and standards in this area. The report provides a set of recommendations aimed at strengthening the status of the Arab securities authorities and its commitment to the best international practices in this field.

On training and knowledge transfer, two practical training programs were held during 2015, the first was held in cooperation with the Jordan Securities Commission, the Amman Stock Exchange and the Securities Depository Center in Jordan on oversight and electronic systems applied in this area. The second practical training program was held in cooperation with the Saudi Capital Market Authority on media and investor awareness, oversight and disclosure. Participants were briefed on the information strategy of the authority, activities and awareness programs and



strategic relations with the local media as well as the Commission's experience in the field of trading oversight and electronic supervision systems and the link systems related to continuous disclosure as well as CMA's experience in the field of corporate governance. Both practical programs involved a number of UASA members as well as a wide participation of the stock exchanges and the relevant authorities. The UASA General Secretariat, in cooperation with a number of international institutions, held several events, including the Arab IPO Summit in collaboration with BloomBerg BusinessWeek as well as the cooperation with the organizers of the clearing and settlement conference in the Middle East. On the other hand, the Union and the Arab Monetary Fund has completed the preparations necessary to convene the corporate governance forum of the Arab supervisory and regulatory authorities in cooperation with the International Finance Corporation (IFC) and the Organization for Economic Cooperation and Development (OECD), and with the participation of various relevant entities in the capital market and corporate governance.

A remarkable activity was seen in 2015 at various levels. The support provided to the UASA General Secretariat from its members had a great impact on helping it to perform its role and deliver the assigned tasks of the action plan. We look forward for greater role to promote mutual cooperation among the Arab Securities Authorities and the participation of all related parties. The completion of the UASA's strategic plan for the 2016-2020 represents a proof that the UASA members insist on activating the role of the Union to strengthen cooperation for the benefit of all members of the Union.

Please allow me to extend thanks and gratitude to the ninth session presidency of the Union for the guidance and its keenness on developing the UASA. I would also like to thank the UASA members for the continuous cooperation with the General Secretariat. Special thank is due to the Securities and Commodities Authorities of the UAE, the headquarters country, for the generous support provided to the Union and the General Secretariat.



Jalil Tarif





10th
Annual
Report

2015

Global and Arab Financial
Markets Performance

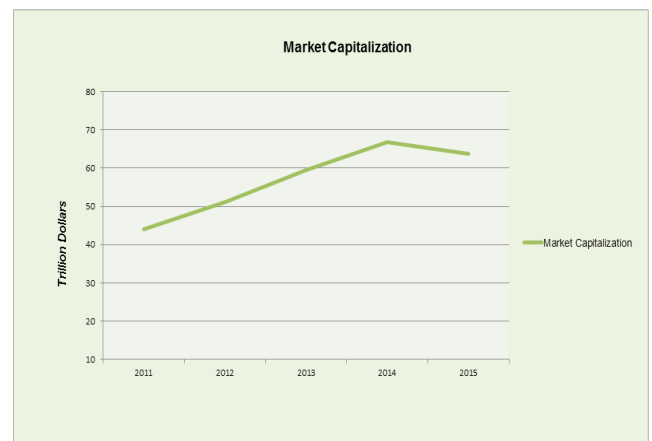


Global and Arab Financial Markets Performance

The global economy has achieved growth during 2015 by (3.1%), a decline of (0.3%) compared with 2014. Forecasts indicate that advanced economies will achieve a slight growth during 2015 compared with 2014, while expected to see emerging markets slowdown in activity for the fifth year in a row, where it mainly reflects the weak performance of emerging markets in the petroleum exporting countries. The emerging markets is also expected to witness an increase in risks, in light of the continued decline in commodity prices, especially oil, as well as the situation of their financial instability and low capital flows.

With regards to global financial markets performance, the data released by the World Federation of Stock Exchanges (WFE) indicates that in spite of the rapid events in these markets and the sequential financial crises that have gripped the region, especially those in China and Greece and the continued decline in commodity prices, particularly oil, these markets were able during 2015 to maintain their market capitalization, a value level of 64 trillion dollars by the end of November 2015, compared with 67 trillion dollars by the end of 2014. The values traded have achieved a significant growth by the end of November 2015 compared to 2014. The US market accounted for approximately (45.5%) of the total global market capitalization, followed by the Asian-Pacific markets by (35.8%), the European, African and Middle East markets by (18.7%).

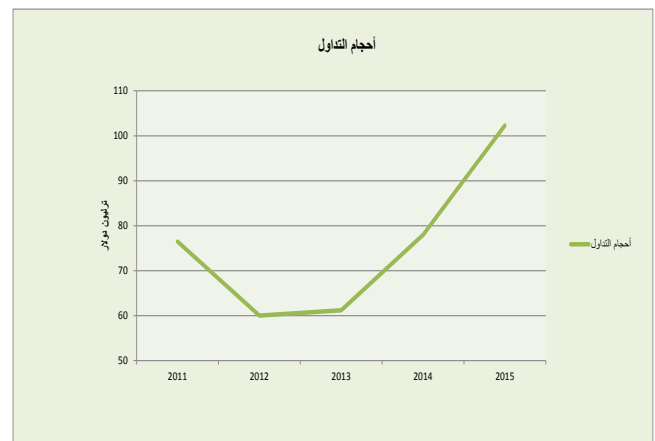
Graph no. (1)
World Market Capitalization for
Global Financial Markets 2011 – 2015



Source: www.wfe.com

As for the value traded, the total at the end of November 2015 reached about (102.6) trillion dollars compared to (78.0) trillion dollars in 2014, an increase of (31.5%). The US markets represent (41.1%) of value traded, followed by the Asian and Pacific markets (48.8%) and European markets and the Middle East (10.1%).

Graph no. (2)
World Market Value Traded 2011 – 2015



Source: www.wfe.com

Table (1)
World Market Capitalization and Value Traded

	Market Capitalization (Trillion Dollars)	Value Traded (Trillion Dollars)
2011	44.1	76.5
2012	51.1	60.0
2013	59.4	61.2
2014	66.8	78.0
2015	63.7	102.6

Table no. (2)
World Market Capitalization and Value Traded distributed geographically

	Market Capitalization (Trillion Dollars)			Value Traded (Trillion Dollars)		
	2014	2015*	% change	2014	2015*	% change
Americas	30.3	29.0	11.0	43.6	42.2	-3.2
Asia-Pacific	21.1	22.8	8.1	23.7	50.0	11.1
Europe, Africa, Middle East	15.4	11.9	-22.7	10.7	10.4	-2.8
Total WFE	66.8	63.7	-4.6	78.0	102.6	31.5

Table no. (3)
World Market Capitalization

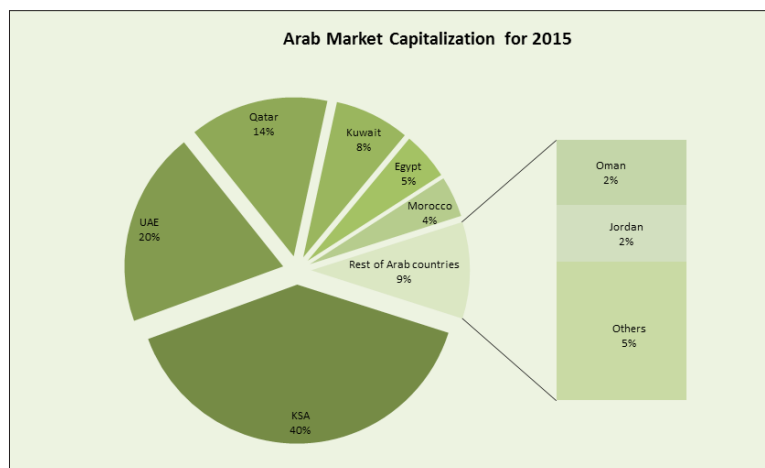
(Trillion Dollars)

Exchange	2014	2015*	% change
NYSE Euronext (US)	19,443	18.5	4.6
NASDAQ OMX (US)	7,096	4.5	-40.4
Japan Exchange Group	4,419	4.9	16.7
NYSE Euronext (Europe)	3,464	3.4	3.0
Hong Kong Exchanges	3,287	3.2	-
Shanghai SE	3,275	4.5	11.4
TMX Group	2,130	1.7	-19.4
Deutsche Börse	1,798	1.7	-
SIX Swiss Exchange	1,634	1.4	-6.7

*As mentioned in end of November 2015
Source: World Federation on Exchanges (WFE)

As for the Arab Stock Exchanges, the market capitalization of these markets reached 1.1 trillion dollars at the end of 2015, compared to 1.2 trillion dollars at the end of 2014, a decrease of (8.3%). The Saudi market (TADAWUL) accounted about (40%) of the total market capitalization.

Graph no. (3)
Market Capitalization
in Arab Capital Markets in 2015



Source: Arab Monetary Fund

The composite share price index of the Arab financial markets listed companies as indicated by the Arab Monetary Fund has declined to (222.56) points at the end of 2015 compared with (265.78) points at the end of 2014, a decrease of (16.3%).

Graph no. (4)
Composite price index
of Arab Capital Markets 2015



Source: Arab Monetary Fund

The value traded in Arab Financial Markets decreased in 2015 to reach about (400) billion dollars compared to (801) billion dollars in 2014, a decrease by (49.8%). This decline is due primarily to the low trading values in the Saudi stock market (Tadawul), which declined during 2015 by (43.9%) and accounted for about (78.5%) of the total value of the Arab financial markets combined. The value traded in other Arab financial markets also decreased during 2015, especially for Qatar, Egypt, UAE and Oman market.

Graph no. (5)
Market Capitalization
of Arab Capital Markets 2015



Table no. (4)
Market Capitalization and Value Traded in Arab Capital Markets

	Market Capitalization (Trillion Dollars)	Value Traded (Trillion Dollars)	Price Index
2008	769,589	997,874	170.2
2009	887,087	567,872	272.79
2010	991,533	348,944	292.26
2011	884,490	379,897	257.63
2012	941,412	586,387	261.99
2013	1,120,247	483,364	310.77
2014	1,231,538	800,891	265.78
2015	1,085,673	402,000	222.56

Source: Arab Monetary Fund



10th
Annual
Report

2015

UASA's Members Activities

UASA's Members Activities

The Arab Securities Authorities, members of the Union, have made considerable progress in 2015, as part of endeavors to enhance Arab financial markets. This was achieved by keeping pace with developments and complying with the international standards in areas related to the regulation and oversight of trading in securities by improving the legislative frameworks to achieve fairness and transparency. Additionally, training courses were organized to improve the level of knowledge and skills of the employees, as well as developing mutual cooperation with regional and international organizations. Activities by the Union members covered the legislative and oversight of the market, training, international cooperation, and enforcement actions. The most important activities of the UASA members are:

I. Market Regulations:

The Jordan Securities Commission (JSC) approved a new amendment on trading instructions, where the new amendment allowed brokerage firms operating in the stock market to accept the sale and purchase orders on behalf of the custodians clients based on the authorizations issued by a foreign intermediary or from a local investment or foreign manager, provided that the foreign broker is licensed to practice brokerage in non-Jordanian market and that there is a dealing agreement in securities between the local and the foreign broker or investment manager agreement. In addition, the anti-money laundering and terrorism financing unit in JSC issued the Instructions No. 1 for the year 2015 "Instructions of the templates and tools related to the notification of operations that are suspected to be related to money laundering or terrorism financing" to replace Instructions No. 2 for the year 2011, and will come into effect as of 01.10.2015. The Securities and Commodities Authority (SCA) Board of Directors issued a clearing bylaw for commodities to meet the requirements of "European Market Infrastructure Regulation" known as "EMIR" issued by the European Commission, to enable foreign institutions to work in the UAE. As for those who are exercising clearing activities before the issuance of this decision, they should comply with the provisions of this bylaw by 31.12.2015. The SCA board of directors approved amendments to the Regulations concerning Disclosure and Transparency and those concerning Trading, Clearing, Settlement, Transfer of Ownership, and Custody of Securities, as well as other amendments to the regulatory controls and procedures as to the application of Article (168) of the Commercial Companies Law. The board discussed also a number of important matters and issues pertinent to the securities industry and made different decisions including the amendment of a number of regulations.

The SCA Board of Directors decided to postpone the implementation of the new profit distribution mechanism and to grant public shareholding companies additional time expires at the end of this year. Many public shareholding companies requested from SCA to postpone the implementation of the decision to compel listed companies to transfer cash profits to the bank account of the market, which was scheduled to be effective from beginning of March 2015 due to the fact that some of these companies have prior commitments with the current registrar for the distribution of profits, as well as the lack of complete investor database in the markets.

The Ministry of Economy in UAE issued the Ministerial Resolution No. (225) of 2015 amending certain provisions of the Ministerial Resolution No. (518) of 2009 concerning the items Nos. (1) Of Article (3), (3) of Article (12) bis and (3) of Article (14) of Ministerial Resolution No. (518) of 2009 concerning Governance Rules and Corporate Discipline Standards and amendments thereof shall be amended. In addition, SCA issued a decision concerning dormant customer accounts held at securities brokerage companies, forcing such companies to classify customer accounts with no financial activity or data update for three years into dormant, as per a number of stages and procedures. As an exception, provisions of the decision do not apply to accounts with complaints filed at SCA, or at the public prosecution, or the court until such complaints are substantiated by a notice from SCA or a decision or ruling from the public prosecution or the relevant court, as may be the case.

The Capital Markets Authority of Tunisia (CMF) Board approved the formalities related to the Central Depository and indicating its functions, in addition to the rules of participation, involvement, access and the applicable rules to the involved participants. The Board also issued a general resolution related to the documents to be directed to the High Authority of Investment. In addition, an enactment of the Law dated August 7th, 2015 relating to terrorism fighting and anti-money laundering. This Law, comply with international standards, and repeals the Law of 2003. While in Algeria, 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.

In KSA, The Capital Market Authority (CMA) pointed out the additional disclosure requirements that must be met by the companies with accumulated losses (whose accumulated losses have reached 50% or more of its capital and up to the losses reaching to 100% of its capital). The requirements are aimed to enable the investors and traders to follow the status of the company and its mechanism on a regular basis and inform them of the expected dangers. CMA ensures that the companies with accumulated losses who are applicable to those procedures should also comply with all the rules and regulations mentioned on the Capital Market Law and its related implementing regulations. The companies should comply to issue their quarterly and annual financial statements in the specified time on the related regulations. Also, 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.

Based on the Council of Ministers' Resolution that permitted the Capital Market Authority (CMA) to allow foreign financial institutions to trade shares listed on the Saudi Stock Exchange in accordance with the time the CMA deems appropriate and pursuant to regulations it issues; the CMA announced on 25/9/1435H that it will: publish the draft Rules for Qualified Foreign Financial Institutions investment in Listed Shares (the "Rules") to enable concerned and interested parties to provide their comments and observations; check the readiness of the Saudi Stock Exchange (Tadawul); coordinate with relevant governmental parties prior to the adoption of the Rules; and that the market will be, based on that, opened for qualified foreign financial institutions to invest in listed shares during the first half of 2015. Accordingly, the CMA published the draft Rules for (90) days on its website on 25/10/1435H (corresponding to 21/8/2014G) to enable concerned and interested parties to provide their comments and observations. The CMA has reviewed comments and observations received in this regard, coordinated with concerned governmental parties, and received the Saudi Stock Exchange (Tadawul)'s confirmation of its readiness. Based on that the market was opened to the foreign financial institutions during the first half of 2015.

In the Syrian Commission on Financial Markets and Securities (SCFMS), the Board of Commissioners issued instruction no. / 73 / of 2015 for the purpose of accepting ordinary persons in licensed financial brokerage services companies. 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.

In Oman, the Capital Market Authority has recently sought the opinion of public companies, audit firms, law firms and the public on the draft amendments to the Code of Corporate Governance

which was prepared by the Corporate Governance Committee constituted by CMA to review the Code to develop corporate Governance practices in the Sultanate. The updated draft was posted on CMA website in Arabic and English for access and feedback on the provisions and processes for best practices after consideration of the opinions and feedback on the initial draft by public companies, audit firms and law firms. In addition, an issuance of a Royal Decree No. (30/2015) on the establishment of “Oman Governance and Sustainability Centre” and promulgating its law. The Centre will be reporting to the Capital Market Authority and shall have legal personality, financial and administrative independence and the capacity to own fixed and moveable funds, management and disposal of the same. In addition to that, all the assets and funds of Oman Corporate Governance and Sustainability Centre of the Capital Market Authority shall devolve to the Centre and all employees shall be transferred with their financial grades and employment statuses. The Capital Market Authority of Oman issued an administrative decision constituting the board of directors of Oman Center for Corporate Governance and Sustainability (OCCGS).

The CMA Board of Directors of Oman approved the new version of the Corporate Governance Code, the contents of the new code includes additional rules to improve the work and to ensure accuracy and transparency.

The Capital Market Authority of Oman 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.

The Capital Markets Authority (CMA) of Kuwait has announced the accomplishment of a comprehensive legislative project, which includes a complete review of the rules governing the capital markets and the Executive Bylaws of Law No. 7 of 2010. The Bylaws consists of 1610 articles, whereas the existing one comprised of 444 articles, the Bylaws is divided into 17 modules; each module covers a specific topic in order to unify the reference to all CMA regulations. Each module is divided to chapters which adopt a simplified numbering system to ensure the ease of use, amendment, and improvement while maintaining the main structure of the Bylaws. This would result in revoking all of CMA previously issued rules and regulations, as the Bylaws in its new form will include all rules and regulations regulating the market and securities activities. The new structure of the Bylaws may be easily amended and improved whenever the need arises, which unifies the regulations and provides for greater flexibility and consistency among them. The Capital Markets Authority (CMA) of Kuwait has also issued rules of corporate governance after amendments and reviews in line with the best professional practices, where these rules are scheduled for implementation in June 30, 2016, which allows all companies that are subject to these rules to rearrange their situations. These rules aimed at upgrading the performance of companies and strengthen the financial capacity and the development of the work environment in accordance with the regulation that is fair, transparent and efficient. One of the main modifications made on the corporate governance rules is changing the scope of application where the concept of (Comply or Explain) is adopted. In addition, The CMA Kuwait 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 Capital Markets Authority (CMA) of Lebanon organized a seminar where the second group of Laws in the CMA were launched that includes “Listing Rules” and “Public offering of

Financial Instruments to the Public" in cooperation with experts from the World Bank. The seminar gathered representatives from banks and financial brokerage companies and lawyers and auditors involved in the industry. In addition to that, another seminar was organized 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. 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.

In Egypt, The Egyptian Financial Supervisory Authority (EFSA) issued rules for Egyptians transferring foreign securities listed in Egypt to foreign stock exchange, through Misr for Clearing and Central Depositor. EFSA approved the new version of the Egyptian Auditing Standards to be submitted to the Minister of Investment for its issuance. The new version will be applied starting from 2016.

The Ministry of Investment in Egypt issued new amendments to the Executive Regulations of the Capital Market Law, where the new amendments regulate the mechanism of issuing convertible bonds and capital increases, aiming a better risk management by dealers and activates trading volume in the Egyptian Stock Exchange.

Moreover, EFSA Board issued a decree regulating the licensing rules for new brokerage companies. The new regulations require that the interested company in obtaining a license should provide its action plan and the estimated volume of activity, in addition to the number of branches to be licensed according to the market needs and the provided services. EFSA's BOD has issued number of regulations and regulatory decisions for Real Estate Finance companies to activate the amendments to the Executive Regulations of Real Estate Finance Law. . EFSA issued decision no. 76 of 2015 regarding the rules and conditions set for granting real estate financing. These rules included awareness and client's protection , the registration of mortgage, guarantees and client's insurance in addition to the regulations set for granting financing in accordance with the purpose whether residential or administrative or commercial. The said decision also organizes purchasing of real estate rights.

EFSA's BOD approved the rules set for managing the investment portfolio of private insurance fund and the governance rules set for these funds. 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.

II. Market Oversight:

The Jordan Securities Commission (JSC) Board of Commissioners approved a guidance code for the inspection of financial services companies. This code is an integrated and transparent framework to inspect the financial services companies in line with international standards emerge from the legislation governing the capital market. It also shows main purpose of the inspections conducted by the Commission on financial services companies, the basis of sample selection, and inspection aspects covered by the inspection process. In addition, 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.

SCA board of directors approved measures to offering and listing the shares of newly-incorporated public joint-stock companies, SCA published the measures on its website. In addition, SCA

announced the launch of private e-Services Investment Funds Division, through its website, where the customers browse the web portal of the Authority to submit applications for approval to establishment and cancellation of a local investment funds, in addition to approving and cancelling the promotion of foreign investment funds applications within the UAE. SCA Board of Directors discussed a presentation addresses the steps to be followed and the requirements of the UAE to upgrade the markets to developed markets category, in the presence of specialized experts from several international institutions.

Moreover, SCA approved the brokerage company status regularization extension until the end of March 2016, in accordance with the provisions of the new securities brokerage regulations in order to give strategic partners sufficient time to set and test the necessary regulations and technical systems to ensure the success of the desired conversion processes. In addition to encouraging some brokerage companies to become trading members for the important advantages this membership category has in terms of devoting companies' resources to develop and improve the level of services provided to investors. SCA also 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.

In Tunis, the CMF invited public shareholding companies to abide to the financial market reorganization law and its provisions related to the annual disclosure. Brokers have to provide financial statements and auditor reports no later than three months from the end of the financial year. CMF requested that portfolios management companies provides their approved annual financial statements and annual report as well as the public and private reports of the auditor to the Capital Market Authority no later than three months from the end of the financial year.

The Capital Market Authority (CMA) of KSA announced the list of companies which applied for a capital increase through the rights issue offering, and invited these companies to comply with relevant steps and legal procedures. The Saudi CMA has issued a decision to oblige Authorized Persons 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. In addition, the Saudi 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.

In Syria, the 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.

While in Oman, The Board of Directors of the Capital Market Authority approved the term for disclosure of unaudited annual and quarterly initial statements through the MSM website immediately after being approved by the board of directors in not more than 15 days from the end of the quarter or the financial year. The statements are the total sales or revenues, sales costs, net expected profits after deduction of taxes and comparisons of the items with the previous financial year together with any items requested by CMA or the issuers sees to disclose which

require amendments to the Executive Regulation of the Capital Market Law.

The Palestinian Capital Market Authority (PCMA) announced that it will conclude the pilot phase of the Corporate Governance Scorecard model implementation, which has recently been developed in collaboration with the International Finance Corporation (IFC) and enter into the pilot implementation during 2014, aiming at measuring the extent of the commitment of public shareholding companies to the principles of corporate governance according to the latest international practices and standards in this area. In addition, PCMA presented the overall results of the pilot phase of measuring corporate governance model, which is designed to measure the progress of listed corporate governance in Palestine Stock Exchange. This came after an extended meeting held by PCMA over two days in collaboration with the International Finance Corporation (IFC), with the board of directors of public shareholding companies listed and senior executive management.

In Kuwait, the Capital Markets Authority (CMA) invited investment fund managers to comply with the rules and instructions governing promotional and marketing advertising of investment funds, which included a specification and conditions that must be provided in the advertisements. The CMA also emphasized on not using any prohibited data or information in these ads. CMA Kuwait reminds all the shareholding companies of the importance of abiding by the provisions of Article (4) – clause Tenth – CMA urges all listed companies subject to those regulations, to abide by their provisions and submit the mentioned report to the CMA within a maximum of ten business days from the end of the last quarter of the current year. Non-compliance with those regulations shall expose the violator to punitive accountability pursuant to Law No. (7) Of 2010, and its Executive Bylaw. CMA Kuwait 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.

In Libya, 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.

In Egypt, based on the rules and regulations governing Microfinance Companies issued recently, Egyptian Financial Supervisory Authority (EFSA) granted licenses for the NGOs to practice Microfinance, the total microfinance portfolio amounted to a quarter of a billion pounds. The total amount of microfinance portfolio offered by the NGOs is about half a billion pounds. Thus, the number of NGOs that have been licensed since the promulgation of the law becomes 15 in addition to one company.

III. Enforcement Actions:

The Securities and Commodities Authority (SCA) in UAE forced UAE-based securities and commodities brokerage companies to work on activating electronic connection with the Anti-Money Laundering and Suspicious Cases Unit of the Central Bank of the UAE (CBUAE). The purpose of this move is to take advantage of the technical system of the Anti-Money Laundering and Suspicious Cases Unit, which is characterized with the highest levels of security and secrecy and instant electronic reporting of any transactions or cases that may constitute money laundering crimes or terrorism financing in the country. SCA also 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. In Tunisia, a mandatory withdrawal public offer has been decided by the Tunisian regulator in order to protect the minority shareholders of a listed company that is still under investigations for breaches to capital market rules.

In KSA, the CMA's Board of Commissioners assigned a specialized team to review a listed company's financial statements and all other related documents, conduct site visits, hear all concerned parties' statements and obtain copies of documents that the team deems necessary, in order to complete the required legal procedures and to verify whether there are any violations to the Capital Market Law and its implementing regulations. The Saudi CMA announced a final decision by The Appeal Committee for the Resolution of Securities Conflicts (ACRSC) regarding the lawsuits filed by the Capital Market Authority (CMA) against some persons for practicing securities business without license, as they are providing, through websites, advice and recommendations on listed companies shares in return for sums of money deposited in their bank accounts. The Saudi CMA announced a final decision by The Appeal Committee for the Resolution of Securities Conflicts (ACRSC) regarding the lawsuits filed by the Capital Market Authority (CMA) against one person for practicing securities business without license, as he was providing, through website, advice and recommendations on listed companies shares in return for sums of money deposited in his bank accounts.

In Iraq, based on the instructions no. (14) For the year 2011, Iraqi Securities Commission (ISC) decided to suspend trading of (4) companies for non-submission of financial statements of the third quarter in 2014. In addition, and given the lack of reimbursement of some of the listed companies of the requirements of financial disclosure and provide the Commission the Final Accounts of the financial year which ended on 31/12/2014, therefore, the commission has decided to suspend trading of the shares of these companies. While in Oman, the CMA launched an e-compliant 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, 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.



The Capital Markets Authority (CMA) of Kuwait decided to cancel the license for investment observer to another company activity and erasure of its records due to non-completion of licensing requirements. On the other hand, the Egyptian Financial Supervisory Authority (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.

IV. Education and Awareness:

The Jordan Securities Commission organized a workshop in collaboration with the "Trowers and Hamlines" entitled "Sukuk opportunities and potential in Jordan", where a number of foreign specialists in this area were present. This workshop aims to enrich the practical application for the issuance of Sukuk and handling of all the technical and shariah aspects.

In UAE, the Securities and Commodities Authority (SCA) Board approved the continuous professional education program project. The proposed program will be for the benefits of the financial services professionals as well as investors. The project has a dedicated regulatory framework, target group, program which is divided into three parts of 30 hours, and the proposed implementation of the program and procedures. The SCA Training Center (SCA TC) participated in a number of activities and events that aim at acquainting financial market participants as well as stakeholders with the SCA services, training courses, and examination dates.

Moreover, and as part of its investment awareness program, SCA held two seminars on the mechanisms for capital market operations. Also, SCA held a workshop on innovation and creativity aimed to identifying innovation elements and mechanisms, finding ways to disseminate and encourage the culture of innovation. The SCA Training Center (SCA TC) celebrated 41 brokers and financial services industry workers who passed the professional qualification exams, delivered in collaboration with the Chartered Institute for Securities and Investments (CISI), to work in the UAE securities markets. The 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. 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). In addition, SCA held a seminar titled "SCA's Experience in Corporate Governance: Towards a Bigger Female Role on Corporate Boards" in collaboration with ADCCI.

In Algeria, The COSOB announced the launch of its new website in both Arabic and French languages. The website includes all information related to the COSOB, including legal and regulatory information, a large part of the website is devoted for the dissemination of financial literacy and concepts related to the financial markets. This website represents also a tool for communication with investors and issuers and all interested parties. The new interactive website is user friendly, and based on an advanced technology in order to facilitate access to the required information efficiently. On the sidelines of the ninth annual meeting of the UASA which was held in Algiers on February 18, 2015, the COSOB held a seminar on "financial products" with the participation of the delegations present in the meeting moderated by Jalil Tarif, Secretary General of the Union of Arab Securities Authorities. The seminar discussed the assessment of the Algerian economy and its prospects, the Algerian financial market and the development of the bond market. In addition, the seminar discussed Islamic financing instruments development in Europe, and the openness of the emerging financial markets to non-resident investors.



In cooperation with Ernst & Young, the COSOB held a seminar on phases and challenges while evaluating companies to be listed in the Stock Exchange. The COSOB organized in cooperation with the Japanese International Cooperation Agency (JICA) a seminar on "bond market", aiming to provide the Japanese experience in establishing the debt market, as well as the role of rating agencies and learned lessons from the global financial crisis and trends of developing international financial settings. The COSOB organized the second conference of its scientific board which focuses on "Financing SMEs and growth". Starting from October 2015, COSOB launched,

in cooperation with the Institute for Training in Banking (IFB), the third training sessions which are concluded with a certification titled "FINANCIAL MARKET PROFESSIONAL". This training targeted all the financial market stakeholders, including the executives corporate issuers, asset managers in institutional investors and journalists specialized in finance.

In Syria, 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. In Iraq, the ISC participated in workshop held by Iraqi Stock Exchange and entitled "The development of the Iraqi economy and stimulate the private sector starts from investing in the shares of public shareholding companies". The workshop many issues and the most prominent was the fluctuations in the price that the shares have witnessed in the local stock exchange and its causes.

Oman CMA organized a workshop on the "Expected Role of the Private Sector" at Sultan Qaboos University. The workshop discussed the mechanisms that can enable the private sector to assume its real role in the national economy, the dimensions of such role, stressing the importance of capacity building, encouraging innovations and supporting initiatives in addition to other aspects which motivate private sector institutions to enhance their contribution to the national economy. CMA Oman and Muscat Securities Market organized a workshop for the student of the Higher Institute of the Judiciary. Four working papers were presented in the workshop by professionals in the capital market and insurance laws. Also, CMA Oman organized a workshop on the importance of compliance with the disclosure provisions in the capital markets. In addition, CMA Oman held in collaboration with the "IOSCO", a conference under the theme "Promoting sound regulation through understanding the balance between its costs and benefits". The conference was organized on the sidelines of the AMERC meetings on 25.02.2015. CMA Oman organized a program on Islamic Financing that covered a number of topics on Islamic financing services. Moreover, CMA Oman organized a workshop on the evolution of the Capital Market Law. Directors, senior executives, legal advisors and compliance officers of companies attended the workshop.

The Palestinian Capital Market Authority has organized in collaboration with the International Finance Corporation (ICF) a training program for corporate governance instructors in Amman, Jordan with the participation of a group of professors of economics faculties in the Palestinian universities whom signed joint cooperation agreement between the PCMA and the ICF in addition to a number of the authority employees. In addition, PCMA held in collaboration with the Ministry of Transport 12 specialized workshop addressed to managers and staff of all license departments in the West bank. PCMA inaugurated a specialized center in securities and finance in Gaza providing a professional certification program, in coordination with the Chartered Institute for Securities and Investment «CISI» in London, in order to enable the financial market stakeholders and interested to register and pass the specialized financial certificates exams.

In Qatar Financial Markets Authority (QFMA), 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.

In Kuwait, the Capital Markets Authority (CMA) concluded its awareness program for the first quarter of 2015, which includes 10 awareness workshops tackling different issues related to the securities' activities such as corporate governance, disclosure, arbitration, oversight and audit, as well as collective investment, merger and acquisition systems. CMA Kuwait held a workshop regarding the MOU on coordinating the cooperation and collaboration between the Ministry of Commerce and Industry and the Capital Markets Authority (CMA) in order to minimize the overlap in functions, as well as the document cycle. CMA Kuwait has also organized an awareness lecture at Gulf University for Science and Technology, the lecture was entitled "CMA & Securities' Activities Regulation" and discussed the common terms used in the capital markets, the trading mechanism and the investment instruments used in the securities' activities in Kuwait.



The Capital Markets Authority (CMA) of Lebanon held the first Arab Economic and Banking Forum "the Lebanese economy and strategies of economic and social development". In addition, CMA Lebanon organized a lecture on "Lebanese financial markets: Prospects and Opportunities" in the presence of a number of representatives of economic organizations and trade associations and businessmen within the same field, where the lecture emphasized the role of the authority in regulating the relationship between employers and business and financial

institutions banks by carrying a detailed study to develop and license a secondary market.

In Egypt, the Egyptian Institute of Directors (EIoD) finalized intake #1 of "Corporate Governance & Quality Workshop for External Auditors". The Egyptian Financial Supervisory Authority (EFSA) organized a seminar entitled "The Role of Auditors in Corporate Governance" in cooperation with the Egyptian Society of Accountants & Auditors. Moreover, the Financial Services institute organized a workshop for Microfinance. In addition, the Financial Services Institute organized another workshop with the presence of a large number of real estate appraisers, representatives of banks and REA. The Egyptian Institute of Directors held number 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.

V. International Cooperation:

Members of the International Organization of Securities Commissions (IOSCO) met during its 40th Annual Conference held in London, to discuss how to advance work on global regulatory reform and the identification of emerging risks in securities market. The meetings were an opportunity for IOSCO to confirm its position as the key global reference point on securities regulation for policy makers, industry and global regulators, in ensuring investors are confident and informed, markets are fair, efficient and transparent and systemic risk is reduced.

During the meetings, The Board discussed the Strategic Direction for IOSCO to 2020 and the funding of Action Plans to implement it. The Strategic Direction was approved Wednesday by the Presidents Committee, which is comprised of all the Chairs of ordinary and associate members and meets once a year at the Annual Conference. The Meetings discussed also the global regulatory reform, including OTC derivatives, financial benchmarks, credit rating agencies and shadow banking.

Members considered proposals to strengthen cross-border cooperation among regulators

and approved new measures to ensure full compliance with the IOSCO MMoU. The Strategic Direction envisages that IOSCO's Goal for the rest of this decade will be to reinforce its position as the key global reference point for securities regulation. This Strategic Direction and Goal will be implemented through 43 initiatives in Action Plans covering many areas especially (a) Research and Risk Identification by Identifying risks arising from securities markets, including market activities,



technology and product developments, and unintended consequences of changes or proposed changes in laws and regulations; (b) Standard Setting and Developing Guidance by improving the international regulatory framework for securities markets by developing standards and guidance that are timely, responsive to market developments and internationally recognized; (c) Implementation Monitoring by promoting implementation of IOSCO standards through monitoring and assessment; (d) Capacity Building by addressing capacity building needs of its members, particularly in growth and emerging markets; (e) Co-operation and Information Exchange by strengthening the exchange of information and co-operation in the enforcement of markets regulation, and in the supervision of markets and market intermediaries; and (f) Collaboration and Engagement with other International Organizations by ensuring effective representation of IOSCO's views in other international organizations and effective collaboration with other standard setters within the international financial regulatory community.

IOSCO's Growth and Emerging Markets (GEM) Committee, the largest of IOSCO's Committees, met during the week. Members furthered committee work on risk identification and capacity building. They also agreed to conduct policy work in the following priority areas: Impact of Digitization and Innovation on Capital Markets, Strengthening Corporate Governance, and the development of a toolkit on Crisis Management and Contingency Planning for emerging markets. Members also agreed to publish the GEM Committee's report on SME Financing through Capital Markets, which reviews and identifies ways to facilitate capital market financing for SMEs in emerging markets.

During the conference, IOSCO's four regional committees and its Affiliate Members Consultative Committee also met to discuss their contribution to IOSCO work. In the policy area, the Board discussed progress in a number of areas including addressing the challenges of cross border regulation, improving the governance of international audit standard setting, increasing the resilience of securities markets and market participants to cyber-attacks, and enhancing the Multilateral Memorandum of Understanding on cooperation and exchange of information, taking into account recent developments in markets, technology and enforcement practices. In addition to promoting the resiliency of CCPs, ensuring investor engagement in policy development, and facilitating capital raising by SMEs, including through crowd funding, while maintaining investor protection.

The Board discussed IOSCO's capacity building work, including the remaining steps to establish pilot hubs to deliver capacity building activities, the design of a global certificate program, and expanding on the successful education and training seminars for IOSCO members. In addition to the progress in developing the IOSCO Capacity Building Online Toolkit which offers members a

virtual library of resources on key regulatory issues and IOSCO Principles, including bibliographies, academic papers and case studies, and the International Secondment Program using IOSCO's recently launched international secondment register.

It is worth mentioning that the Africa and Middle East Regional Committee (AMERC) of the IOSCO held its meeting on the sidelines of the conference knowing that its 34th Meeting was held on February in Muscat with the participation of more than 25 securities commissions from Africa and the Middle East. The meeting included a session to discuss key regulatory issues facing securities commissions and to exchange ideas and expertise among the member countries. And discussed issues on regulatory concerns, country emerging risk issues, efficiency of regulation of securities markets in striking a balance between the interest of various market participants through provision of actual protection for investors' rights in addition to other technical matters.

As for the UASA members, the Securities and Commodities Authority (SCA) in UAE signed an MOU with the Dubai Multi Commodities Center (DMCC) aimed at increasing mutual collaboration, attracting foreign investments, and promoting investor protection to serve the UAE national economy. SCA signed a memorandum of understanding (MoU) with Korean Financial Investment Association (KOFIA) on the sidelines of the International Organization of Securities Commissions (IOSCO) meetings which was held in London during the period 14-18/06/2015.

The signed MoU promotes mutual cooperation through the use of rehabilitation training programs provided by KOFIA in order to ensure the development of capital markets, financial services industry in general, and update professional performance standards for workers in this area, especially with regard to training and awareness and the exchange of knowledge and experiences.

SCA also signed an MOU with PEOPLECERT International Limited to promote mutual cooperation in professional qualification. The objective of the MOU is to make use of the training and qualification programs provided by PEOPLECERT for the purpose of developing capital markets and the financial services industry in general, and improving the standards of professional performance for those working in this field in particular.

In Tunisia, the CMF participated in the market crimes forum organized by the Mediterranean Securities Authorities Association on 03/04 March 2015 in Madrid. The Forum discussed the European legislative framework regulating market crimes, the revisionism actions related to market crimes, in addition to the initiatives of the North African members in this regard.

While in Algeria, the COSOB hosted the ninth annual assembly meeting of the UASA's Board on Wednesday 18th of February 2015. During the meeting, the Board discussed the annual report of 2014 and the suggested work plan for 2015 in addition to a number of other issues related to Arab Capital Markets, especially with regards to enhancing cooperation and coordination among them, the UASA's financial statements was also reviewed during the meeting along with the appointment of the external auditor whom will take charge of UASA's accounts for the year 2015. It is worth mentioning that the eighth annual assembly meeting of the UASA was held in Morocco on the 8th of May 2014, CDVM chaired the presidency of the Union at its eighth session where the COSOB chairs the presidency of the Union's ninth session.

In addition, the COSOB welcomed the delegation of the Libyan Capital Market Authority, where they discussed prospects of joint cooperation to strengthen relations between the two parties,

and stressed the importance of sharing experiences and encouraging training opportunities and the possibility of COSOB contributing in the preparation of training courses for the benefit of the Libyan capital market Authority staff.

The Syrian Commission on Financial Markets and Securities (SCFMS) participated in the 7th International Conference for the ICMs held in the Capital of Iran, Tehran. Its main focus is to strengthen the cooperation with the other correspondence Foreign Parties and Entities, concerning issues that are related to the Islamic Securities. In the sideline of the conference, SCFMS signed a MoU with the SEO of Iran, aiming to supporting more means of cooperation between the two mentioned parties.



Hosted by the Capital Markets Authority (CMA) of Oman, the IOSCO commission for Africa and the Middle East AMERC held its 34th meeting in Muscat with the presence of the Commission members and the UASA members in addition to the Union Secretary General. During this meeting, a new president of the AMERC was elected and many issues were discussed, including the adoption

of the Arabic language as an official language for the IOSCO and it was agreed to raise this issue at the next IOSCO's annual meeting in London.

CMA Oman has signed a contract at the 40th Annual meeting of the international securities market regulators (IOSCO) in London, to engage the Taipei Exchange as expert consultants. The contract covers consultancy assistance to be provided by the Taipei Exchange to assist in the design and development of Capital Market products and services in Oman aimed at supporting the growth of SMEs. CMA Oman has also 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.

The Palestinian Capital Market Authority (PCMA) 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.

The Qatar Financial Markets Authority (QFMA) hosted the 12th Meeting Heads of GCC Financial Market Regulators' Committee. The meeting discussed several topics regarding the latest developments of the financial markets in the GCC countries, and developments of MoU among the GCC financial markets regulators and their mechanism of coordination and regulation, as well as discussing the GCC Supreme Council resolutions of its 35th session. In addition, QFMA hosted

the 13th Meeting of Heads of GCC Financial Markets Regulators' Committee (or their equivalents). The meeting discussed several issues regarding the latest developments in GCC financial markets which aims to enhance cooperation and support links between the financial markets regulators.



The meeting was concluded by discussing the issues presented to the 6th Ministerial Committee Meeting of Board Chairmen of GCC Securities Regulators. QFMA also hosted the 6th meeting of the Ministerial Committee of the Board Chairmen of GCC Financial Markets Regulators in Doha, The meeting discussed a number of topics related to the capital market and a review of the latest developments in the GCC financial markets in addition to discussing the appropriate mechanisms that contribute in promoting the development and economic integration among GCC markets as well as the alignment of the applicable laws and regulations in the GCC financial markets. 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.



In Kuwait, the Capital Markets Authority (CMA) received a delegation headed by Mr. Alderman Alan Yarrow – Lord Mayor of the City of London. This visit is part of a tour to a number of financial institutions in the State of Kuwait. The two parties discussed the various ways of mutual collaboration between the CMA and UK, especially in the fields of training and qualifications. This meeting witnessed signing a memorandum of understanding (MoU) between the CMA and the Chartered Institute

for Securities and Investment (CISI) to promote the qualifications' framework of the Kuwaiti market. CMA Kuwait has signed a Memorandum of Understanding (MoU) with Dubai Financial Services Authority (DFSA). The agreement intended to activate the corporation and the coordination between the two entities in developing their capital markets.

CMA Kuwait 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. Moreover, CMA Kuwait has 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.

In Lebanon, the Capital Markets Authority (CMA) and its counterpart in Tunisia the (CMF) have signed a memorandum of understanding (MoU) that aimed to establishing a framework for cooperation including the establishment of liaison and coordination and exchange of regulatory

and technical information channels between the two parties, which contributes in enhancing the transparency and development of financial markets, and investor protection.

While in Egypt, IOSCO concluded the GEM committee annual meetings in Cairo with a seminar on “Accelerating the growth and development of emerging capital markets” attended by a number of seniors and experts of securities companies, the seminar sessions focused on financial derivatives future and options, ETFs, and activating the bond markets. The Egyptian Financial Supervisory Authority (EFSA) hosted the annual meetings of the Mediterranean Partnership of Securities Regulators. The Mediterranean Partnership gathers Securities Regulators in southern and northern Mediterranean countries. The meetings discussed the most important developments occurred in the financial markets of the Member States during the last year. Besides, the latest actions taken by international organizations to activate supervision on financial markets and implementing the recommendations of the Group of Twenty (G20) and the Financial Stability Board in this regard. It discussed also the regulatory differences between Member States regarding the three pillars of the partnership namely, supervising Mutual Funds, providing information on the financial markets, and fighting manipulation in the markets.





10th
Annual
Report

2015

UASA's Activities

UASA's Activities

The Union of Arab Securities Authorities (UASA) have sought to support cooperation between Arab Securities Authorities in various fields in order to promote development and economic integration and improve organizational and legal status of Arab financial markets, and access to the highest levels in the areas of market oversight and upgrade to an international level of efficiency, transparency and fairness.

The following is a summary of the most important activities of the Union in 2015:

I. Training Programs

1) Practical Training Program on Oversight Procedures in Jordan

The Jordan Securities Commissions (JSC) held jointly with the Union of Arab Securities Authorities (UASA) Secretariat, and in cooperation with Amman Exchange and the Securities Depository Center, a practical training program on oversight procedures for 3 days during the period 9-11 / 6/2015 at the Jordan Securities Commission headquarters in Amman. (30) trainees have participated in this training program from Jordan Securities Commission, UAE Securities and Commodities Authority, Oman Capital Markets Authority, Palestine Capital Market Authority, Qatar Financial Markets Authority, The Capital Markets Authority of Lebanon and The Egyptian Financial Supervisory Authority. In addition to Dubai Financial Services Authority, Kuwait Clearing Company, Qatar Stock Exchange and Erbil Stock Exchange - Iraq.



The program focused on oversight procedures and inspections, and the electronic systems applied in this regard, as well as the solvency standards applied on brokerage firms and the mechanisms of oversight, and the oversight of the electronic systems used by the financial services companies. This training program included also field visits to Amman Stock Exchange, the Securities Depository Center and a financial services company and discussed the matters related to the oversight of trading and clearing and settlement, and the electronic systems related to it, especially those related to insiders data base. The program also highlighted the recent developments of the Jordan Securities Commission with regards to Islamic finance, cash dealing and segregation of accounts held by brokerage firms, and the Clients Central Risks System, which has been recently implemented, Margin Trading, and access to Back Office systems applied in the financial services companies.

2) The 2nd Practical Training Program on Media and Investor Awareness and Market Oversight in KSA

The Union of Arab Securities Authorities (UASA) and the Capital Market Authority of Saudi Arabia will hold 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. The program includes 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 the use of journalistic writing guide and analysis of media content programs. The program will present 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 will also discuss 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.

II. Organizing Conferences, Seminars, and Forums

1) Arab Regulator's Corporate Governance Forum: Opportunities and Challenges

The UASA and the Arab Monetary Fund in association with the OECD and the IFC will hold the "ARAB REGULATOR'S CORPORATE GOVERNANCE FORUM: OPPORTUNITIES AND CHALLENGES" on 9-10 February 2015 in Abu Dhabi, United Arab Emirates. This forum will discuss the recently



endorsed principles by G20/OECD on corporate governance. This confirms the importance of corporate governance in promoting the principles of disclosure and transparency, and supporting sustainable economic growth. 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, (capital market authorities and central banks) in implementation of corporate governance principles.

The forum will discuss OECD's recently revised and launched Principles of Corporate Governance (2015). The forum will discuss not only how the OECD Corporate Governance Principles have been updated but also what are 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 together 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 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.

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. 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.

2) The Arab IPO Summit 2015

Bloomberg Business Week Middle East organized the Arab IPO Summit 2015, with the participation of The Union of Arab Securities Authorities (UASA) as a strategic partner. The conference was held in Dubai with the participation of officials and experts in Arab and local capital markets. During the Summit the participants stressed on the importance of IOPs in providing companies the ability to grow and expand thus contributing in increasing the investments and promoting the economic growth. The conference discussed the evolution of IPOs market in the region and worldwide, in addition to IPOs importance as a key driver for growth strategies. The Summit reviewed also the experiences of a number of companies in this area in addition to the experiences of a number of countries in the field of IPOs, including the United Arab Emirates, Qatar and Lebanon. It is noteworthy that a number the UASA members and the Secretary General participated in this summit through attendance or participating in its sessions.



3) The 2nd consultative meeting for UASA board members participating in IOSCO's Annual Meetings



The Union of Arab Securities Authorities (UASA) members held their second consultative meeting hosted by the Capital Market Authority of Oman in London on Sunday 14/6/2015 and concurrently with the annual meetings of the International Organization of Securities Commissions (IOSCO) during the period 14-18/6/2015. The UASA members reviewed the latest developments related to the completion of the work according to UASA's Board decisions in its last meeting held in Algeria on 18/02/2015, especially with regards to the preparation of the UASA strategic plan 2016-2020 as well as other UASA activities. The meeting also discussed a number of issues on IOSCO's agenda and coordinate standpoints among UASA members towards these issues in order to serve the Arab capital markets. It is worth mentioning that the UASA has started organizing a consultative meeting for their members participating in IOSCO meetings since 2014 in order to enhance cooperation between members of the Union and to serve the goals and aspirations of the Union.

4) Clearing, Settlement & Custody Middle East

The Clearing, Settlement & Custody Middle East conference was held in Dubai with the participation of different securities authorities, stock exchanges and depository centers and other related financial institutions. Organized by IBC Asia in cooperation with the UASA, 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. It is worth mentioning that two specialized workshops were held during the event discussing the subjects of clearing, settlement and custody.



III. The Ninth Annual Meeting of the Union of Arab Securities Authorities

The ninth annual assembly meeting of the UASA's Board took place in Algeria on 18th of February 2015. The Board discussed the annual report of 2014 and the suggested work plan for 2015 in addition to a number of other issues related to Arab Capital Markets, especially with regards to enhancing cooperation and coordination among them. The UASA's financial statements was also reviewed during the meeting along with the appointment of the



external auditor whom will take charge of UASA's accounts for the year 2015. It is worth mentioning that the eighth annual assembly meeting of the UASA was held in Morocco on the 8th of May 2014, CDVM chaired the presidency of the Union at its eighth session where the COSOB chairs the presidency of the Union's ninth session.

IV. UASA's New Website

The UASA's General Secretariat completed its website renovation stages introducing new amendments, where the site included basic information related to Union's work and information concerning the Union members and their legislation, procedures implemented, market oversight, awareness and investor protections programs. The new Website can display Members' legislation according to the type of legislation or the Member, and allows access to a specific legislation or more of a specific Authority or more as the case might. In addition to that, the new website features the «RSS» technology which enables users to follow the latest news and updates without the need to visit the website with the possibility of copying and sharing the contents to other websites and social networks. Communication between the UASA members is now facilitated and protected, members can exchange files directly or upload and publish news and publications to the site through the «Members Area». Moreover, the website contains a new section (mini-website) dedicated to events and activities allowing users to register in these activities directly and collect needed information.

The UASA Secretary-General confirmed that the launch of the new website of UASA has come in implementation of the work plan approved by the UASA Board, particularly updating the UASA website to meet the members and users requirements in order to achieve the Union objectives regarding capital markets development, transparency and efficiency enhancement, increasing the Union's members and consolidating investment in the Arab capital markets.

The UASA Secretary-General explained that the new website was developed utilizing advanced technology to be used with different types and sizes of screens and devices in addition to be fully dynamic and flexible in term of transition between Arabic and English languages. The new website will be user-friendly by interested parties, researchers and investors, in order to obtain the required information efficiently and rapidly through the provision of effective and sophisticated search tools.

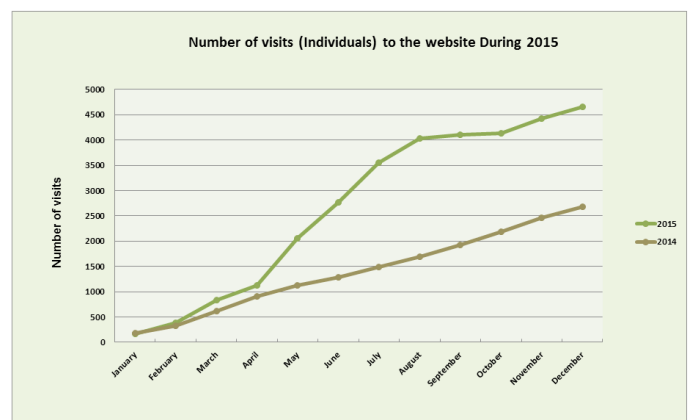
Table no. (5)

First (15) countries used the UASA's website during 2015 compared with 2014

2014		2015	
Ranking	Country	Ranking	Country
1	USA	1	UAE
2	UAE	2	Lebanon
3	China	3	England
4	Algeria	4	Saudi Arabia
5	England	5	Morocco
6	Russia	6	Brazil
7	Saudi Arabia	7	USA
8	Japan	8	Algeria
9	Germany	9	Kuwait
10	Egypt	10	Egypt
11	India	11	Qatar
12	France	12	France
13	South Korea	13	Jordan
14	Oman	14	Tunisia
15	Morocco	15	India

On the other hand, the UASA's website continued in attracting more individuals in the services provided to various dealers and stakeholders, as well as those interested in news of UASA members. This year 2015, observed a significant increase in the number of countries using the website, where the number of countries that used the site in 2013 was (106) and (109) in 2015. The number of site users increased from (2384) thousand visitors in 2014 to about (4477) visitors in 2015, an increase in the number of visitors by (87.79%).

Graph no. (5): Number of visits to the website During 2015



V. UASA's participation in Arab and International Conferences, Seminars, and Activities

1) AMERC Meetings



Hosted by the Capital Markets Authority of Oman, the IOSCO commission for Africa and the Middle East AMERC held its thirty-fourth meeting in Muscat with the presence of the Commission members and the UASA members in addition to the Union Secretary General. During this meeting, a new president of the AMERC was

elected and many issues were discussed, including the adoption of the Arabic language as an official language for the IOSCO and it was agreed to raise this issue at the next IOSCO's annual meeting in London.

2) Participation in the Middle East Securities Forum

The Secretary General of the UASA participated in the Middle East Securities Forum held in Abu Dhabi on 11 and 12 / 03 /2015, with the presence and participation of more than 150 experts and specialists in the field of financial markets from various local and international institutions. During the dedicated session on role of oversight of authorities in the region, a summary of the Arab Securities Authorities efforts in the development of the Arab capital markets were discussed, particularly with regard to the application of the best international standards and principles, as well as the UASA efforts to enhance cooperation and coordination among its members.

3) Participation in Moody's 10th Annual GCC Credit Risk Conference

The Secretary General of the UASA participated in Moody's 10th Annual GCC Credit Risk Conference held in Dubai on 10/03/2015, with the participation of many experts and specialists in financial markets from various local and international institutions.

4) Participation in meetings of the AMF Working Group on Financial Stability in the Arab Countries

The UASA represented by the Secretary General participated in the Working Group on Financial Stability in the Arab Countries meetings held in Abu Dhabi on 03.11.2015, where the Secretariat participated as an observer. During the meetings many topics were discussed, notably the adoption of a reference to the group's work conditions and a work plan for 2015, in addition to preparing reports on financial stability issues. During the meetings, some Arab countries presented their efforts in terms of financial stability and the main challenges in this regard, and ways to improve policies and applied tools.

5) Participation in the future cities Forum

The UASA Secretary General met Mr. Michael Bloomberg, founder of Bloomberg and the Special Envoy of the UN for cities and climate change, on the sidelines of the “Future Cities Forum” which was held in Dubai in the presence of Minister of State and Managing Director of the higher Commission of preparation for Expo 2020, and with the participation of a large number of professionals from the financial sector. During the meeting, aspects of future cooperation between the Union and the Bloomberg Global Foundation were discussed.

6) Participating in the AFE Annual Summit 2015



The UASA's General Secretariat participated in the AFE annual summit in cooperation with Thomson Reuters and Bahrain Bourse which was held in Manama – Bahrain on the 22nd & 23rd of April 2015. The summit played an important role in uniting the leaders of the Arab financial markets with regional and international experts encompassing all stakeholders within the Equities field. The Summit was a platform that enabled the exchange of knowledge and experience in a dynamic environment, encouraged the transfer of best practices within the region and provide the best networking opportunities possible.

7) The Growth and Emerging Markets Committee (GEMRC) Meetings in Cairo

The UASA represented by the Secretary General has participated in the IOSCO GEMRC meetings hosted by EFSA in Cairo on 26-29/4/2015. The meetings were attended by leaders of regulatory authorities from 40 countries in addition to a number of experts. The conference sessions dealt with a number of themes, including financial derivatives and ETFs and activating bonds market. A workshop on crisis management and a seminar about accelerating growth in emerging markets were held on the sidelines of the meeting.

8) A discussion panel on financial markets in 2015

The UASA Secretary-General has participated in a discussion panel organized by “The Asian Banker” about the financial markets in the region on 27/05/2015 in Dubai, where the Secretary-General made the opening speech of the panel discussion in which he emphasized the role of the UASA in supporting the efforts and the developments of the Arab capital markets and facing challenges in this area. He also stressed on the UASA role in enhancing cooperation among Arab Capital Markets especially in the field of regulation.

9) Participating in IOSCO's 40th Annual Conference

The UASA Secretariat has participated in the International Organization of Securities Commissions' (IOSCO) Annual Conference represented by the Secretary General of the UASA, Mr. Jalil Tarif. The UASA has participated in the AMERC meetings. The UASA also has participated in the GEMRC and the President Committee meetings.



10) Participating in the 39th meeting of the ACBGC

The Arab Central Banks Governors Council held its 39th meeting in Cairo, Egypt, on 13/09/2015, with the participation of Arab central banks governors and the Arab Monetary Institutions. The UASA represented by the Secretary-General participated in the meetings as an observer member. The meeting discussed different themes, including the Council Secretariat report and the report on the regional task force performance. The Council reviewed the first draft of the Unified Arab Economic Report for 2015 in addition to the report and recommendations of the 24th and 25th Arab Committee on Banking Supervision.

11) Participates in the Global Islamic Economy Summit and the 4th Annual Islamic Finance Conference

The UASA General Secretariat participated in the Global Islamic Economy Summit that was organized in Dubai on the 5th and 6th of October 2015 by Dubai Chamber in cooperation with Thomson Reuters. Attendees 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 where participants discussed ways for enhancing Islamic Sharia Comply Investments and ways to overcome challenges facing this sector.



12) 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.

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



The UASA participated in the 55th General Assembly and Annual Meeting of the WFE which was held in Doha 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 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; the Chairman of NSE 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.

14) COMCEC 4th Capital Market Regulators Forum and the G20 international conference

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. 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.



15) Workshop on Islamic Financial Services and Products

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.

VI. UASA’s Strategic Plan 2016 – 2020

The UASA’s General Secretariat hosted the UASA temporary committee meetings to prepare a strategic plan for the UASA for the years 2016-2020 in implementation of the work plan of the Union for 2015 that was approved by the UASA’s Board during their 9th annual meeting last year. This decision came from the board’s belief that this strategic plan will help in determining the priorities of the UASA board for the next five years and the ways to achieve them.



Within this framework, the temporary committee prepared in cooperation with the Secretariat a survey that identifies the most prominent domestic and international challenges facing the Arab capital markets and the role of the Union in facing these challenges, and sets the future goals and the needed mechanisms to achieve these goals. This survey was distributed among UASA members where (13) out of (15)

members responded to this survey, where these responses formed an important element in determining the strategic priorities for the next period. The UASA’s General Secretariat compiled, analysed and submitted the responses to the temporary committee to facilitate their mission.

It is worth mentioning that the UASA temporary committee members included representatives from the Securities and Commodities Authority of UAE and the Capital Market Authority of Saudi Arabia and the Capital Market Authority of Oman and the Capital Markets Authority of Lebanon and the Egyptian Financial Supervisory Authority. The UASA temporary committee had held two meetings in UASA headquarters, the first was on the 10th September 2015, and the second was on the 16th and 17th of December 2015.

VII. UASA's Surveys, Reports, and Studies

The Secretariat of the Union conducted in cooperation with the UASA's members a number of reports, studies, and surveys that can be summarized as follows:

1) Report on Arab Regulators' and its Relation with Parties Under its Oversight



The report discusses the relation between the Arab regulators and the parties under its oversight and analyzes the status of Arab regulators, stock exchanges and clearing and settlement institutions, including its structure relation with other government institutions, and its scope and powers.

Also, the report shed lights on module that Arab regulators have adopted in regulations and enforcement compared with international practices.

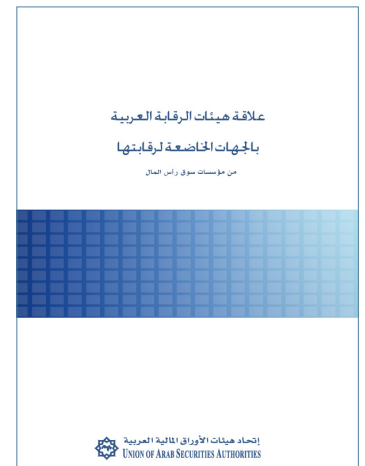
Emphasis were put on understanding the objectives and the role of regulators, stock exchanges and depository and clearing and settlement centers particularly in the field of regulatory role and the nature of the relation among these institutions. It is worth mentioning that this report represents a beginning of a comprehensive study of the relation between the Arab regulators and parties under its oversight to include capital markets institutions, brokers, investment funds and others. This will be the focus for future studies.

2) Islamic Finance Instruments in Arab Capital Markets

The General Secretariat of the UASA concluded a survey on Islamic finance instruments in the Arab capital markets. The objective of the survey is to understand the legislative and regulatory framework and the practices adopted by the Arab Securities Authorities and other relative authorities in Islamic financing, especially the challenges and prospects of Islamic financial markets. The survey aimed at identifying the recent development in Arab Capital Markets in the field of Islamic investment activities and main Islamic finance issuer incentives provided in encouraging the new issuance of Islamic finance.

It is worth mentioning that (12) country responded to the survey, therefore, the study will focus on those countries that responded to the survey. The non-respondent countries and non-UASA members are not included in the study.

The study concluded that in spite of the huge efforts to build modern Islamic regulatory module, the activity of Islamic finance instruments are very limited and low and require more efforts and support to compete with International Islamic centers. This includes the completion of the legal infrastructure and capacity building including the staff training to qualify them to manage the development process of Islamic finance instruments.



3) Report on Revenues and Costs in Arab Capital Markets

The aim of the revenues and expenditures report is to understand the nature of revenues and expenditures and the fees and commissions structure in the Arab capital markets and provide such information to the UASA members and other related practices.

The report aims also to provide some recommendations on enhancing the financial resources of Arab regulators to conduct its oversight role and enhance its efforts on capacity building and independency.

VIII. Expanding the Union membership Base

In the context of its pursuit to expand the base of its membership, the Union continued through 2015 its efforts in order to complete the joining of more Arab countries to the membership of the Union to strengthen the cooperation between Arab countries for the benefit of the Arab capital markets and economies and to meet the basic objectives of the Union in this area.

IX. Press and Publications

The UASA Secretariat continued issuing the quarterly newsletter “Union News” in implementation of the work plan approved by the UASA Board on its ninth meeting, which was held in Algeria.

The newsletter covers the latest developments and events and news related to the Arab and the international capital markets from various aspects, especially with regards to the new regulations and significant events and new releases and actions taken by the securities with respect to oversight and disclosure, enforcement, awareness and education of investors and other aspects related to capital markets .

The bulletin covers as well the UASA Secretariat news, programs and projects being implemented in various fields. During 2015, the UASA published 4 editions of the quarterly newsletter. The newsletter was distributed to the Union's members, the Arab Stock Exchanges and different Arab, regional and international institutions and bodies.







10th
Annual
Report

2015

Union of Arab Securities Authorities
Financial Statements 2015



INDEPENDENT AUDITORS' REPORT TO BOARD MEMBERS OF:

Union of Arab Securities Authorities

We have audited the accompanying financial statements of Union of Arab Securities Authorities (the "Union"), which comprise the statement of financial position as at 31 December 2015, the statement of financial performance, changes in general reserve account and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Law No. 2 of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Union as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Munther Dajani
Reg No. 268
Abu Dhabi, United Arab Emirates

Statement of Financial Performance for the year ended 31 December

	2014 (AED)	2015 (AED)
Income		
Membership fees	644,000	883,200
Contributions from hosting country	597,540	597,540
Interest Income	16,760	14,205
Other Income	73,600	-
Total income	1,331,900	1,494,945
Expenses		
Wages, salaries and employee benefits	(1,310,584)	(1,360,776)
General and administrative expenses	(852,086)	(699,344)
Total expenses	(2,162,670)	(2,060,120)
Deficit for the year	(830,770)	(565,175)

Statement of Financial Position as at 31 December

	2014 (AED)	2015 (AED)
Assets		
Non-current assets		
Property and equipment	11,197	15,621
Current assets		
Receivables	353,725	391,275
Cash and bank balances	3,039,155	2,617,153
Total current assets	3,392,880	3,008,428
Total Assets	3,404,077	3,024,049
Liabilities		
Non-current liabilities		
Provision for staff terminal benefits	138,125	208,963
Current liabilities		
Other payables and accruals	245,952	360,261
Total liabilities	384,077	569,224
Net assets	3,020,000	2,454,825
Attributed to general reserve	3,020,000	2,454,825

These financial statements were approved and authorized for issue by the Union of Arab Securities Authorities on January 19, 2014 and was signed on behalf of the Union by:

Mr. Jalil Tarif

General Secretary

Statement of changes in general reserve account for the year ended 31 December

	2014 (AED)	2015 (AED)
Balance as at 1 January	3,850,770	3,020,000
Deficit for the year	(830,770)	(565,175)
Balance at 31 December	3,020,000	2,454,825

Statement of Cash Flows for the year ended 31 December

	(AED) 2014	(AED) 2015
Cash flows from operating activities		
Deficit for the year	(830,770)	(565,175)
Adjustments for:		
Depreciation	5,597	5,318
Interest income	(16,760)	(14,205)
Provision for staff terminal benefits	69,297	70,838
	(772,636)	(503,224)
Working capital changes in:		
Receivable balances	(72,037)	(37,550)
Other payables and accruals	148,188	114,309
Net cash flows used in operating activities	(696,485)	(426,465)
Cash flow from investing activities		
Purchases of property and equipment	-	(9,742)
Interest income received	16,760	14,205
Net cash from investing activities	16,760	4,463
Net decrease in cash and cash equivalents	(679,725)	(422,002)
Cash and cash equivalents at 1 January	3,718,880	3,039,155
Cash and cash equivalents at 31 December	3,039,155	2,617,153

Note: The notes listed on the report of the auditor is an integral part of the financial statements.



10th
Annual
Report

2015

UASA Members Directory

Jordan - Jordan Securities Commission

Arjan Area – Near the Ministry of Interior – Behind Regency Hotel

Telephone:	(+962) 6 560 7171
Fax:	(+962) 6 568 6830
Website:	www.jsc.gov.jo

United Arab Emirates - Securities and Commodities Authority

Abu Dhabi - Hamdan Street - AL Gaith Tower -13th Floor

Telephone:	(+971 2) 6277888
Fax:	(+971 2) 6274600
Website:	www.sca.gov.ae

Tunisia - Conseil du Marché Financier

P.O Box: 1003 – Tunisia

Telephone:	+216 71 947 062
Fax:	+216 71 947 252
Website:	www.cmf.org.tn

Algeria - Cosob

17 campagne chkiken 16045 vald hydra

Telephone:	+213 (0) 21 59 10 21
Fax:	+213 (0) 21 59 10 13
Website:	www.cosob.org

Saudi Arabia - Capital Market Authority

Al Faisaliah Tower, King Fahd Road

Telephone:	(+966 1)2053000
Fax:	
Website:	www.cma.org.sa

Syria - Syrian Commission on Financial Markets and Securities

Floor 3, Old Prime Ministry Bldg., Sabeh Bahrat Square.

Telephone:	+(963)11 3310487
Fax:	+(963)11 3310722
Website:	www.scfms.sy

Iraq - Iraqi Securities Commission

Baghdad, Almutanabi area, Mahala 603, st. 48, Res no. 2

Telephone:	5421750 / 7270007023
Fax:	
Website:	www.isc.gov.iq

Oman - Capital Markets Authority

3359, 112 Ruwi - Sultanate of Oman

Telephone:	(+968 2)4823100
Fax:	(+968 2)4817471
Website:	www.cma.gov.om

Palestine - Palestine Capital Market Authority

4041 – El Bireh

Telephone:	(+972 2)973563
Fax:	(+972 2)973334
Website:	www.pcma.ps

Qatar - Qatar Financial Markets Authority

Alkhaleej Al Arabi, Qatar Financial Center, Tower 2

Telephone:	(+974 4)4289999
Fax:	(+974 4)4441221
Website:	www.qfma.org.qa

Kuwait - Capital Markets Authority

Ahmad Tower, East – Al Khaleej el Arabist.

Telephone:	(+965 2)2903000
Fax:	(+965 2)2410169
Website:	www.kuwaitcma.org

Lebanon - Capital Markets Authority of Lebanon

Mid Beirut – Riyad Al Solh St. – building no. 87

Telephone:	(+961 1) 750042
Fax:	
Website:	www.cma.gov.lb

Libya - Libyan Stock Market

Al Andalus Area - Tripoly

Telephone:	218 61 909 6934
Fax:	218 61 909 3067
Website:	www.lsm.ly

Egypt - Egyptian Financial Supervisory Authority

Smart Village, Alexandria road Giza province

Telephone:	(00202) 35345352 , (00202) 35345336
Fax:	(00202) 35345333
Website:	www.efsa.gov.eg

Morocco - Conseil Déontologique des Valeurs Mobilières

6 rue Jbel Moussa Agdal-Rabat - Maroc

Telephone:	+212(05)37 68 89 00
Fax:	2120537688946
Website:	www.cdvm.gov.ma

BEIRUT STOCK EXCHANGE - (Associate)

Azarieh street, P.O.BOX: 11-3552

Telephone:	+961 1 993555
Fax:	+961 1 993444
Website:	www.bse.com.lb

Dubai Financial Services Authority - (Associate)

PO Box 75850, Dubai, UAE

Telephone:	+971 (04) 362 1500
Fax:	+971 (04) 362 0801
Website:	www.dfsa.ae

Kuwait Clearing Company - (Associate)

Safat 13081 - Kuwait

Telephone:	+9651841111
Fax:	+9651841111
Website:	www.maqasa.com

Arab Monetary Fund (Observer)

P.O. Box 2818 Abu Dhabi – UAE

Telephone:	(+971) (2) 6171400
Fax:	(+971) (2) 6326454
Website:	www.amf.org.ae