



UNION OF ARAB SECURITIES AUTHORITIES  
(UASA)

VII ANNUAL REPORT  
2012



## Union of Arab Securities Authorities

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Pursuant to the decisions of the Union of Arab Securities Authorities Board (UASA) held in Doha, Qatar, in February 2012, the UASA carried out the following actions and activities during 2012:

**I. Appointment of the Auditor**

Ernst & Young was appointed as the independent auditor of the UASA for the year 2012. They have duly conducted the audit for the financial statements of UASA in anticipation for their approval by the UASA Board.

**II. Appointment of the Secretary General of UASA**

The Transitional Committee tasked with appointing a secretary-general for the UASA completed all the required procedures in accordance with its mandate by the UASA Board. The vacant post of the secretary-general was announced through the websites of Arab securities authorities in addition to advertisements in a number of widely circulated Arab newspapers, as of May 2012. Applications for the post were examined and assessed to ensure the fulfillment of requirements by the candidates. A short list of the five most appropriate candidates was selected and interviewed in September 2012 at the UASA headquarters in Dubai. Negotiations were made with the best candidate and the decision was taken to appoint Mr. Jalil Tarif, the former Director of Amman Stock Exchange, to be the Secretary-General of the UASA for one year. Mr. Tarif has assumed his duty since the beginning of last December.

**III. Commissioning of the Permanent Headquarters of the UASA General Secretariat**

The General Secretariat of the UASA has started to perform its functions after the appointment of the Secretary-General in early December 2012. The UAE Securities and Commodities Authority (SCA) gratefully allocated the first floor of SCA building to be used by the UASA. The General Secretariat of the UASA, with support and cooperation from the SCA completed the commissioning of the infrastructure for the headquarters, including the installation of phone lines, fax, intranet and computer hardware, as well as providing the publications, stationary and other supplies necessary for operation. The help of some staff of the SCA was sought and an administrative assistant was temporarily appointed in order to



enable the General Secretariat to perform its functions efficiently. The General Secretariat has now completed the infrastructure necessary for the Secretariat to be fully operational. The Secretariat, indeed, began performing its work and communicated with the members of the UASA to achieve the goals and play the mandated role of the UASA General Secretariat.

#### **IV. Participation in International Events and Conferences**

- a. A training course was organized in cooperation with the US SEC

With the support of the Qatar Financial Markets Authority, the UASA sponsored a training course on the "Effective Oversight and Development of Capital Markets Program", which was conducted in collaboration with the U.S. Securities and Exchange Commission (SEC). Participants in the course included seven Arab securities authorities, seven local bodies from the State of Qatar and other concerned parties.

- b. Co-sponsorship of the Euromoney Qatar Conference

The UASA, supported by the Qatar Financial Markets Authority, co-sponsored the Euromoney Qatar Conference and the workshop held by Euromoney in Doha, Qatar, in early December of last year. The workshop, which was attended by the Secretary General of the UASA, addressed the subject of "Development in Arab Securities Market Regulations". The participants discussed the objectives and role of the UASA in promoting cooperation among the member authorities, as well as its role in the development of legislations governing the functioning of the Arab Securities Authorities. The workshop was characterized by high interest and interaction of the participants.

#### **V. UASA Website**

The UASA General Secretariat initiated a review of the efforts that have been previously made to develop the website; and has taken practical steps towards commencing the work to re-design the website and update the information contained in it. It has completed the design of the website in English. The website will be launched in both Arabic and English to inform the members of the UASA and solicit their comments on it over a period of one month, after which the new website will be launched for the use of all members and interested parties.

#### **VI. Stationary and Publications**

The UASA General Secretariat re-printed all requirements for its work after moving its offices to the new building and changing the address and contact information of the UASA. The General Secretariat also printed the UASA Articles of Association and internal by-laws in both Arabic and English, for the use of its members and interested people. Work is



underway on the preparation of a handbook on the UASA to document its development since inception and highlight the most important achievements it has accomplished.

## **VII. Training**

Training is one of the most important aspects that should receive high attention due to the significance of training in promoting and enhancing the efficiency of the administrative and technical staff of the Arab Securities Authorities, especially in light of the rapid developments taking place in the global markets, whether relating to legislative, technical or technological developments. Therefore, the General Secretariat has prepared a training plan that covers the following important areas:

### **a. Specialized Training Programs:**

This kind of training aims at developing a set of specialized training programs that individually focus on and thoroughly address one or more issues. This training is intended to attract local, regional and international professionals who are specialized in each of the various areas. Hence, we can take advantage of the potentials available in the Arab oversight bodies. The Arab Securities Authorities that have such resources will organize, hold, manage and sponsor such programs by at least holding one program a year in coordination with the General Secretariat of the UASA. The concerned authority will take all technical and logistic steps to prepare such programs. Should this plan is approved, the General Secretariat of the UASA can propose a number of training subjects and programs and communicate them to the members of the UASA to select the most appropriate ones and agree on a number of programs (at least 2-4 training programs in a year) that should be arranged in advance as appropriate to the requirements of UASA members.

### **b. Practical Training:**

This type of training includes the organization of specific training programs in accordance with the principle of exchanging experiences among Arab Securities Authorities. Practical training programs targeting a certain number of the staff from the Arab authorities should be prepared. One of the authorities will train this group of staff on one or more aspects of its work, especially professional aspects that characterize that authority. For example, an authority that has achieved an advanced stage in electronic disclosure issues, money-laundering activities or in addressing Inside Trading issues can organize specific training programs for a limited period of time and invite other Arab Securities Authorities to participate in such on-the-job training program and benefit from the development that the Sponsoring Authority has achieved in that area. The General Secretariat of the UASA may coordinate with the Arab Securities Authorities to determine the nature of practical training programs available to the member authorities and communicate them to the other members in order to organize a number of practical training programs among the Arab Authorities. The Authority that will host the practical training programs may bear the expenses related to the



training programs and the Authorities that will delegate trainees may bear their travel expenses.

**c. Bilateral Training:**

This type of the training is intended to organize an ad hoc bilateral training program required by the nature of the work of some departments of Arab Securities Authorities. The General Secretariat can coordinate between Arab Authorities to meet the training needs by making use of the cumulative expertise available to the Arab Authorities so that knowledge can be transferred among these authorities. Within this framework, the authority that need training in a particular aspect may address the General Secretariat of the UASA, which in turn will communicate information on such training requirement to the remaining members of the UASA; and then, the appropriate alternative to meet such training needs of that authority will be determined.

**VIII. Arab Regional and International Cooperation:**

Since its inception, the UASA has given great attention to the international aspect. The UASA's presence in the Arab, regional and international forums would contribute to promoting the international position and role of the UASA in the interest of all Arab capital markets. Within this context, the UASA has taken the following actions over the past year:

**1. At the Arab Level**

**a. Union of Arab Stock Exchanges**

The President of the UASA addressed a letter to the President of the Arab Federation of Exchanges (AFE) stressing the importance of establishing the Union of Arab Securities Authorities in order to affirm the role of the UASA in the development of joint Arab action in the manner that serves the capital markets and economies of the Arab countries. This can be realized by enhancing cooperation with AFE to achieve the common goals that are aspired by both the UASA and AFE.

The letter noted that the rapid circumstances and developments taking place in the global financial markets require stronger cooperation and coordination between the Arab capital markets to develop an integrated Arab platform that contributes to achieving the goals of the Arab capital markets, enhancing their strength and promoting their regional and international presence. Therefore, achieving such goals requires an increased and enhanced cooperation between the two unions, without prejudice to the role and special nature of each union. Hence, it is now the appropriate time to institutionalize such cooperation in the manner that would achieve the desired goals. In this regard, we can make use of the international models, especially the International Organization of Securities Commissions (IOSCO).



The letter confirmed that the areas of cooperation should also include the need for the development of capital markets, new financial instruments and training, as well as for organizing joint conferences and seminars of interest to the Arab capital markets.

#### **b. Arab Monetary Fund**

The Director General / Chairman of the Board of Directors of the Arab Monetary Fund (AMF) was addressed in order to consolidate aspects of cooperation and coordination between the UASA and the AMF.

### **2. At the International Level**

Over the past year and the beginning of this year, the UASA has made a series of communications with a view to promoting the UASA's role in certain key international organizations such as the IOSCO and the Organization for Economic Cooperation and Development (OECD). UASA's efforts in this area were concentrated on the following:

#### **a. Joining the Membership of the IOSCO**

The UASA applied to the IOSCO to join its membership as an *Affiliate Member*. The IOSCO's member oversight bodies with regular membership were addressed to provide the UASA with *Endorsement / Recommendation Letters*. The membership application will soon be completed and sent to the IOSCO. The General Secretariat has been following up on this matter with the IOSCO Secretary-General, Mr. David Wright. We hope that the UASA will obtain the membership of the IOSCO during the current year, 2013.

#### **b. Organization for Economic Cooperation and Development**

In this context, negotiations took place with the Organization for Economic Co-operation and Development (OECD) on the potential areas of cooperation between the UASA and the OECD. The latter expressed its wish to fully coordinate with the UASA to organize one or more specialized training programs / workshops that would meet the requirements of UASA. Accordingly, at least one program will probably be conducted with OECD during 2013.

### **IX. Expanding the UASA Membership Base**

The UASA has made a series of communications over the past year with a number of potential members for UASA membership. In this regard, the President of the UASA addressed a letter to the President of the Capital Market Authority of Tunisia for cooperation on the requirements of their membership. The President of the Capital Market Authority of Tunisia was also invited to attend the opening session of the Seventh Meeting of UASA.