



إتحاد هيئات الأوراق المالية العربية
UNION OF ARAB SECURITIES AUTHORITIES

UNION NEWS

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Green Capital Markets

With the support of the United Nation (UN), the world is moving toward enhancing the transfer to green economy. The capital markets have a vital role in this regard including the important role of capital market regulators, stock exchanges, investors, and listed companies. In this context, the UN conference on Trade and Development (UNCTAD) launched its initiative in 2009 for the "Sustained Stock Exchanges Initiatives" with the participation of the regulators, investors, and listed companies. The Sustainable Stock Exchanges Initiatives invites stock exchanges globally to become partners by making voluntarily commitment to promote improved environmental, social and governance disclosure and performance among listed companies.

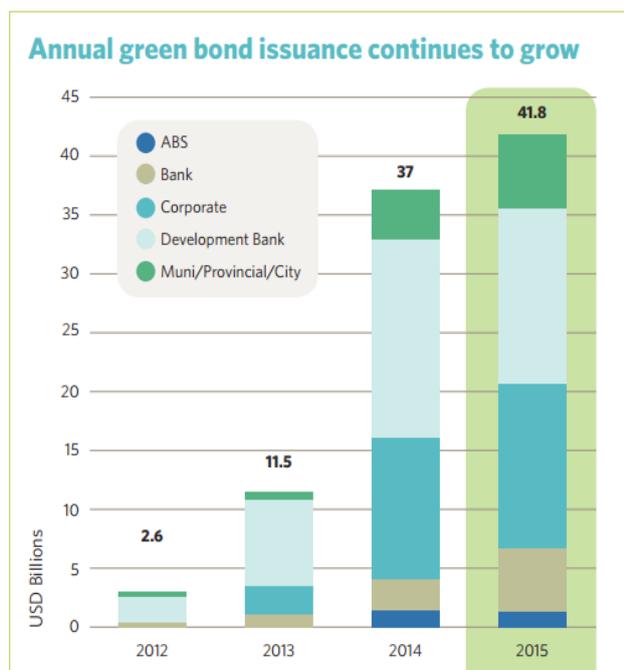
The report issued by the organization of economic cooperation and development (OECD) pointed out that the key challenge for many developing countries aiming at green growth is a lack of institutional capacity for environmental policy design and implementation. This situation require a comprehensive review of the regulatory and management framework with the aim of encouraging the transfer toward green capital markets.

Marrakech pledge for fostering green capital markets in Africa (including Tunisia, Egypt and Morocco) signed recently as part of the United Nation 22nd Conference on climate (COP22). Many countries worldwide placed the legal and regulatory framework to encourage the issuance of green capital markets instruments. Stock markets issued green indexes including NASDAQ, which provides indexes tracking the growing clean energy sector, known as green indexes. These indexes cover companies working to enhance economic development based on reduction of carbon usage. Arab stock exchanges (including Abu Dhabi Securities Exchanges (ADX) is studying the possibility of using green indexes. It is important for the Arab Capital Markets to take practical steps toward transferring to green capital markets for the benefit of the Arab Market and enhancing its attractiveness for local and international investors.

Green Capital Markets

Green bonds represent a relatively modern financial instruments receiving an increased attention during the last years. Green bonds are issued specifically to support climate-related or environmental projects. This specific use of the funds raised distinguishes green bonds from regular bonds. Thus, in addition to evaluating the standard financial characteristics (such as maturity, coupon, price, and credit quality of the issuer), investors also assess the specific environmental purpose of the projects that the bonds intend to support.

Green bonds market has grown from about four billion dollars in 2010 to more than 41 billion dollars in 2015 and is expected to exceed 100 billion dollars in 2016.



Source: www.climatebonds.net

Green Bond Principles

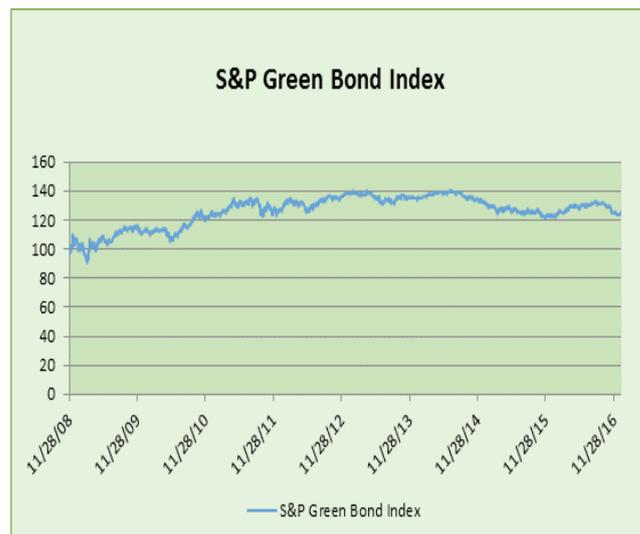
A group of banks initiated the development of the Green Bond Principles (GBP)—a set of voluntary guidelines framing the issuance of green bonds. In March 2015, the International Capital Market Association issued the second edition of the GBP. The GBP encourage transparency, disclosure, and integrity in the development of the green bond market. The GBP suggest a process for designating, disclosing, managing, and reporting on the proceeds of the bond. They are designed to provide issuers with guidance on the key components involved in launching a green bond, including providing information to aid investors in evaluating the environmental impact of their green bond investments.

The GBP recommend a clear process and disclosure for issuers, which investors, banks, investment banks, underwriters, placement agents and others may use to understand the characteristics of any given Green Bond. The GBP emphasize the required transparency, accuracy and integrity of information that will be disclosed and reported by issuers to stakeholders.

Green bonds facilitate investor diversification, closer engagement with investors, raising awareness for an issuers activities, and helping to build a market that helps mobilize private sector financing for climate-focused and environmentally friendly activities.

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It is generally accepted that green bonds are priced very close to regular bonds; that is, investors are not willing to give up return or pay extra for the green aspect of the bond and related reporting. However, observers of this nascent market point to growing demand and preference for green bonds by a growing number of mainstream investors. Anecdotally, investors in green bonds have been able to sell at higher prices than conventional bonds because of the rarity of green bonds. Depending on demand and supply trends in specific markets, differential pricing for green bonds relative to other bonds could emerge in the future.



Source: www.us.spindices.com

Challenges: OECD

As per the OECD studies, the underlying challenges include the underdevelopment of a domestic institutional investor base; underdevelopment of the credit rating system; lack of benchmark yield curves; lack of risk-hedging instruments and insufficient market liquidity. Many of these challenges, if addressed in a synchronized way,

The lack of supply of "labelled" green bonds is a major constraint. At a higher level this reflects the lack of bankable green projects in some markets that can be financed or re-financed through green bonds.

can be immediately beneficial to the development of local currency green bond markets.

1. Lack of Awareness of the Benefits of Green Bonds and Existing International Guidelines and Standards

The lack of knowledge of existing international standards. In addition, in some countries there is a lack of understanding of the potential benefits of the green bond market amongst policy makers, regulators, as well as bond issuers and investors.

2. Lack of Local Green Bond Guidelines

Policy incentives may be used to support the local green bond market. In some of these markets they may require additional definitions and disclosure than the Green Bond Principles require for particular categories. For these countries, the first barrier is the lack of local definitions and disclosure requirement for green bonds.

3. Costs of Meeting Green Bond Requirements

The verification of the "green bond" status and the monitoring of use of proceeds by issuers for green purposes are performed mainly by second opinion or third party assurance providers. However, many potential issuers still do not have the knowledge of how such a verification process may work. In some markets, the relatively high cost of obtaining a second opinion or third party assurance is also a barrier for some small issuers. Some issuers have also complained about the high costs of managing disclosure requirements.

4. Lack of Green Bond Ratings, Indices, and Listings

Green credit ratings, which incorporate environmental information in the ratings of the bonds, can help the market evaluate the alignment of green bonds with international guidelines and standards such as the GBP and the CBI Standard, and may also help investors understand the impact of environmental factors in the overall risk profile of issuers. Green bond indices can guide bond investors to invest in green bonds that meet their criteria.

5. Lack of Supply of Labelled Green Bonds

In some markets, the lack of supply of "labelled" green bonds is a major constraint. At a higher level this reflects the lack of bankable green projects in some markets that can be financed or re-financed

through green bonds. In addition, there is also the issue of how many potentially qualifying bonds are actually labelled as "green". The number of bonds that meet one of the existing standards and could potentially qualify for a green label could be many times larger than the number of "green bonds" that are already labelled as such.

6. Difficulties for International Investors to Access Local Markets

Sometimes, global green investors find it difficult to access certain local markets. The problem here is that green bond definitions and disclosure requirements differ across markets. These differences increase transaction costs as bonds recognized as green in one market need to be re-labelled in another market. Another barrier to cross-border green bond investing is the lack of risk hedging products.

7. Lack of Domestic Green Investors

In markets where green bonds are mostly bought by local investors due either to capital controls or definitional barriers, the existence of institutional investors that have a preference for green assets is important to ensure there is sufficient demand.

United Nations Climate Change Conference : COP 22, and Marrakesh Pledge

The 2016 United Nations Climate Change Conference was a conference on climate change held in Marrakesh, Morocco, 7 - 18 / 11 / 2016. On the sideline of the conference, African Capital Markets launched the "Marrakech Pledge" for "Fostering Green Capital Markets in Africa", which is a call to action for all African Capital Markets Regulators and Exchanges willing to act collectively in favor of sustainable development, and to have an actual impact on fostering Green Capital Markets in Africa.

It consists of engaging African Capital Markets Regulators and Exchanges to build a continental partnership, aimed at fostering Green Capital Markets in Africa, around a set of target voluntary commitments to be deployed and implemented over differentiated time horizons within respective local markets and at the continental level.

African capital markets authorities and exchanges defined three priority areas of collaboration: (a) to enable the development of an effective ecosystem to support the establishment of green capital markets in Africa, (b) to support the development of green financial instruments and climate-resilient investment vehicles in Africa, and (c) to promote transparency and accessible information on green finance and climate resilient investments in Africa.



Lecture on IPO's in the unconventional financial

The UASA General Secretariat participated in a lecture organized by the University of Wollongong in Dubai on IPO's in traditional financial markets and centers compared to emerging and new financial markets and centers. The lecture delivered by the University Vice President emphasized on the growing role of the new emerging financial markets, with focus on the UAE financial markets, in attracting investors. These new markets outperform the traditional financial centers in attracting new listings and increasing issuance capitals, the lecturer added.

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Fostering Green Capital Markets in the South

The Financial Market Authority of Morocco (AMMC) in cooperation with Casablanca Stock Exchange, Maroclear, and the United Nations Sustainable Stock Exchanges organized a seminar on Fostering Green Capital Markets in the South. The UASA General Secretariat participated in the seminar that stressed on the important role that capital market institutions play in the transition to a green economy, especially that this transition had a significant impact thanks to the Paris Agreement and G20 whom highlighted the importance of this matter. The potential for scaling up green financial is massive, as evidenced by the 60% growth of the green bond market estimated for this year. On the other hand, the seminar stressed on the importance of strengthening cooperation among the capital markets to work together, build capacity, and self-stimulate innovation financial instruments to direct investments towards green and environment-friendly projects for the benefit of the environment and investors.



2nd meeting of the working group to implement the UASA strategic plan 2016 – 2020



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The Egyptian Financial Supervisory Authority hosted, during the period 28-29 December 2016, the second meeting of the working group to implement the UASA strategic plan 2016 – 2020, with the participation of EFSA Chairman and the UASA Secretary General.

During the meeting, the working group released the draft of the Tender Offering in the Arab Capital Markets and the Corporate Governance guide for the listed companies, which are expected to be discussed in the UASA Board's next meeting in Tunisia on 16/03/2017.

It is noteworthy that the working group members are representatives of the securities authorities in Jordan, United Arab Emirates, Syria, Saudi Arabia, Oman and Egypt.

COMCEC 5th Capital Market Regulators Forum

The UASA's General Secretariat participated in COMCEC 5th Capital Market Regulators Forum held by the Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation "COMCEC" in Istanbul/Turkey on the 27th of October 2016. This year's Forum meeting has focused on Capacity Building and investors protection in the Member Countries Through strengthening cooperation in the field of awareness and education and the role of regulators in this regard. The Committee presented the initiative of establishing a Real Estate Securities Exchange for the Member States of the Organization and its role to support the real estate sector.



UASA's Secretary General discussed with the Chairman of COMCEC / Chairman of the Capital Markets Board of Turkey the committee's future projects and the possibility of enhancing the mutual cooperation between the Union of Arab Securities Authorities and the COMCEC, where it was agreed on mutual cooperation in a number of areas, especially with regard to Islamic finance and strengthening its role in funding economic projects in addition to supporting sustainable growth in the Member countries.

A seminar on cyber-attacks risk management

The UASA's General Secretariat represented by the Secretary General, has participated in the seminar organized by Latham & Watkins in collaboration with the Dubai World Trade Center on cyber-attacks risk management in Dubai on 12.10.2016. The seminar discussed the importance of companies and market institutions regulatory compliance following the cyber security breach. The seminar also reviewed the best international practices related to legal risk management, and reviewed the best practices in the areas of cyber breach investigation.

LATHAM & WATKINS LLP

The 3rd Global Islamic Economy Summit



The 3rd Global Islamic Economy Summit (GIES) opening took place in Dubai on 11.10.2016. The summit was attended by a number of experts and specialists and officials with the participation of the UASA's Secretary General. The summit discussed the challenges facing the Islamic world economy and how can the Islamic economic system contribute effectively to the achievement of sustainable growth, especially if Islamic finance is directed towards real financial activities. The participants emphasized that the blended finance is one of the main solutions proposed in this regard.

Sukuk Markets Conference: Challenges and Opportunities

The Capital Market Authority of KSA organized in collaboration with the World Bank the International Conference on Sukuk Markets: Challenges and Opportunities with the participation of a large number of experts, specialists, regulatory authorities and Arab and international financial institutions. The General Secretariat of the Union of Arab Securities Authorities participated in the conference, which was held on 06/12/2016 in Riyadh, KSA. The conference aimed to enhance understanding of the issues and challenges faced by Sukuk Markets in KSA in particular and in the GCC in general. The conference's goals were to strengthen domestic and regional capital markets for efficient channeling of excess liquidity in the region and for better utilization of funds for sustainable growth in the region, and enhance governance, standardization and market operation to mitigate potential risks associated with this growing market. Success stories and case studies of the development of Sukuk Markets were discussed during the conference.



Concluding the third practical training program

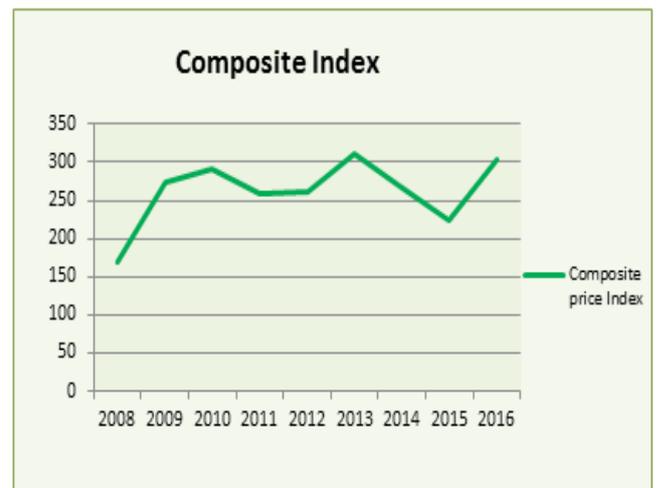
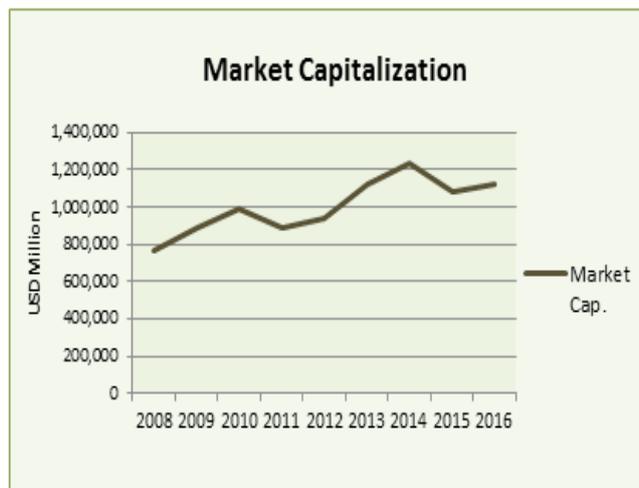
EFSA and UASA held the third practical training program on "Fundamentals of the capital market's oversight and supervision" at the (EFSA) headquarters in the Smart Village / Cairo during the period 18-20/10/2016. The training program attended by (18) trainees from Jordan Securities Commission, UAE Securities and Commodities Authority, Conseil du Marché Financier (CMF)- Tunisia, Palestine Capital Market Authority, Oman Capital Markets Authority, Capital Markets Authority of Oman, Capital Markets Authority of Lebanon Autorité Marocaine du Marché des Capitaux (AMMC) - Morocco and the Egyptian Financial Supervisory Authority. In addition to Dubai Financial Services Authority.



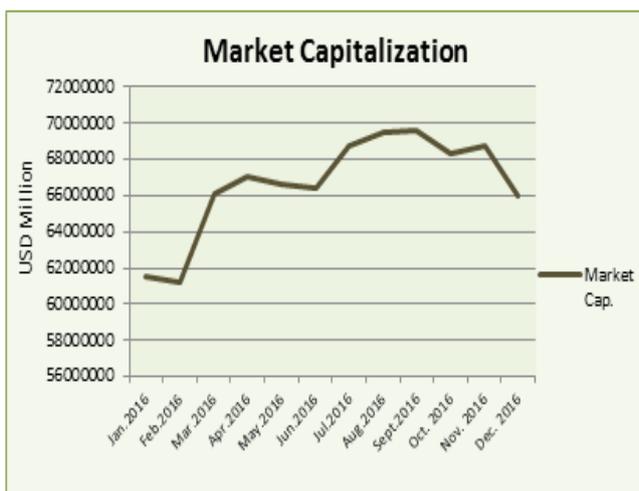
Summary of Arab Stock Markets Performance

	Market Capitalization (U.S. Million)	Value Traded (U.S. Million)	Composite 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	1,231,473	800,891	265.78
2015	1,085,991	540,506	222.71
2016	1,125,113	345,556	304.49

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



Summary of the World Stock Exchanges Performance



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

Market Regulation



Jordan Securities Commission - JSC

JSC publishes the draft of the instructions related to criteria and conditions to be met by the auditors

Jordan Securities Commission published on its website the draft of the instructions related to the criteria and conditions to be met by the qualified auditors to audit the accounts of the regulated entities.



UAE - Securities and Commodities Authority - SCA

Adoption of a resolution regulating the administrative services of the investment funds and promotion activities

In line with the SCA quest for developing the financial markets and providing an appropriate environment for investment, the Board of Directors approved the resolution regulating the administrative services of the investment funds, and issued a decision on regulating the promotion activities.



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

COSOB publishes the instruction n° 16 -04

The COSOB published the instruction No. 16-04 dated December 18th, 2016 related to the functions, terms of qualification and registration of the compliance officer.



KSA - Capital Market Authority - CMA

Adoption of the Regulatory Rules and Procedures issued pursuant to the Companies Law Relating to Listed Joint Stock Company and its Guidance Note

The CMA Board has issued its Resolution Number (8-127-2016) which includes the adoption of the Regulatory Rules and Procedures issued pursuant to the Companies Law Relating to Listed Joint Stock Company, and its Guidance Note, and to be implemented from the date of its publication.

The purpose of these Rules and Procedures is to regulate many important aspects related to the companies listed on the Saudi Stock Exchange, notably remunerations of board members, holding of general and special assembly meetings and shareholders' participation therein through contemporary technology, buy-back of the company's shares, issuance of preferred shares, in addition to pledging of shares, and dividend distribution to shareholders.

The CMA approves the Real Estate Investment Traded Funds Instructions

The CMA Board has approved the final version of the Real Estate Investment Traded Funds Instructions. It is worth mentioning that non-resident foreign investors are allowed to trade in the units of the Real Estate Investment Traded Funds in the Saudi Stock Exchange (Tadawul).

A Real Estate Investment Traded Fund (REIT), as mentioned in the Instructions, is a real estate investment fund that is publicly offered and the units of which are traded on the Exchange, whose primary investment objective is to invest in constructionally developed real estates that generate periodic income, this includes residential, commercial, industrial, agricultural and other types of real estates. The Fund must distribute a prescriptive percentage of the fund's net profit in cash to the unitholders at least annually. The fund manager must appoint a real estate company or more than one company specialized in managing properties (Property management company)- after ensuring that the required approvals and licenses are obtained from the relevant governmental agencies- to manage the property held for investment. The company should possess the necessary experience in real estate management, and should be responsible for carrying out property management activities including, but not limited to, property management, property maintenance, leasing services and rent collection. The fund manager may agree with the lessee- under a leasing contract- that the lessee will manage and maintain the property during the leasing contract period.



The CMA amends the Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to 50% or more of its Share Capital

The CMA has issued an amendment to the "Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to %50 or more of its Share Capital", which has been implemented since 1/7/2014, to be named after the amendment as the "Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to %20 or more of its Share Capital".

The Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to %20 or more of its Share Capital includes adding a flag beside the company's name on the Saudi Stock Exchange (Tadawul) website to indicate when a company's accumulated losses amount to 20% or more and less than 35% of its share capital, when accumulated losses amount to 35% or more and less than 50% of its share capital, and when the accumulated losses of a company amount to 50% or more of its share capital.

The CMA also clarified that the current Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to %50 or more of its Share Capital will continue to be applicable until the new instructions take effect starting from 22/4/2017. In addition, the CMA would like to clarify that paragraph (k) of Article (5) of the currently applicable procedures requires delisting company's shares with accumulated losses amounting to 100% or more of its share capital after the elapse of two full financial years, each of which is not less than 12 months, without improving its position by reducing its accumulated losses below 75% of its share capital or not reflecting operating profits and positive operating cash flows for the last financial year. It should be noted that paragraph (k) of Article (5) from the currently applicable procedures will be applied to listed companies with accumulated losses amounting to 100% or more of its share capital and which will complete two financial years by the end of 2016 without improving its position by reducing its accumulated losses below 75% of its share capital, when it publishes its annual financial results for 2016.

The amendment on these procedures comes in consistency with the provisions included in Article (150) of the new Companies Law. This article included the procedures required to be taken when the accumulated losses of a company amounts to 50% or more of its paid capital.

CMA approves the Parallel Market Listing Rules after consulting the specialists, the interested and related parties

The Capital Market Authority Board has approved the final version of the Parallel Market Listing Rules after the draft was published on the CMA's website. The Authority ensured in the final draft that it took into consideration all recommendations, observations and opinions, received from investors and specialists, the interested an related parties during the public consultation.

The Rules consist of 29 articles, which include conditions for registration and listing in the Parallel Market less than those required from companies aiming to list in the main market.

In details, the Rules governing companies wishing to be listed in the Parallel Market require that the number of public shareholders should not be less than (50) shareholders if the total market value of all shares to be listed is more than 40 million Saudi Riyals, and (35) shareholders if the total market value of all shares to be listed is less than 40 million Saudi Riyals, and the ownership of the public within the requested class of share should not be less than (20%). The CMA may allow for a lower percentage or lower number of shareholders if deemed appropriate. Also, the expected aggregate market value, at the date of listing, of all shares to be listed must be at least 10 million Saudi Riyals.

Among the requirements contained in the Rules that highlight the difference in the listing conditions is that any company wishing to join the Parallel Market must have been carrying out , by itself or through one of its subsidiaries, a main activity for at least one financial year. Also, the company must have prepared its audited financial statements covering at least the preceding financial year which were prepared in accordance with the accounting standards approved by SOCPA. Furthermore, the percentage of the daily price change of the shares listed in the Parallel Market will be 20%.

Market Regulation

Iraq - Iraqi Securities Commission

Issuance of the instructions regulating the government bonds trading

In order to stimulate investment in Iraq and on the occasion of the issuance of government bonds by the Central Bank, ISC issued the instructions related to the listing, depository, and trading of the bonds in the Iraqi Stock Exchange.

Kuwait - Capital Markets Authority - CMA

The Capital Markets Authority Announces Implementing the Financial Guarantee System for Financial Brokerage Firms

The Capital Markets Authority Announces the issuance of Resolution No. (95) of 2016 on implementing the financial guarantee system for the brokerage firms starting from January 1, 2017. The issuance of this Resolution is considered an important step towards accomplishing the CMA's aims, in order to provide appropriate techniques to limit the risks relevant to dealing in securities and the obligations arising from them in the securities exchange in line with the best international practice.

The CMA currently leads a project for developing the post trade model in the State of Kuwait. All participants are working towards developing this model which aims to guarantee the settlement of liabilities arising from dealing in securities in line with the best international practice. This resolution is a complement to Resolution No. (72) of 2016 on implementing post-trade model (transitional phase) which points to the importance of providing financial guarantees by the broker, the custodian and the clearing agency to cover the financial obligations arising from securities transactions.

The financial guarantee system is known for the direct proportion between the volume of the guarantee provided by the brokerage firm and the amount of risks resulting from its transactions in the securities exchange. This allows the brokerage firms to minimize the financial guarantees by setting sound controls for managing such risks and implementing them properly.

The implementation of the financial guarantee system would encourage the brokerage firms to reduce the risks resulting from their clients' transactions, and ensuring their ability to meet their obligations and develop the firm's work and internal systems.

There are many factors that define the amount of the financial guarantee required from each brokerage firm, such as the historical data of the defaults volume and delay cases in paying any of the obligations arising from dealing in securities, in addition to the amount of risk associated with the historical transactions for each brokerage firm.

Egyptian Financial Supervisory Authority- EFSA

EFSA Presents Financial Leasing and Factoring Draft Law for Social Dialogue

EFSA presented "financial Leasing and Factoring" draft law to social dialogue and this includes financial institutions and business organizations and specialists. The new law was prepared after applying the first Financial leasing Law for more than twenty years and in light of the developments occurred in factoring over the past years. This comes within the framework of developing these two non-banking financial activities in a manner that will push the economy and raise the rates of development.

Also, the draft law introduces the establishment of financial leasing Union for the entities operating in this field and another union for factoring companies. each of the two unions has its separate legal personality and it shall be subjected to EFSA's supervision. EFSA's BOD shall issue the statute regulation of each union. The union shall provide recommendations on the development of the activity besides raising awareness in the two fields, adopt supporting initiatives for those activities, express its opinion on the legislations that regulate its work and develop the skills of the staff, offer training programs and coordination among members.

Market Regulation

 **Egyptian Financial Supervisory Authority- EFSA**

EFSA issued Protection Guide for Microfinance Clients

EFSA's BOD decision on issuing a Protection Guide for Microfinance Clients was published in the Egyptian Gazette. This guide has been issued including the minimum limit that entities licensed to practice microfinance shall abide by that is besides the ethical standards and awareness requirements that are necessary for the clients. In addition, the guide includes rules that protect the privacy of clients' data and regulates dealing with their complaints.

New Amendments to Capital Market's Executive Regulations regarding Regulating Tradable Rights and Acquisition of Brokerage and Funds' Management Companies

EFSA has issued new amendments to the Capital Market's Executive Regulations. The said amendments regulate priority right to subscribe for the capital increase shares of listed companies and the IPO companies. Also, the new amendments required the approval of EFSA's BOD upon acquiring more than one third of the capital of any brokerage or funds management companies which have a market share that exceeds 10% of the market volume.

The decision issued by the Minister of Investment to amend Article (30) of the Regulations came pursuant to EFSA's proposal that - mandatory - separates the priority right from the original shares during the capital increase, after it was optional according to the Company's General Assembly. In this respect, the new amendments protect the rights of small shareholders. This will not contradict with what has been decided by the Extraordinary General Assembly of the company to waive the priority rights during the capital increase in case of attracting a strategic shareholder who is believed to be of a great value to the company.

Moreover, the Regulations include cases of inheritance or testaments that provide more than the stated percentages or that may lead to the actual control of the company. Also, it stated that in these cases, the heir shall adjust his position in accordance with the rules set by EFSA's Board of Directors within a period not exceeding two years from the date of obtaining that increase; otherwise, he will not have the right to vote in the General Assembly or the board of Directors.

Decisions regulating IPO and acquisition of financial firms

EFSA Board issued several regulatory decisions on acquisition of the brokerage firms and management companies of the investment funds, and amended the rules of securities' listing and delisting with respect to underwriting, in addition to the issuance of the rules regulating the trading priority in the IPO of the unlisted companies offering their shares on IPOs.

Market Oversight

 **Jordan Securities Commission - JSC**

Capital Market Development Strategy and Roadmap for Jordan

Within a participatory approach followed by Jordan Securities Commission (JSC) in its quest to achieve the strategic goals of the organization and development of the national capital market, the JSC publishes "Capital Market Development Strategy and Roadmap for Jordan", in order to obtain feedback and suggestions from its partners, all relevant parties of the national capital market, and from the public in general.

This strategy and roadmap, which includes many recommendations and actions, aims to develop the technical and regulatory frameworks of the capital market according to the latest international standards and practices, thereby strengthening the investment climate in Jordan.



UAE - Securities and Commodities Authority - SCA

A Joint Committee of SCA, ADX, and DFM Meets to Discuss Mechanisms for Transferring responsibility over Some Financial Instruments

Representatives from SCA, the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM) have held a meeting to discuss the technical aspects of transferring responsibility over some financial instruments from SCA to ADX and DFM. The meeting included members of the joint committee formed by SCA, ADX, and DFM particularly for this purpose.

Members of the joint committee discussed mechanisms for completing the transfer of responsibility over margin trading, short selling, and lending and borrowing to ADX and DFM. They also discussed the technical aspects of implementing central clearing and putting into effect the terms of the MoU recently entered into between SCA and Nasdaq during a visit to Nasdaq.

The meeting also discussed a request by Morgan Stanley Capital International (MSCI) to regulate certain activities to make SCA's efforts, as well as those of ADX and DFM, to develop the investment environment and the legislative infrastructure known to institutional investors.



KSA - Capital Market Authority - CMA

SAMA and CMA Warn Against Dealing with Suspicious Websites That Promote Investment Opportunities

For the first time, EFSA's BOD approves the listing rules for Property Valuation Companies at EFSA's registry. The said rules stated that the company shall be an Egyptian joint stock company and it shall be engaged in real estate valuations. It shall not include any activity that contradicted with real estate valuations. In addition, the rules stipulated that the company's board shall include -at least- an Egyptian member and the Managing Director shall be listed at EFSA's real estate appraisers' registry. Also, it stated that the company shall include two real estate appraisers - at least- who are listed at EFSA's registry – including the Managing Director – and at least one of them shall be an Egyptian.

CMA Launches General Assemblies' Electronic System for Listed Joint Stock Companies

The Capital Market Authority has launched the electronic system for general assemblies to help listed companies to know how to request CMA's approval on convening the shareholders' general assembly meeting and agenda.

The system explains for listed companies the procedures to apply for requesting CMA's approval to convene shareholders' general assembly meeting and agenda, the mechanism on how to apply, the information needed, date and time specification, how to log the meeting items and upload the documents, in addition to the provisions that listed companies should consider when applying.

The Law, which listed companies can find on CMA's website, explains the information that should be available for each item in the request for CMA's approval to convene a shareholders' general assembly meeting and agenda in addition to the information that should be available in the approval on amending an item from the shareholders' general assembly meeting that was previously reviewed by CMA.



Kuwait - Capital Markets Authority - CMA

Licensing Investment Funds that Regularized their Situations Pursuant to the Decree Law No. 31 of 1990

The CMA has completed regularizing situations of all investment funds authorized pursuant to the Decree Law No. 31 of 1990, by issuing Resolution No. (101) of 2016 regarding regularizing the final group of funds.



The Capital Markets Authority Announces the end of the Period Granted to Brokerage Companies to Meet the Minimum Requirement of the Paid-up Capital

The CMA has specified the requirements of the capital of brokerage companies, which came into force from the date of issuance. The provisions of the mentioned Resolution were asserted with Resolution No. (23) of 2013 of CMA Board of Commissioners on amending Resolution No. (9) of 2011 regarding the requirements of the licensed persons issued on 29/5/2013.

And as part of CMA's endeavor to permit registered brokerage companies to meet the capital requirements, it issued Resolution No. (32) of 2013 on the requirements of the capital of licensed persons on 1/10/2013, which stipulates that such companies shall be provided a grace period of three calendar years from the date of its issuance to regularize their situations according to the minimum requirement of the paid-up capital required for licensing the activity and meeting all CMA's requirements in this regard. According to the Resolution, the grace period was extended to over five years starting from 13/6/2011 pursuant to Resolution No. (9) of 2011 until 1/10/2016 pursuant to Resolution No. (32) of 2013. Such requirements were included in the new Executive Bylaws of CMA's Law as a basic requirement for obtaining the license of practicing the activity of a Securities Broker Registered in an Exchange pursuant to CMA Board of Commissioners Resolution No. (72) of 2015 of on the issuance of the Executive Bylaws of Law No. (7) of 2010 on the Establishment of the Capital Markets Authority and Regulating Securities Activities, and its amendments.

After the end of the three years' period granted by the CMA to registered brokerage companies to meet the condition of the minimum limit of the paid-up capital, which is mentioned in Appendix (1) of Module Five (Securities Activities and Registered Persons) of the Executive Bylaws, the CMA emphasizes its endeavor to perform its role regarding applying the laws and regulations related to securities activities, and it strives to achieve the principles of fairness and transparency. Therefore, the CMA would like to announce that CMA Board of Commissioners has resolved in its meeting No. (32) of 2016 held on 27/9/2016 to deal with the brokerage companies registered in the Exchange according to its compliance with the minimum requirement of the capital.

Licensing the Investment Companies which Regularized their Situations

The Capital Markets Authority fulfilled regularizing all investment companies registered with the Central Bank of Kuwait, and through the issuance of Resolution No. (133) of 2016 Regarding Licensing the Investment Companies which Regularized their Situations.

Furthermore, CMA also reminds licensed persons to fulfill the requirements of the latest amendments of Law No. (7) of 2010 and its Executive Bylaws and their amendments of the specified deadline of the transitional period according to the provisions of Articles 24 and 25 of Appendix (3) "Transitional Provisions" of Resolution No. (72) of 2015 regarding the Issuance of the Executive Bylaws of Law No. (7) of 2010 and its Amendments.

Circular No. (10) of 2016 Regarding Countries not Applying or Insufficiently Applying the Recommendations of the Financial Action Task Force (FATF)

CMA issued an announcement to draw attention to the provisions of Article (3-42) of Module 16 "Anti-Money Laundering & Combating the Financing of Terrorism" of the Executive Bylaws of Law No. (7) of 2010, pursuant to Resolution No. (72) of 2015 issued on 9/11/2015 which stipulate that the licensed person must verify and pay attention to all business relationships or transactions with clients or with financial institutions from countries that do not apply or insufficiently apply the FATF's recommendations.

If the Authority notifies the licensed person that such countries insufficiently apply the FATF's recommendations, the licensed person shall consider all business relationships and transactions conducted in such countries as high-risk ones, which require implementing the measures set in Article No. (3-21) of the same chapter.

Related parties are requested to visit the FATF website for the updated list of countries not applying or insufficiently applying the FATF recommendations.

Market Oversight

Kuwait - Capital Markets Authority - CMA

Transforming the Exchange's Entity from Kuwait Stock Exchange to Boursa Kuwait Company

CMA's Board of Commissioners has passed a number of resolutions relevant to transforming Kuwait Stock Exchange from a public entity to a shareholding company which follows the mechanisms adopted in the private sector. The issued resolutions are as follows:

- Resolution on Revoking the License of Kuwait Stock Exchange and Terminating the Decree Issued on August 14, 1983 on Regulating Kuwait Stock Exchange.
- Resolution on Amending the Brokers Guarantee System.
- Resolution on Licensing Boursa Kuwait Securities Company to Practice the Activity of a Securities Exchange.

The Board has also approved transforming the Exchange entity and transferring the ownership of the material and intellectual assets to Boursa Kuwait Company, according to the recommendation of the Advisory Committee formed pursuant to Article (156) of the CMA's Law and the approval of CMA's Board of Commissioners of such recommendation.

Transforming the Exchange's entity to a shareholding company is not only a crucial point in the transformation plan, but it is also considered the first of its kind in Kuwait regarding transforming entities from public to private.

Egyptian Financial Supervisory Authority- EFSA

EFSA Granted License for 10 new NGOs to Practice Microfinance

EFSA grants license for 10 new NGOs to practice Microfinance. Also, it approves the opening of seven new branches of companies practicing the activity. In this respect, the number of licensed entities is 728, including three companies.

Education and Awareness

Jordan Securities Commission - JSC

Workshop for joint stock companies and financial services firms

Jordan Securities Commission held a specialized workshop for public joint stock companies and financial services firms. The workshop discussed the draft instructions of the securities lending and borrowing, and short selling, in addition to the instructions regulating the securities depository receipts.

Training session on international auditing standards concerning the report of the listed companies' auditors

Jordan Securities Commission organized a training session at its headquarters on "Application of international auditing standards related to the report of the listed companies' auditors" with the participation of more than 31 specialists.

Workshop on roadmap for the promotion of the capital market

JSC and the European Bank for Reconstruction and Development (EBRD) organized a workshop on "Toward a road map for the promotion of the national capital market".

It is noteworthy that the draft map has been prepared in light of the JSC request of technical assistance from the EBRD. The strategic map will be implemented over the next five years

Market Oversight



UAE - Securities and Commodities Authority - SCA

Securities Commission and Commodities Training Center organizes workshop for IPO market

SCATC organized a workshop on the primary market and methods of public offering, the activities of the workshop were co-sponsored by experts from Dubai Financial Market and the "HSBC" Bank.

The training center Board of Trustees discusses the development of the continuous professional rehabilitation program

SCATC Board of Trustees held a meeting during which, the most important developments in professional rehabilitation programs discussed, in addition to training the securities markets' employees.

During the meeting, the Board approved the program of the certification in securities arbitration.

Review of digital transactions and advanced technical solutions for oversight during the innovation week

The Securities and Commodities Authority participated in the UAE Innovation Week activities. During the first day SCA allocated a session for "reading in the field of innovation"; where participants reviewed a group of the leading international books discussing the subject of innovation, with the presence of the senior management, and discussed and commented the presentations of the participants.

During the innovation week, the digital trading technology "block chain" and its applications in the stock market was presented, as well as the advanced technologies in the financial sector "FinTec".



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

The COSOB organizes a seminar on "financial market" in cooperation with The Japan International Cooperation Agency (JICA)

The COSOB organized, under the auspices of the Ministry of Finance and in cooperation with the Japan International Cooperation Agency (JICA), a seminar on "Financial market" for the Algerian Stock market professionals. The event presented the Japanese experience in financial market development, and discussed the establishment of a reference model for the development of the Algerian financial market, in addition to upgrading market intermediaries and establishing a competitive market.



Training courses for the certificate: «FINANCIAL MARKET PROFESSIONAL»

The "Commission d'Organisation et de Surveillance des opérations de Bourse" (COSOB) launched, in cooperation with the Institute for Training in Banking (IFB), the fourth training session which is 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.

Education and Awareness



KSA - Capital Market Authority - CMA

CMA: Five Sessions Discussing Challenges and Opportunities In Sukuk Market with World Bank Participation

The Sukuk Conference, organized by the CMA in collaboration with the World Bank; titled Sukuk Market - Challenges and Opportunities, discussed the role of the debt markets in supporting economic growth.

The conference discussed the challenges facing the Sukuk markets in the Kingdom of Saudi Arabia in particular, and in the GCC states in general, as well as the mechanisms and ways to develop capital markets in the region. The conference also discussed the incentives of demand for Islamic debt instruments. The conference addresses the most prominent international experiences in order to utilize them in the development of local market debt instruments.



The conference, through its five sessions presented by government officials and representatives from the World Bank as well as the private sector, economists and financial partners in the financial market, covered the elements of Sukuk markets, the dynamics of Sukuk markets, ways to create an effective environment for Sukuk market, regulatory issues and corporate governance in Sukuk market, and the role of debt markets in economic growth.

The Capital Market Authority implements the IFRS

The Capital Market Authority (CMA) represented by the Listed Companies and Investment Products Deputy held IFRS workshops. The aim of the workshops is to help increase the listed entities' level of readiness for the implementation of the International Financial Reporting standards, endorsed by the Saudi Organization of Certified Public Accountants (SOCPA) Board of Directors, starting from 1/1/2017.

The workshops were conducted by a group of IFRS experienced trainers and are attended by listed entities CFOs and Chief Accountants. Workshops covers all sectors of the exchange market , where each workshop highlights the most significant IFRS matters of the relevant sector. The workshops address various topics including IFRS first time adoption, revenue recognition issues, property plant and equipment, new control model and joint arrangements, leases, and the impact of IFRS conversion on other business process (i.e. IT, HR, procurement, contracting, and budgeting).



Oman - Capital Markets Authority - CMA

Oman Center for Corporate Governance and Sustainability Organizes Training Programme for Board of OMNIVEST

Oman Center for Corporate Governance organized a training programme on developing and activating the role of board members and directors of OMNIVEST for four days with the participation of the Chairman, board members and executive directors of the Company.

The participants were introduced to the historical background of establishing governance concept, and how it got to be essential to facilitate companies' administrative and financial affairs. International experiences in activating the governance principles, and governance influence on enhancing companies' performance level and ability to face challenges and market fluctuations were presented.



Education and Awareness



Oman - Capital Markets Authority - CMA

Oman Center for Corporate Governance and Sustainability organizes development programs of the boards of directors in the major companies

Oman Center for Corporate Governance and Sustainability implemented development programs for the boards members and executive departments, where 51 participants attended the programs.



Palestine Capital Market Authority - PCMA

PCMA held a seminar on "Securities industry" in Palestine Ahliya University

Palestine Capital Market Authority recently held, in cooperation with the Palestine Stock Exchange, a specialized meeting entitled "Palestinian securities industry" for the students of the Financial and Administrative Sciences Department - Palestine Ahliya University in Bethlehem. The objective of the meeting is raise awareness among university students about the securities industry importance in Palestine and its working mechanisms.



Qatar Financial Markets Authority - QFMA

QFMA AND ICMA ORGANIZE A CONFERENCE ON "DEVELOPING A CORPORATE DEBT MARKET"

The Qatar Financial Markets Authority (QFMA) and the International Capital Market Association (ICMA) presented a conference on 'Developing a Corporate Debt Market'. The conference, held in Doha, hosted 55 parties represented by 125 participants of experts from the capital market with participants from relevant local and regional regulators. They discussed the role that corporate debt capital markets play in economic development. Corporate bonds are a stable and reliable source of funding for companies to finance their business needs and their expansion.

The conference discussed several topics relating to the key constituents of a successful bond market and the challenges and constraints on creating a successful corporate bond market in Qatar as well as the choice between Conventional versus Sukuk issuance. It also discussed the Innovation in structuring of Sharia compliant Sukuk offerings and the listing and rating requirements.



Kuwait - Capital Markets Authority - CMA

CMA Collaborates with U.S. SEC in Organizing an Awareness Seminar for Licensed Persons

The CMA organized in collaboration with U.S. Securities and Exchange Commission ("SEC") an awareness seminar for licensed persons under the title "Outreach Seminar for Authorized Persons". This comes in line with CMA's approach towards creating an attracting and efficient investment environment by striving to achieve the goals specified in Law No. 7 of 2010 on the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments in a fair and transparent manner. CMA aims to enhance investor protection and reduce systemic risks arising from securities activities. Therefore, this seminar is designed to achieve the desired awareness in the benefits, risks and obligations arising from investment.

The aspects tackled in the seminar will be as follows:

- Mechanism of building compliance programs and means of testing their effectiveness
- Sales practice abuses: Identification, prevention, and correction
- Effective supervisory processes of securities activities
- IOSCO international principles and tools for effective enforcement, and the positive impact of Kuwait's membership in the organization
- Post trade systems

Education and Awareness



Egyptian Financial Supervisory Authority- EFSA

Roundtable on the occasion of the World Week for financial inclusion

In line with the World Week for financial inclusion, the Egyptian Financial Supervisory Authority organized a round table that addressed the microfinance developments in Egypt and the future developments of financial products and services targeting the low-income and other financially marginalized groups which are not benefiting from dealing with banks and other financial institutions.

The AUC School of Business Discusses EFSA's Activities and Strategic Directions

EFSA participated in a seminar organized by the "AUC School of Business" to introduce EFSA's activities and strategic directions. Members of teaching staff and students of accounting and management departments participated in the event. In the seminar, EFSA's Chairman pointed out that the surge which occurred in financial legislations in Egypt introduces new financial tools in mortgage, investment funds, factoring and microfinance and also it develops insurance mechanisms and private insurance funds.

EFSA Organizes a Training Day for University Students on Capital Market and Stock Exchange

EFSA organized a training program for students of five universities which are members in The Model of Egyptian Stock Exchange (MESE). This year the program brought together students from Cairo University, Ain Shams University, Ahrum Canadian University, the Canadian International College and the Future University in Egypt (FUE).

Twenty students participated in the event in order to train their colleagues after that. EFSA's experts participated in the event and presented number of lectures in fields related to supervision on trading, investment funds and financing. Discussions were held with the audience to make them aware of bonds and exchange-traded fund (ETF) besides explaining the concept of tender offers

International Cooperation



UAE - Securities and Commodities Authority - SCA

SCA is Elected Member of the Steering Committee of the IOSCO MMoU Monitoring Group

SCA won membership in the Steering Committee of the MMoU Monitoring Group as a representative of the Africa/Middle East Regional Committee (AMERC), which is constituted by the International Organization of Securities Commissions (IOSCO), in recognition of its outstanding efforts in putting into effect the terms of the MMoU to which all IOSCO members are signatories.

In a letter to AMERC members, Paul Andrews, Secretary General of IOSCO, explained that SCA has been selected after winning the electronic voting conducted by the Steering Committee. It was selected among the best in the region to put into effect the MMoU terms.



KSA - Capital Market Authority - CMA

CMA Joins AAOIFI Membership

The Saudi Capital Market Authority (CMA) announced the joining of the CMA to the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as a member.

AAOIFI includes more than (164) institutional members. Including central banks, regulatory authorities, financial institutions, auditing and accounting companies and legal firms in more than (45) countries.

International Cooperation

KSA - Capital Market Authority - CMA

CMA Hosts the 7th Meeting of Ministerial Committee of Heads of Capital Market Regulators in GCC

The CMA hosted in Riyadh the seventh meeting of the Ministerial Committee of Heads of Board of Regulators of Capital Markets in the Gulf Cooperation Council (GCC).

The meeting sessions started by reviewing a summary of the economic decisions of the Supreme Council at its sixth term, which included the adoption of Unified Rules of Acquisition in Capital Markets within the GCC states and working on applying them as guidelines until fully completing the Consolidated Rules and Principles for Integration of Capital Markets in the GCC states, and making sure that they are in harmony and compatible with each other.

The Committee also discussed a number of subjects related to the field of integration of capital markets in the GCC states, including the project study of strategy and mechanisms for achieving integration of capital markets. The meeting also discussed the recommendations of the heads of capital markets authorities (or their equivalents) in the GCC states. In addition to that, the latest developments and updates in financial markets of member states were also discussed.



Oman - Capital Markets Authority - CMA

CMA Signs MOU with Financial Services and Financial Supervision Committee of the Republic of South Korea



CMA signed MOU with the Financial Services and Supervision Committee of the Republic of South Korea in the margin of the fifth session of the meetings of the mutual Oman-Korea Economic Committee. It is aimed through this MOU to exchange information and get cooperated in various fields due to the international increase in financial activities and other financial instruments, and for the need of mutual cooperation, deliberation and support in order to develop and upgrade financial markets.

Kuwait - Capital Markets Authority - CMA

Capital Markets Authority Receives Lord Mayor of London

CMA received a delegation headed by the Lord Mayor of London. This visit is part of a tour made by the Mayor to a number of financial institutions in the State of Kuwait to promote the deep-rooted relationships between the two countries with regard to consultations and economy. It also enhances the communication and exchange of experiences between the CMA and different international institutions, and the CMA's endeavor to promote the financial market in Kuwait to become an emerging market in accordance with best international practice. The upcoming phase of Kuwait's securities exchange witnesses the presence of a global strategic international operator for the market, where the CMA aims to establish or contribute in the establishment of an educational or training institution related to the field of securities markets.

International Cooperation



Kuwait - Capital Markets Authority - CMA

Capital Markets Authority Participates in the Annual Conference of XBRL International of 2016 “Data Amplified”

The Capital Markets Authority has participated in the annual conference of XBRL International of 2016, which was held in Singapore from 8 to 10 of November 2016. It was attended by a number of representatives of authorities and government organizations and corporations from around the world. The events of the conference included an overview of the programs and efforts taken in different parts of the world for applying the XBRL as a digital standard that supports the disclosure process and the exchange of information among various entities and economic activity's parties, in addition to the users of the information and financial statements, in order to improve the efficiency of the disclosure process and transparency in the financial markets.

The Capital Markets Authority Signs MOU with Qatar Financial Centre Regulatory Authority

The CMA has signed a Memorandum of Understanding (“MOU”) with QFC Regulatory Authority, during a signing ceremony held at the QFC Regulatory Authority's office in Doha.

Both parties agree according to this MOU to share information and offer assistance. This would facilitate and enhance their work, and ensure compliance with the applicable laws and regulations of both parties. It would also pave the way for the exchange of information and expertise relevant to their work, and the arrangement of future visits and workshops.



Egyptian Financial Supervisory Authority- EFSA

EFSA Signed the Marrakech Pledge for Fostering Green Capital Markets in Africa

EFSA participated in signing the Marrakech Pledge for Fostering Green Capital Markets in Africa, as part of the activities of 22nd Conference of the Parties to the UNFCCC (COP 22).

Green Capital Markets facilitate the issuance of bonds, encourage the establishment of investment funds and offer shares of Eco-friendly companies, reduce carbon emissions and rationalization of energy consumption as well as renewable energy generation from wind, solar and others. The Marrakech Pledge stated that Capital Markets' Authorities shall cooperate in raising awareness and promoting Africa as a destination for finance and investments in such projects.

Green bonds or climate bonds emerged globally within the context of international efforts to move to more environmentally friendly economies. Also, these bonds shall respect environmental standards which aimed at using clean energies and mitigating factors that contribute to global warming, and supporting efforts to adapt to climate changes and reducing its impact.

There will be coordination with the Ministries of environment and investment on drafting a system that will identify companies and green projects of positive impact on the environment in order to provide legislative and regulatory infrastructure for the issuance of appropriate financial instruments, its trading and the associated disclosures regarding meeting the requirements of Environmental impact assessment.

EFSA and Abu Dhabi Global Market Collaborate to Enhance Regulations

The Egyptian Financial Supervisory Authority (EFSA) and the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM) signed a Memorandum of Understanding (MoU) to enhance regulatory cooperation and foster cross-border activities. The MoU establishes a framework for both Authorities to provide mutual assistance, exchange regulatory information and co-operate in the fields of supervision and enforcement matters to uphold high standards in both jurisdictions.

International Cooperation

 *Egyptian Financial Supervisory Authority - EFSA*

EFSA Participated in the International Financial Institutions' Roundtable in NYC

EFSA participated in the roundtable on the conditions of the Egyptian Capital Market which was held over two days in New York. The meeting was organized by the Rockefeller Foundation. It was attended by a number of fund managers, American and Arab brokerage companies in addition to the World Federation of Exchanges (WFE) and the International Finance Corporation (IFC).

 *Morocco - Autorité Marocaine du Marché des Capitaux (AMMC)*

EFSA and Abu Dhabi Global Market Collaborate to Enhance Regulations

AMMC has signed a MOU with its Nigerian counterpart SEC. The MoU, will serve as a platform for regulatory cooperation and information sharing between the two capital market regulators. This is a first step towards achieving an effective cross border market policing between the two jurisdictions and enhanced market development through leveraging mutual comparative advantages.

COP 22 : Conference "Fostering Green Capital Markets in the South"

The Moroccan Capital Market Authority (AMMC), The Casablanca Stock Exchange, The Moroccan Central Securities Depository (MAROCLEAR), and the United Nations Sustainable Stock Exchanges (SSE) jointly organized the COP22 Side Event, the theme of this dialogue was "Fostering Green Capital Markets in the South."

Enforcement Actions

 *UAE - Securities and Commodities Authority - SCA*

Two months deadline before publishing the violators names

SCA published on its website a number of clarifications on "The regulations of publishing the violators names", the decision defines the authorized parties to take the decision of publishing, which will include the offender's name, position, description, the violation committed, and the sanction.

 *KSA - Capital Market Authority - CMA*

Model to measure property, plants, equipment, investment property, and intangible assets

The CMA issued a new resolution that obligates listed entities to apply the cost model to measure the property, plant, equipment, investment property, and intangible assets upon adopting the IFRS for three years period starting from the IFRS adopting date, while continuing to abide by the IFRS, that are endorsed in Saudi Arabia, disclosure requirements, which require or encourage the disclosure of the fair value within the notes to the financial statements.

 *Iraq - Iraqi Securities Commission*

Suspend trading on some companies shares

According to the updated instructions of the commission in 2015 No. (8) (Disclosure of the companies) Article 6 (b), given the lack of fulfillment of some listed companies with requirements of financial disclosure to provide the Commission with financial statements for the second quarter in 2016, therefore the Commission has decided to suspend trading on their shares.

International Organization of Securities Commissions - IOSCO

Emerging market regulators seek to strengthen corporate governance

The Growth and Emerging Markets (GEM) Committee of the International Organization of Securities Commissions (IOSCO) published today a report that seeks to strengthen corporate governance frameworks. The Report on Corporate Governance in Emerging Markets identifies possible measures and regulatory approaches aimed at strengthening corporate governance in emerging market jurisdictions and aligning regulatory frameworks with internationally recognized standards in this area. The Report is the first review of its kind by securities regulators on current corporate governance practices in emerging markets benchmarked against the revised G20/OECD Principles of Corporate Governance (OECD Principles). The Report focuses on three key areas: board composition and responsibility; remuneration and incentive structures; and risk management and internal controls. The Report is based on a comprehensive survey across regulators, exchanges, listed companies, institutional investors and other stakeholders on corporate governance practices in emerging market jurisdictions. The Report reflects that the regulatory frameworks in emerging market jurisdictions are generally aligned with the recommendations of the OECD Principles. There is also broad agreement on the direction emerging market regulators should take to improve the quality and accountability of boards, ensure that remuneration and incentive structures are designed to create long term value, and improve the risk management frameworks and internal controls of corporations. In addition, the Report also identifies further initiatives and approaches for raising the bar regarding the implementation of best corporate governance practices, including encouraging greater board diversity and quality reporting of sustainability, social responsibility and cyber risks.



European Union - EU



The recognition of the regulatory framework for central counterparties in UAE by the European Union

The European Commission published on its website the Decision regarding the recognition of the regulatory regimes of UAE for central counterparties and trading venues under the European Market Infrastructure Regulation. The Commission has determined that UAE have met the EU's regulatory standards. Thus, the United Arab Emirates becomes the first Arab country to get such recognition by the European Union.

This recognition represents an essential step towards gaining the European Markets securities Authority ESMA recognition of the CCP institutions in the United Arab Emirates in order to offer services to banks and financial institutions in the European Union, this would positively affect the institutional investment size, especially the foreign investments in the UAE.



TADAWUL TO ADOPT THE GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS)

Tadawul plans to apply the Global Industry Classification Standard in 2017. The decision to reclassify current market sectors will establish alignment with global standards for classifying listed companies. This is important to enhance the level of transparency in the local market and provide better information to international investors on the performance of local sectors and industries. Moreover, the new classification will encourage all investors to analyze and compare investment performances of different sectors with similar sectors in other global markets.



DFM launches "IPO Communications Guide"

DFM launched on Monday its "IPO Communications Guide", as part of the exchange's efforts to develop practical guides that explains the regulatory framework of going public as well as the international best practices related to IPOs. The guide is accessible in both Arabic and English on DFM website, this guide is the most recent addition to series of step-by-step booklets that offers potential issuers an insightful source to support their preparations for going public.



Amman Stock Exchange Sign MoUs with Nasdaq Dubai and Luxembourg Stock Exchange



Nasdaq Dubai and Amman Stock Exchange (ASE) have signed a Memorandum of Understanding (MoU) to explore cooperation possibilities including facilitating a process for dual listings. The MoU calls for cooperation on a range of activities and exchange of information and expertise, including on dual listings for companies on the ASE and Nasdaq Dubai, in addition to establishing a framework for collaboration between the two markets.

ASE also signed, on the sidelines of the WFE annual meeting, a MOU with Luxembourg Stock Exchange. The aim of the MOU is to enhance the safety of the securities markets in the two countries through providing a framework for mutual cooperation, exchange of experience, and information, within the extent permitted by the laws, regulations and instructions applicable to both parties.

ADX LAUNCHES BLOCKCHAIN FOR eVOTING SERVICE



ADX LAUNCHES BLOCKCHAIN FOR eVOTING SERVICE, which will allow the concerned parties to directly connect and monitor voting in any Annual General Meeting (AGM). This service will save time, cost, and effort. It will also add to the vitality of the AGMs through high attendance and interaction with the decisions. It is considered an effective way to interrelate via safe internet connections from anywhere in the world. ADX Blockchain eVoting Service will enable a company's shareholder to access reports and statements relevant to the AGM, whether for candidates for the Board or quorum for voting - among other decisions and other information.



EGX Issues The Model Guidance Of ESG For Listed Companies

EGX issued the final version of the guide for listed companies' disclosure on the performance of sustainability, especially with regard to the efforts of environmental protection, social responsibility and governance ESG (Environment, Social Responsibility and Governance). The manual is not compulsory, nor substitute for disclosure rules imposed by the stock exchange.



QATAR STOCK EXCHANGE ORGANIZES INVESTMENT AWARENESS SEMINAR ON EXCHANGE TRADED FUNDS

Qatar Stock Exchange (QSE) hosted an awareness seminar on Exchange Traded Funds (ETFs), in collaboration with QNBFS. The purpose of the event was to generate awareness about ETFs in Qatar. It brought together global ETF experts, local asset managers, regulators and institutional investors to debate the potential of ETFs in Qatar.



Palestine Exchange a full member at the World Federation of Exchanges

The World Federation of Exchanges accepted the full membership application made by the Palestine Exchange (PEX) in 2015; the federation approval was given during the 56th annual general assembly held this year in Cartagena, Colombia between 2-4/10/2016.



The Casablanca Stock Exchange is hosting the 8th meeting of WACMIC

The Casablanca Stock Exchange hosts on 20 and 21 October 2016 the 8th Council "West African Capital Markets Integration Council" (WACMIC). This event brings together a delegation of the stock exchanges, brokers and depositories of West Africa and Morocco.



Iraq Stock Exchange sign agreement for Electronic Trading System

Iraq Stock Exchange announced the signing of the electronic trading system Convention, noting that the agreement included a license to use the electronic trading system via the Internet for five companies.



The appointment of Dr. Abdel Razzaq Qassem as CEO of DSE

The Prime Minister Imad Khamis issued Decision No. /2793/ dated 29/09/2016 on appointing Dr. Abdul Razak kasem as the CEO of Damascus Securities Exchange.



Listed Companies at the Bourse Transfer their Shares to the Electronic Registry

Bahrain Bourse announced that all listed companies at the Bourse have transferred their shares to the electronic registry and deposited them in the Bourse's Central Depository System. This step came within the procedures that were taken by companies in the past couple of months to amend their status to comply with Resolution No. (5) that has been issued by the Chairman of the Bourse in respect of amending the listing requirements of companies at BHB.

The Resolution No. (5) requires all listed shareholding companies on the Bourse to take the necessary procedures to amend their status in line with the amendments stated in the resolution, which includes registering and depositing the issued shares in the Clearing, Settlement, Central Depository & Registry System in the Bourse, provided that the establishment and management of the shareholders' record in the company is in line with the electronic registry system licensed by the Central Bank of Bahrain and approved by the Bourse.



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Egypt - Egyptian Financial Supervisory Authority
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