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OICU-IOSCO

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ANGOLA

UPDATE FROM CMC ANGOLA

III EDITION OF THE CAPITAL MARKET FORUM PROMOTES THE CAPITALIZATION OF THE ECONOMY 4.0

Finance Minister of Angola, Mrs. Vera Daves de Sousa and the Chairman the Capital Markets Commission, Mr. Mario Gaviao at the III Capital Market Forum.

The Capital Markets Commission (CMC) in partnership with Media Rumo S.A held on 20th November, 2019 the III edition of the Capital Market Forum whith the motto: "Capital Market, Capitalising the Economy 4.0" whose main objective was to promote the debate around the stimulus of the digital economy in Angola.During the event several debate panels were held, with emphasis on the themes of "Technological disruption in the financial sector", "Capitalisation of the economy 4.0 via capital markets", "The privatisation process in Angola vs. digital transformation" and "Strategies for the capital market in the context of cyber security".

The Finance Minister, Vera Daves de Sousa stated in her speech during the opening of the Forum that "the use of new technologies, based on the internet and artificial intelligence, is transforming societies and has made processes faster, more flexible and efficient. It is undeniable that the fourth industrial revolution in progress is providing a new reality and a new way of doing business, stimulating the adaptability and creativity of all parties involved and making a culture of permanent innovation prevail". In his closing remarks, the Chairman of CMC stated that "despite the existing challenges, the capital market in Angola is increasingly solid and prepared to meet its main objective which is to be a complementary channel for financing the Angolan economy. This vision contributes to the consolidation of a business environment conducive to investment in the real economy, an aspect in which the Capital Market plays a very important role".The event was attended by approximately 250 people, including representatives of market players, namely BFA Gestao de Activos, Banco de Negacios Internacional, Banco Sol, Caixa Angola, Banco Millennium Atlantico, Banco Prestagio, Banco de Investimento Rural, Confianca Seguros, Finantech, Infrasat, MsTelcom, ENSA, Insurance, KPMG and EMIS.

CMC HOLDS A SEMINAR FOR BUSINESS CLASS

On 5th, November 2019 CMC within its scope of Promoting Capital Markets in Angola, held a seminar called "CMC Ponto por Ponto" in Cabinda province. The event, aimed at the business class of Cabinda, was attended by 80 participants, representing different fringes of the economic fabric in that province. The main objective of the event was to clarify to the participants about the main financial

Lecture in Cabinda Province.

instruments available in the capital market, alternative forms of financing business projects and resources for the application and profitability of savings.

CMC HOLDS A WRITING CONTEST

On 31st, October 2019 CMC held the closing ceremony of the competition to write pieces on the financial matters, with the aim of encouraging pre-university students to become familiar with topics related to these subjects. The contest started in August 2019, in which 8 schools from the city of Luanda participated. Approximately 250 essays were produced (on topics such as finance, business, savings, entrepreneurship, investment in the securities market), of which 20 were selected and competed for the final prize. The three best essays related to Risk in Investments, Business and Savings were awarded.

The three best qualified participants of the Writing Contest.

II EDITION OF THE SEMINAR FOR PUBLIC ATTORNEY IN SECURITIES MARKET MATTERS

The Capital Markets Commission held on 25th, October 2019, the second edition of the cycle of seminars for Public Attorney's Officers. The objective of this session was to provide 'Magistrates' with knowledge on financial sector matters, particularly in the securities market, in order to assist them in their activities. The event was attended by 30 participants, including Prosecutors from the Common Crimes Rooms, Prosecutors from the National Directorate of Investigation and Prosecution and also staff from the Office of Exchange and Institutional Cooperation of the above mentioned institution.

SUPERVISORY AND ENFORCEMENT ACTIVITIES

During the period from October to December, CMC carried out monitoring activities in the scope of the prudential supervision of regulated entities, specifically, Intermediaries Agents, Regulated Market Management Company (Exchange) and the Management Companies of Collective Investment Schemes. The activities were in a total of off-site supervision and ten (10) onsite supervision, six (6) entities were registered and six (6) transgression processes (enforcement), as described on the table below: Table No 1: Supervision and Enforcement Activities from October to November.

Activities	October/19	November/19	December/19	Total
Off-site Supervision	46	37	19	102
Onsite Supervision	3	7	0	10
Entities Registered	1	3	2	6
Transgressions Process	1	0	5	6

TRADING OF TREASURY BONDS FROM JULY TO AUGUST 2019

During the last quarter of 2019, the Angolan Debt and Securities Exchange (BODIVA) registered the trading of treasury bonds in the equivalent of USD 154.976.431,46 (one hundred and fifty-four million, nine hundred and seventy-six thousand, four hundred and thirty-one dollars and forty-six cents), in the month of October and 118.054.198,94 (one hundred and eighteen million, fifty-four thousand, one hundred and ninety-eight dollars and ninety-four cents) in November, demonstrating a significant reduction in the number of trades and consequently in turnover, as shown in the table below:

Table No. 2: Traded Treasury Bonds from October to November 2019

Period	AOA	USD	No. Business
October	76.966.875.017,00	154.976.431,46	380
November	59.084.220.262,00	118.054.198,94	304

Source: GEE

ESWATINI

UPDATE FROM FSRA ESWATINI

LICENSING

There were two new licensees in the capital markets during the period under review. The FSRA licensed 1 Investment Adviser and 1 Collective Investment Schemes Managers. The capital markets of Eswatini comprises 15 Investment Advisers, 7 Collective Investment Schemes Managers, 14 Collective Investment Schemes, 2 Trustees, 2 Dealer-Brokers, 1 Securities Exchange and 1 Exempt Dealer as shown in the table below:

Licence	Number of Licensees Q3 2019	Number of Licensees Q4 2019
Investment Advisers	14	15
Collective Investment Scheme Managers	6	7
Trustees	2	2
Dealer-Brokers	2	2
Securities Exchanges	1	1
Exempt Dealers	1	1
Total	**26**	**28**

ON-SITE INSPECTIONS

There were three (3) on-site inspections conducted on capital markets entities during fourth quarter of 2019; all three (3) entities are licensed investment advisers. The inspections were conducted in terms of section 62 of the FSRA Act, 2010 , read together with sections 18 bis (a) and 34 of the Money Laundering and Financing of Terrorism Prevention Act, 2011 (as amended) , as part of the FSRA routine inspections 2019 – 2020 schedule. For the first time ever, the FSRA prepared a risk focused inspection schedule targeting the entities with the highest risk first.

The main focus areas of the inspections were;

- Corporate Governance;
- Risk Management; and,
- Business Operations

The inspections were not confined to the above areas; any other issues that were perceived as potentially having a negative impact on the operations of the entities were investigated as well. Inspection reports were drafted to outline areas of concern where there had been non-compliance with the FSRA Act 2010, Securities Act 2010, the Capital Markets Rules and Regulations 2013, and any other relevant laws. Additionally, the reports outlined areas that pose a risk to the operations of the entities as a going concern. The reports stated requirements and timelines for the implementation of those requirements, as well as recommendations to the entities.

ASSETS UNDER MANAGEMENT (AUM) AND ASSETS UNDER ADVISORY (AUA)

Total assets under management (AUM) and assets under advisory (AUA) as at 30 September 2019 amounted to E27,54 billion (USD 1.87 billion). This is a 2.65% increase in the figure reported in the preceding period (Q2 2019). The sum of AUM and AUA represents 41% of Eswatini GDP.

AUM increased 1.34% from E7,70 billion (USD 520 million) in Q2 2019 to E7,81 billion (USD 530 million) during the period under review. AUA increased 3.22% from E19,12 billion (USD 1.30 billion) to E19,74 billion (USD 1.34 billion).

	30 June 2019	30 September 2019	% Variance	30 September 2019 US Dollars
Total Assets	26 824 412 717	27,535,468,742.61	2.65%	1 868 145 253.62

LEGISLATIVE DEVELOPMENTS

The FSRA embarked on a project to modernise Eswatini financial services laws including laws pertaining to securities regulation in the year 2017. In the fourth quarter of 2019, the FSRA published Draft Securities Regulations for industry consultation. The Draft Regulations provide for the regulation of collective investment schemes and their managers, central securities depositories, securities exchanges, contract for differences providers, investment advisers and dealers.

OTHER DEVELOPMENTS

The FSRA was represented at the Eswatini Economic Conference 2019 hosted by the tripartite committee of University of Eswatini (UNESWA), Eswatini Economic Policy Analysis and Research Centre (ESEPARC) and Central Bank of Eswatini (CBE) from 23 to 25 October 2019.

The conference was a convening of economic policymakers, researchers, development practitioners, captains of industry, development partners, and other Eswatini stakeholders to dialogue on economic policy issues in Eswatini. [Images were unavailable at the time of drafting of this report.

The FSRA hosted a roadshow exhibition in Siphofaneni, a town in the Lubombo region of central Eswatini, on 19 October 2019. The roadshow is an ongoing exhibition programme run by the Stakeholder and Consumer Affairs department within the FSRA.

The roadshow is one of the ways the FSRA contributes to financial literacy among the Eswatini public. During the period under review, Siphofaneni residents were educated about the role of the FSRA in the financial sector of Eswatini. The FSRA was accompanied by the only securities exchange in Eswatini, the Eswatini Stock Exchange (ESE) and the Ombudsman of Financial Services (OFS).

FSRA and ESE staff at FSRA roadshow in Siphofaneni, 19 October 2019

A section of the crowd at FSRA roadshow in Siphofaneni, 19 October 2019

FSRA staff make presentations at FSRA Roadshow in Siphofaneni, 19 October 2019

The FSRA hosted a roadshow exhibition in Kwaluseni, located in the Manzini District on 19 November 2019. The roadshow is an ongoing exhibition programme run by the Stakeholder and Consumer Affairs department within the FSRA. The roadshow is one of the ways the FSRA contributes to financial literacy among the Eswatini public.

During the period under review, Kwaluseni residents were educated about the role of the FSRA in the financial sector of Eswatini. The FSRA was accompanied by the only securities exchange in Eswatini, the Eswatini Stock Exchange (ESE) and the Ombudsman of Financial Services (OFS).

FSRA staff presents on Eswatini anti-money laundering legislation at Kwaluseni, 19 November 2019

A section of the crowd at FSRA Roadshow at Kwaluseni, 19 November 2019

ESWATINI STOCK EXCHANGE (ESE)

Listed Equities

	July 2019	August 2019	Sept 2019
Total companies listed	8	8	8
New entrants/listings	0	0	0
Domestic Companies	8	8	8
Foreign Companies	0	0	0

Source: ESE Trading Statistics, 2019

Equity Turnover

A total turnover of E143 thousand was recorded from a sale of 18,750 shares over a total of six (6) trades concluded over the 3rd quarter of 2019. In comparison to the 2nd quarter of 2019, turnover decreased by 99.82%, from E82,5 million in the previous quarter to E143 thousand in Q3-2019.

VALUE TRADED SUMMARY 3RD QUARTER 2019

Company	Number of Shares	Share price (cps)	Emalangeni	Date
Greystone Partners	2 000	315	6 300.00	30/09/19
SBC Limited	1 000	810	8 100.00	08/07/19
SBC Limited	5 000	810	40 500.00	09/08/19
SBC Limited	3 700	810	29 970.00	30/09/19
Swaprop	6 300	790	49 770.00	19/09/19
Nedbank	750	1155	8 662.50	19/09/19
TOTAL	**18 750**		**143 302.50**	

CAPITAL GAINS COMPARISON IN EQUITY PRICES

Two stocks had movements during the third quarter of 2019. Nedbank (NED) and SWAPROP (SWP) appreciated by 3.13% and 30.58% respectively during the period under review.

SHARE PRICE QUARTER COMPARISON AS AT 30 SEPTEMBER 2019

COMPANY NAME	SHARE PRICE JUN 19	SHARE PRICE SEP 19	(%) GAINS	MKT CAP (SZL)
Nedbank Limited	1120	1155	3.13%	276 063 815
RSSC	1400	1400	0%	1 348 851 280
SEL	3418	3418	0%	632 330 000
Swaprop	605	790	30.58 %	183 743 335
Swazispa Holdings	600	600	0%	41 966 964
Greystone Partners	315	315	0%	446 784 852
SBC Limited	810	810	0%	781 569 000
Inala Capital	105	105	0%	75 593 700
TOTAL				**3 786 902 946**

Source: ESE Trading Statistics 2019

ECONOMIC INDICATORS

The country's headline inflation rate decreased 1.6 per cent in October 2019.
The performance of Lilangeni/Rand against the major trading currencies was mixed; stronger against US Dollar and Euro, but weaker against the Sterling Pound.
Discount and prime lending rates were unchanged in November 2019. Prime Lending: 10.00% Discount Rate: 6.50%
Credit extended to the private sector was E14.7 billion at the end of October 2019, falling by 1.8 per cent from the previous month.
Outstanding domestic debt stood at E11.2 billion; an increase of 6.1 per cent and an equivalence of 16.7 per cent of GDP at end of November 2019.

*Source: Central Bank of Eswatini, Recent Economic Developments (November, 2019)

IRAN

UPDATE FROM THE SECURITIES EXCHANGE ORGANIZATION

THE DOCUMENT FOR PREVENTION OF OFFENCES AND CRIMES COMMISSION APPROVED BY EXCHANGE HIGH COUNCIL

Approval of this document demonstrates the SEO's concentration on and gives strict priority to prevent market misconduct and to increase market transparency and fairness.
This Document applies to all market participants including the SROs and will be operated considering their assistance and efforts. "Document for Prevention of Offences and Crimes Commission" has been edited aiming to reach two main goals: to develop soundness of capital market atmosphere, and to extirpate the bases of criminal conducts and offences within the capital market by deploying preventive criminal and non-criminal techniques.

Some of the main methods and techniques highlighted in the said Document are given below:

1. To prepare reporting models and gather data in all fields of capital market, i.e. trading, licenses, communications, supervisions, meetings, prosecutions, crimes, etc.; and updating them on a regular basis.

2. To introduce and strengthen supervision system, and to early recognition capital market misconducts in order to identify ambiguous and offensive bottlenecks.

3. To review rules and regulations on a regular basis, including directives, circulars, etc,

4. Deregulation and qualitative improvements of regulations.

5. E-protection via empowering the IT system, introduce terminals and e-processing,

6. Organizing, integrating and developing licensing processes.

7. Free access to information in order to increase more transparency and to protect citizenship rights based on the rules and regulations.

8. To establish preventive offices in the capital market organs and SROs; and to protect, strengthen and develop them.

9. To review dispute resolution in order to speed up the investigation process.

10. To increase financial literacy, and general and legal awareness among market practitioners.

11. To utilize incentives to public, in order to detect market misconducts, violations and crimes,

12. To develop advisory services.

In order to better implement this Document, several steering committees and relative working groups and commissions have been set up.

CABINET APPROVES RETAIL INVESTORS' RIGHTS PROTECTION BILL

The Cabinet spokesperson, among other approvals by the Cabinet, mentioned the approval of the Retail Investors' Rights Protection Bill, in which the corporate governance issues will be expanded and more attention will be levied on the small investors. This Bill not only welcomes more participation of the retail investors, but also assists foreign investors to obtain more guarantees for their investment in the capital market.

SEO CHIEF: TAXES ON STOCK DIVIDENDS STAY INTACT

The SEO Chairman retracted all spread rumors on levying new taxes on stock dividends, calling them immaterial and baseless. Dr. Shapour Mohammadi said that there has been no plan to levy new taxes on distributed dividends whatsoever; confirmed by the Minister of Finance. "Our aim is to even reduce the existing taxation on distributed dividends in line with our general policy of supporting the capital market practitioners and that is quite contrary to what has recently rumored in the cyber space about imposition of additional taxes on dividends." he added. Dr. Mohammadi concluded: traders and market practitioners can be assured that there is no alteration on taxation of stock market other than plummeting the existing rates.

MORE SUPERVISION ISSUES WITHIN THE SEO

The SEO in order to enhance disclosure and transparency with the ultimate objective to provide an effective market for the investors has recently departmentalized the Issuers Affairs into four offices. This step was taken to raise the efficiency and efficacy of supervision on issuers. The decision has been made based on industry in which all the listed companies are working. The newly-established offices are as follow:

1. Office of Supervision on Chemical Group which covers the supervision on companies active in oil products, energy, pharmaceuticals, and foodstuff sectors,
2. Office of Supervision on Financial and Services Sector Issuers which covers the supervision on companies active in financial services, banks, insurances, leasing, investment companies, telecommunications, and commercial (transportation) sectors,
3. Office of Supervision on Industry and Mine Group which covers the supervision on companies active in mines and metals, machinery, cement and construction sectors, and
4. Office of Supervision on Trusted Auditors and Financial Reporting which focuses on the supervision on trusted auditors.

SHORT SELLING TO GET OPERATIONAL

The Chairman of the SEO, in an interview conducted on the sideline of an international event in Tehran, pointed at the steps taken to make the Shariah-compliant short-selling operational by the end of the Persian year, March 20th, 2019. Some tweaks have been made to the conventional short-selling so that the Iranian capital market, which is a fully Shariah compliant, enjoys this strategy, too. Dr. Mohammadi also stressed the key role of Islamic T-bill in financing many mega-projects in Iran and unraveled the measures the SEO has been taking to come up with a secondary market for it.

SEO ANNOUNCEMENT ON UNAUTHORIZED CRAS

The Securities and Exchange Organization of Iran (SEO) banned the activity of any individual or entity having no license on credit rating. Based on Note 21, Article 1 of the Securities Market Act (SMA) of the Islamic Republic of Iran, credit rating agencies are considered financial institutions, while as per Note 28 of the same SMA, establishment and operation of Exchanges, OTCs and financial institutions are under the SEO supervision.

Any breaching of this law is subject to Note 1, Article 49 of the SMA. Article 49 depicts:
The following persons shall be sentenced to prison from one to six months or a cash penalty equal to one to three times the earned profit or the non-incurred loss, or both:
1. Any person who involves in activities of brokers, broker/dealers or market makers that require permission, without observing the provisions of the present Act under any title whatsoever and/or introduces himself under one of the said titles;
2. Any person who is obliged to present total or partial information or documents to the Organization and/or the related Exchange based on the present Act and refrains to do so;
3. Any person who is responsible for execution of documents, information, Registration Statements, Prospectus and the like for filing with the Organization and also

any person who is responsible for considering and commenting on or execution of financial, technical or economic reports or any certification of such documents or information and violates the provisions of the present Act in the execution of the entrusted tasks and duties;

4. Any person intentionally and consciously misusing any information or documents or false and incorrect reports related to securities, in whatsoever manner.

KISHINVEX 2019 EMBOLDENED IRAN CAPITAL MARKET'S ROLE IN NATIONAL PRODUCTION

Kishinvex 2019, an international investment fair, was held in Kish for 3 days. It brought up numerous takeaways specifically with regard to getting investors familiarized with vast potential the Iranian capital market can offer in variety of fields.Kishinvex 2019 was held on 18- 21 November, 2019, in Kish Island just off the Iranian shores at the Persian Gulf with participation of representatives from over 20 foreign countries. The main aim of the exhibition was to introduce Iran's untapped market in terms of investment in the country's capital market both to local as well as foreign investors looking for profitable financial opportunities for investment with good and well-secured returns. This year's fair was very well received by investors interested to know more about potential Iran's financial market can offer. One of the invigorating coincidences taking place along with Kishinvex was the issuance of 3000 billion Rials Sukuk Islamic financial instruments allocated to develop Kish Island's terminal facilities which were totally sold out as planned Kishinvex 2019. Kishinvex is a sub-category of the main and biggest financial exhibition in Iran named FINEX which is to be held from 20 to 23 April, 2020.

SHARIA BOARD TO ISSUE EQUITY-BASED IJARAH SUKUK BASED ON DOMINANT PRINCIPLES

The Sharia Board of the Securities and Exchange Organization (SEO) has confirmed issuing equity-based Ijarah Sukuk based on dominant principles. In Ijarah Sukuk, the interest of the bondholders is based on the rent they receive at certain times and the rental rate must be fixed in accordance with the Sharia law. Therefore, Ijarah Sukuk is a good instrument for risk-averse investors. Additionally, firms may use this kind of Sukuk as a resource containing cost-financing rate. In the latest meeting, the SEO Sharia Board reviewed three petrochemical companies and stated that the majority of these companies' assets are rentable assets. Therefore, the lease of shares of these companies is approved based on the dominant principle since it is totally Shariah-compliant. Ijarah Sukuk has been issued in the Iranian capital market since 2010; along with other Islamic financial instruments, considered one of the financing methods for companies. Furthermore, Iran's capital market is regarded as a pioneer and leading market in Ijarah Sukuk and has witnessed great developments and progress in this instrument since its first inception.

KENYA

UPDATE FROM THE CAPITAL MARKETS AUTHORITY

CMA BOARD APPOINTS AN ACTING CHIEF EXECUTIVE

The Board of the Capital Markets Authority on 30 December 2019 announced the appointment of Mr. Wycliffe M. Shamiah as the Acting Chief Executive of the Capital Markets Authority with effect from January 1, 2020. Prior to his appointment, Mr. Shamiah had served as the Director Market Operations since November 2011 and has held multiple senior positions in Market Supervision, Research, Financial Analysis and compliance at the Authority over a career of in excess of 22 years. During this period, Mr. Shamiah has been the nominee of the Capital Markets Authority to the Council of the Institute of Certified Public Accountants of Kenya for more than 10 years and a representative of the Authority to the Financial Stability Board Regional Consultative Committee for Sub-Saharan Africa

Mr. Shamiah's appointment as Acting Chief Executive will support the Authority to continue the implementation of its Strategic Plan 2018-23 and the industry 10 Year Capital Markets Master Plan. The appointment is expected to run until the appointment of a substantive office holder by the Cabinet Secretary, National Treasury and Planning following recommendations made by the Board.

Mr. Wycliffe M. Shamiah, Acting Chief Executive of the Capital Markets Authority

CMA CAUTIONS INVESTORS AGAINST DEALING WITH INTERWEB GLOBAL FORTUNE

In a bid to enhance investor protection and the fair treatment of customers, Capital Markets Authority (CMA) has cautioned the public against participating in Online Forex Trading through Interweb Global Fortune and its director Mr. Manasseh Kuria Karanja. Preliminary investigations conducted by the Authority have revealed that Interweb Global Fortune has been purporting to carry on business as an Online Forex Trading Broker and Money Manager without a valid license from the CMA in line with Section 23(1) of the Capital Markets Act. In addition to unlawfully collecting funds from investors, Interweb Global Fortune's business model features traits of a Pyramid or Ponzi scheme, where investors are promised high returns or dividends, which are not realistically available through credible investment products. Investors have also been encouraged to recruit other people for a commission.

The Authority's Capital Markets Fraud Investigation Unit in collaboration with the Directorate of Criminal Investigation conducted an operation against unlicensed and unregulated Online Forex Trading entities in the country. Consequently, the Authority in collaboration with other law enforcement agencies has frozen the company's Bank Accounts pending further inquiries. The investigation further revealed that Interweb Global Fortune has misled investors by claiming that it has applied for a license from the Authority. Contrary to the entity's claim, the Authority has never received any application for license to operate as an online forex broker or money manager from the Interweb Global Fortune or its directors. Members of the public are encouraged to avoid dealing with unlicensed and unregulated financial entities as they risk being defrauded or losing their money.

CMA POLICY PROPOSALS 2020-2021

The Authority held the 2019 policy Round Table stakeholder meeting on 07 November 2019. The proposals were anchored on the theme "Enhancing Capital Market Deepening in Kenya'. This resonates with the quest to further deepen the market and strategically position Kenya to tap on investment flows in the emerging countries.

The three fundamental policy areas on developing a deep and liquid Capital Market incorporated in the 2020–2021 policy proposals include the following;

1. Policies to strengthen Kenya's Capital Market to provide attractive and diverse avenues to deploy short- and long-term domestic savings; and
2. Polices to strengthen the institutional capacity of institutions in the Capital Market; and
3. Policies to enhance Investor protection.

Stakeholders at the CMA 2020–2021 Policy Round Table Forum at Hilton Hotel in November 2019

REGULATORY SANDBOX UPDATES

Three applicants (Pezesha – internet-based Crowdfunding, Innova – cloud-based Data Analytics and Genghis – Mobile Unit Trust) already admitted to the Regulatory Sandbox as at Quarter ended Sep 2019. Two other Firms Belrium and Pyypl have been given no objections to develop the product and the related infrastructure before their admission to the Regulatory Sandbox.

The Sandbox Review Committee (SRC) is finalizing on the application to support the exit of Genghis Capital Limited from the Regulatory Sandbox following the successful testing of Gencap Wekeza Mobile Unit Trust product also known as 'Mali' during a nine-month testing period. The testing was done in collaboration with Safaricom Limited. Consequently, the Authority has granted a 'letter of no objection' to the licensed Investment Bank, to roll out the product at commercial scale to the open market.

MARKET INFRASTRUCTURE UPGRADES

The projects to upgrade the Nairobi Securities Exchange (NSE) Automated Trading System (ATS) and overhaul of the Central Depository and Settlement Corporation (CDSC) central securities depository system was concluded and upgraded key market infrastructures and went live on 14th October 2019. The NSE was getting an upgrade of its existing system from Millennium Information Technologies (MIT from LSEG) whilst CDSC was acquiring a completely new system from Perago.

The upgrade of the two systems was informed by the need to address challenges with the current systems ranging from obsolesce of technology leading to frequent system downtimes, unreliable business continuity capability as well as enhancement of system security in light of emerging needs and cyber security threats. The most fundamental change to the systems is the decoupling aspect. Decoupling ensures that there will be no pre validation of existing trades in equities prior to sale at the ATS level. This system change also allows for new products such as short selling and securities lending and borrowing in line with the Capital Markets Master Plan 2014-2023.

2019 WORLD INVESTOR WEEK (WIW)

The World Investor Week (WIW) is an annual weeklong global campaign promoted by IOSCO to raise awareness about the importance of investor education and protection, and highlighting the various initiatives of securities regulators in these two critical areas. This event gave unique opportunity to IOSCO members to work in collaboration with all capital markets stakeholders, at both the local and international level. This year's event held from 30 September – 6 October 2019 involved various initiatives among them Social Media campaigns, online Resource Centre Campaign, Resource Centre Portal Scavenger Hunt, Resource Centre physical visit, county initiatives, intermediaries outreach program, Facebook Conference and Crossword Puzzle

CMA Investor Education & Public Awareness (IEPA) team led by the Director Market Operations Mr. Wycliffe Shamiah (seated right) during a raffle to launch winners of the CMA Scavenger Hunt.

KENYA'S DOING BUSINESS RATING IMPROVES 5 PLACES

Kenya has improved five positions to 56 globally on attractiveness to investors, the latest World Bank Ease of Doing Business has revealed. This is up from 61 last year. This has been pegged on among others, automation of systems that have made starting business in Kenya easy. The report also shows the introduction of online registration, modification and cancellation of security interests as well as public online searches of its collateral registry have lifted Kenya's access to credit ranking to fourth best in the world.

Further, the implementation of corporate governance rules that require shareholders to approve election and dismissal of external auditors has raised Kenya's investment profile, earning the country global acclaim as top protector of minority investor rights. The World Bank Doing Business 2020 report ranks Kenya top in the minority shareholder protection parameter. The rule on external auditor hiring and firing mark an improvement on minority investors' protection efforts Kenya adopted last year. The measures include increased disclosure requirements, regulation of transactions involving related parties and enhanced shareholders' role in major corporate decisions. Despite the improved position, the slow registration of property and starting a business remain the biggest hindrance.

Table 1 : Kenya's 2020 Ease of Doing Business Metrics

	Indicator	Measure
1.	Dealing with construction	Permits Kenya made dealing with construction permits more transparent by making building permit requirements publicly available online, and by reducing fees.
2.	Getting electricity	Kenya improved the reliability of electricity supply by modernizing its existing infrastructure and by inaugurating a new substation in Nairobi.
3.	Registering property	Kenya made property registration more difficult because of an additional payment slip generation and increased online consent application and title search fees. At the same time, property registration was made faster by moving consents to transfer and payment verification online.
4.	Getting credit	Kenya strengthened access to credit by introducing online registration, modification and cancellation of security interests, and public online searches of its collateral registry.
5.	Protecting minority investors	Kenya strengthened minority investor protections by requiring shareholders to approve the election and dismissal of an external auditor. Paying taxes: Kenya made paying taxes easier by implementing an online filing and payment system for social security contributions.
6.	Resolving insolvency	Kenya made resolving insolvency easier by improving the continuation of the debtor's business during insolvency proceedings.

Source: World Bank EADBR 2020

CMA PUBLISHES SECOND STATE OF CORPORATE GOVERNANCE REPORT

The Capital Markets Authority (CMA) has published the second State of Corporate Governance Report based on an assessment of 53 issuers of securities to the public in the 2018/19 financial year. The report is aimed at raising visibility of the state of corporate governance of issuers of securities to the public in Kenya in order to empower investors and respective boards to encourage continuous improvement in practices. The aim of the report is to encourage issuers of securities to consistently progress as model corporate citizens by adopting and fully implementing the Code and related corporate governance laws, standards and practices.''

The report follows the evaluation of the second set of regulatory reports submitted in accordance with the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the Code), which became effective in March 2017. The Code sets out the principles and specific recommendations on the structures and processes, which issuers should adopt in making good corporate governance an integral part of their business dealings and culture.

The Authority seeks to continually enhance the effectiveness of the assessment process and improvement of corporate governance practices of individual issuers against the Code and other globally accepted corporate governance & sustainability standards such as G20 OECD, IOSCO Corporate Governance Principles, IGCN, King IV, IRC, GRI, and SASB; amongst others.

INTERACTION WITH SHENZHEN SECURITIES EXCHANGE UNDER THE CHINA-KENYA CAPITAL MARKETS INITIATIVE FORUM

In line with the NSE vision to be the leading securities exchange in Africa with a global reach, the exchange has embraced strategic partnerships as a key pillar to the success and growth of the capital market in Kenya. Through this approach, the NSE is now a renowned global exchange offering best in class products and services.

The Authority participated in the CMA, NSE and Shenzhen Securities Exchange organized consultation forum geared towards sharing experiences and finding areas of synergy between the two transcontinental exchanges. The forum also provided a platform for connecting Kenyan Micro, Small and Medium Enterprises to capital raising opportunities in China. The Authority made a presentation during the forum highlighting the key partnership areas with the Shenzhen including technical support, multi-asset surveillance, capacity building support, the vNext Board that is similar to NSE Ibuka/GEMS Board and support in the development of regulatory Sand Box to drive listings by tech companies.

The collaboration between the NSE and SZSE is well aligned with the long-standing China-Kenya Bilateral Ties, which seek to boost trade and development in both countries. In the same vein, the NSE and SZSE agree that China and Kenya have a great potential for economic cooperation, which is presently witnessing rapid growth in both jurisdictions. The Capital Market services are key in facilitating capital formation to stimulate these developmental goals.

Therefore, a high-level delegation from the SZSE visited the Kenyan Capital Markets on October 14-16, 2019. During the visit, the two exchanges hosted and launched for the first time a joint investor forum dubbed the China-Kenya Capital Market Service Initiative Forum (the "China-Kenya Initiative"). The forum aimed at linking Micro, Small and Medium Enterprises (MSMEs) sector in Kenya to investors in Shenzhen to allow a capital formation platform on a larger scale.

The forum also presented the companies on the Ibuka Program to potential investors in China through the V-Next Platform.

Memorandum of Understanding signing between the Chartered Institute of Securities and Investment (CISI) and Capital Markets Authority

University of Eastern Africa Baraton students during a students visit to the Capital Markets Authority offices in Upperhill, Nairobi

NIGERIA

UPDATE FROM THE SECURITIES AND EXCHANGE COMMISSION NIGERIA

SEC NIGERIA INAUGURATES PRIVATE EQUITY COMMITTEE

Private sector activities have been described as key drivers for economic growth and development as they create jobs and pay the taxes that finance services and investments. This was stated by Acting Director General of the Securities and Exchange Commission, SEC, Ms. Mary Uduk during the inauguration of the SEC Private Equity Committee in Abuja, weekend.

Uduk who was represented by Acting Executive Commissioner Corporate Services of the SEC, Mr. Henry Rowlands, said the inauguration of the SEC Private Equity Committee is ahead of the planned National Private Equity Summit.

Uduk stated that the event is an epoch making one for the country as it underscores one of its objectives of facilitating proper understanding and appreciation by government of the importance of private sector activities as key drivers of private sector led economic growth. She said the Nigerian government recognises the importance of private sector-led economic growth, hence it has put in place several partnerships and initiatives between the private sector and the government with a view to achieving optimal economic growth.

According to her, "The private sector remains the key driver of economic growth with the federal government providing enabling framework to galvanise and support private sector investors and participants through such vehicle as private equity funds.

"A McKinsey report highlights this fact by its data that reveals that private equity net assets grew as much as 70% from 2002 till 2018 and twice as fast as public equities. This underscores the high growth rate of private sector investment through private equity funds operations" she stated.

The Acting DG said that with a provision for allocation of $250 million of the pension assets under management of private equity investment, there lies huge potential for the sector to drive economic growth potentials of the Nigerian economy.

"I seize this opportunity to sincerely appreciate Henshaw Capital and Partners for this initiative and all the institutions and agencies that have accepted to participate in this working committee" Uduk added. In his remarks, Mr. Efiok Ekpenyong Efiok, Head, Investment Management Department, SEC said the SEC Private Equity Committee is a SEC driven Committee based on Private sector initiative led by Henshaw Capital Partners in collaboration with key financial sector stakeholders, Federal Government and private sector Institutions.

Efiok said the institutions include Central Bank of Nigeria, Nigerian Sovereign Wealth Fund, National Pensions Commission, Infrastructure Concession Regulatory Commission (ICRC), the Nigerian Stock Exchange (NSE), and Nigerian Association of Securities Dealers (NASD).

According to Efiok, the work of the Committee is geared towards organizing the Nigerian Private Equity summit with the objective of galvanizing the private equity ecosystem in Nigeria to proactively articulate, expand and harness the private equity opportunity in Nigeria.

"In line with this principal objective as articulated in the proposal document, the Summit aims among others to raise awareness of the private equity opportunity to meet a significant portion of the financing needs of Nigeria's exponential growth Companies" he added.

SEC NIGERIA: WASRA'LL AID MOBILISATION OF FUNDS FOR INFRASTRUCTURE

The Securities and Exchange Commission (SEC) has stated that one of the mandates of the West Africa Securities Regulators Association (WASRA) is to provide the necessary regulatory platform for capital market operators to play a major role in mobilising funds.

The Ag. Director-General, SEC, Ms. Mary Uduk, said the funds would finance infrastructure and contribute to the development of the process that will integrate and ultimately develop the regional capital market.

Uduk stated this in Abuja Tuesday while announcing that the West Africa Capital Market Integration Council had commenced registration for the inaugural Biennial West Africa Capital Market Conference (WACMaC) to be held from the 28th to the 29th of October, 2019 in Abidjan, Cote D'ivoire.

The conference has as its theme, "Positioning West Africa Capital Markets to Achieve Sustainable and Real Economic Growth through Integration and Sound Regulation," and seeks to provide a forum for key stakeholders to discuss the pertinent issues relating to infrastructure financing across the region.

The public conference, according to the Ag. DG, will feature over 40 distinguished speakers and panelists from Africa and beyond, including senior policy makers, business leaders, investors, thought leaders, and keynote speakers such as Mark Napier – Director, FSD Africa, Dr Eunice Egbuna – Director-General, West Africa Monetary Institute, M. Constatin Dabir – Special Adviser to the Prime Minister in charge of Public Private Partnerships, Burkina Faso.

Others are Dr. Jonathan Aremu, Consultant, ECOWAS Common Investment Market, Mr. David Ashiagbor – Coordinator, Making Finance Work for Africa, and Mr. Chinua Azubuike, CEO Infrastructure Credit Guarantee Limited to mention a few.

SEC URGES VIBRANT COMMODITIES MARKET TO BOOST FOREX EARNINGS

The Nigerian Securities and Exchange Commission (SEC) has emphasised the need for a vibrant Commodities Exchange to boost the country's foreign exchange earnings.

Uduk spoke at the opening ceremony of a training for Senior Managers and Management Staff of the Investment and Securities Tribunal (IST) in Abuja.

The Acting Director-General, represented by the Head of Department, Registration, Exchanges and Market Infrastructure (REMI) of SEC, Mr Emomotimi Agama, said the nation needed to harness the full potential in the commodities market.

"The Capital Market Master Plan did an analysis of where we are and where we want to be as the leading capital market in Africa.

"One of the areas stressed upon is the commodities market which is very important, but ours is one of the least developed.

"The Nigerian economy is mainly agrarian driven, all states of the federation have exportable quantities of commodities and we have some of the highest grades in the world. "Government wants to diversify to agriculture and so we need to be able to export some of these commodities.

"If the farmers do very well, the earnings of the country will be boosted." She said that the commodities could be exported, while on the other hand industries could be set up that would employ a large number of our teeming population.

She said that if this could be properly developed, "our country would be the better for it''.

Uduk said to achieve this, a better pricing, transparency and quality was required, adding that these were what the government set to achieve with the farmers.

"The crude form they are trading now does not provide the farmers the benefit of price discovery, transparency among others.
"The only way to achieve these is to have an exchange, hence the need arose to set up the technical committee to look holistically at all the issues," she said.

Uduk said that it was important to train the IST officials empowered by Investments and Securities Act, ISA 2007 to adjudicate on capital market issues.

"It realised that this success in the commodities market will bring about disputes. Once the exchange becomes very vibrant, there is bound to be issues and disputes.

"By virtue of the ISA 2007, the Investments and Securities Tribunal (IST) is the adjudicator in event of such issues in the capital market."It is then important that the IST, which has this responsibility, is properly aware of these issues and the types of disputes that will arise."

She said that the training was to create a foundation that we could build upon to ensure disputes were quickly resolved to increase investors' confidence and deepen the market.

SEC NIGERIA: DEVELOPING COMMODITIES TRADING ECO-SYSTEM

Nigerian economy is mainly agrarian driven, all states of the federation have exportable quantities of commodities and we have some of the highest grades in the world.

"Government wants to diversify to agriculture and so we need to be able to export some of these commodities. If the farmers do very well, the earnings of the country will be boosted" She said. She disclosed that these commodities can be exported, while on the other hand industries can be set up that will employ a large number of our teeming population.

"If we can develop this very well, our country will be better for it. What we need now are better pricing, transparency and better quality and these are what we set to achieve with the farmers and that is why the Commodities Exchange is important.

"The crude form they are trading now does not provide the farmers the benefit of price discovery, transparency among others. The only way to achieve these is to have an exchange hence the need arose to set up the Technical Committee to look holistically at all these issues; the nation needs to harness the full potentials in the Commodities market.

According to her, the aim of SEC is to have an efficient commodities exchange because right now that sector of the capital market is dormant and that is why the Commission is leading other capital market stakeholders on capacity building and public enlightenment campaigns.

"We have already commenced capacity building for stakeholders and the public on commodities exchange to bridge the current knowledge gap to ensure we reap the benefits of trading in commodities, all these are part of the implementation of the report of its Technical Committee on Commodities Trading Ecosystem" she said.

Some of the topics to be discussed at the roundtable include, enabling environment for functional commodities trading system, developing a thriving commodities market: success stories from Africa and emerging economies and private sector involvement and key to a strong commodities trading system.

L-R:. Babajide Sanwo-Olu, Executive Governor of Lagos state; Managing Director of FMDQ Securities Exchange PLC, Mr Bola Onadele Koko and Acting Director General, Securities and Exchange Commission (SEC), Ms Mary Uduk, during the launching of Financial Centre for Sustainability in Lagos.

SEC NIGERIA COMMENCES CHECKLIST REVIEW TO REDUCE TIME TO MARKET, PROMOTE EFFICIENCY.

Acting Executive Commissioner Operations, SEC, Mr. Isyaku Tilde at an engagement session with Association of Issuing Houses, Trustees and Solicitors stated that the Commission has commence the review of its checklist.

Tilde noted that whilst this process would drastically reduce time- to- market, it places a huge responsibility on Issuing Houses to ensure that its documentation and filing is flawless. Issuing house are to ensure that all relevant disclosures are made and all necessary documents are filed as there would be no prior review for completeness or deficiency.

"Hence both the Issuing Houses and Solicitors who sign up on such filing take up all attendant liability should the documentation is thereafter found to be incomplete or deficient.

"These procedural changes which are being implemented in stages commenced with the Checklist Review on July 1, 2019 and is expected to run for six months to enable the Commission assess both the capacity and preparedness of Financial Advisers and Solicitors in Particular, whilst the 'Deemed Approval' regime is expected to commence in January 2, 2020," he said.

He noted that the capital market has in recent times faced a number of challenges which has militated against its rapid growth and impacted not just on the work of the operators but on the economy at large.

"The need for a market that lives up to its role of catalysing economic growth by facilitating development cannot be over emphasised, and this informs the various initiatives being pursued under the Capital Market 10 years master plan as well as other ancillary initiatives which seeks to amongst others increase the depth and breadth of the market; make for a more competitive market, reduce cost, promote efficiency, transparency and accountability – all under a collaborative regulatory and oversight regime.

"These vision, coupled with the Federal Government 's drive on ease of doing business led to engagements with your good selves and other key stakeholders which has resulted in the change of preexisting review processes and procedures for debt issuances, to deal with issues of application processing turn-around- time and ensure a highly efficient time- to- market regime," Tilde said.

SEC NIGERIA: SUKUK RULES HAS ENHANCED ISSUANCE PROCESS

The Securities and Exchange Commission (SEC) said that the release of rules on Sukuk bonds has enhanced the issuance process and fostered participation in the instrument in Nigeria.

This was stated by Acting Director General of SEC, Ms. Mary Uduk during a two-day international capital market conference held in Lagos by the SEC in collaboration with the University of Lagos.

Uduk said that following the development, Osun state issued a Sukuk bond to finance building of schools while the Federal Government used two series of Sukuk isuances to finance roads and other infrastructure.

"As we move into the future, we expect to see the issuances of such new products in our market," she said.
Uduk noted that to further support infrastructure financing, especially projects with positive environmental impact, SEC released the rules on Green Bonds in December, 2018.

"The rule defines Green Bond as any type of debt instrument, the proceeds of which would be exclusively applied to finance or refinance in part or in full new and/or existing projects that have positive environmental impact. You may agree with me that green bonds are essential elements of our journey towards economic development and sustainability.

"So far, the Federal Government has issued two green bonds to finance afforestation, renewable energy, provision of clean energy and other climate change initiatives. Also, two companies (NSP-SPV Powercorp Limited and Access Bank Plc) have issued this instrument to finance eligible green assets and projects," Uduk said.

"As we move into the future, we need to continuously embrace innovation in the way we carry out our market operations and regulation. Financial innovation is germane for the conception and delivery of a dynamic industrial society. Market participants and regulators have to continually familiarize themselves with the rapid ever-changing economic, regulatory and business environment" she added.

From Left–Deputy Permanent Secretary, Ministry of Finance and Economic Affairs The Gambia Mrs Juldeh Ceesay; Head, International Relations Division, Securities and Exchange Commission, Mr Tony Iloka; Senior Bank Examiner, Central Bank of The Gambia Mrs Mariama Conateh-Gaye and Principal Financial Analyst, Ministry of Finance and Economic Affairs The Gambia Mr Sulayman Cham during a Meeting between SEC and Ministry of Finance and Economic Affairs The Gambia, in Abuja.

SEC RESTATES COMMITMENT TO SUSTAINABLE FINANCING

The Securities and Exchange Commission (SEC) remains a strong advocate for the promotion of infrastructural development through sustainable financing.

This was stated by Acting Director General, Ms. Mary Uduk at the formal launch of the Financial Center for Sustainability, Lagos (FC4S Lagos).
Uduk said the SEC believes, and very strongly too, that the huge budget deficit and infrastructural gap in the country can be financed by harnessing resources available from sustainability finance investors and interest groups around the world.

According to her, as Nigeria strives to build a diversified economy that harnesses the resources of non-oil sectors to anchor the transition to a more resilient economy, there is the urgent need to close the huge infrastructure gap with investments in sustainable finance initiatives driven primarily by complimentary efforts of the government, regulators and the financial services industry to direct financial capital to more sustainable economic activity.
She said: "It is therefore my expectation that the launch of the Financial Centre for Sustainability, Lagos would serve as a rallying point for further discussions and engagement on ways of taking advantage of the enormous resources and potential of sustainable financing to address the infrastructure gap of our country, deepen the product offering in the Nigerian Capital Market and create greater prosperity for investors and our people.

"There are tremendous opportunities in the areas of power generation and transmission, rail transportation, housing, agriculture and water, among others, where sustainable financing can be an avenue for the private sector to partner with government in the overall drive for prosperity and economic development.

"The Federal Government through the Debt Management Office (DMO) has led the way in Africa in this regard by issuing the first sovereign green bond in December 2017. It has since followed up with another N15bn issuance in June this year specifically to fund renewable energy, afforestation and transportation.

The Acting DG disclosed that following the approval of the Commission's Rules on Green Bonds in October 2018, two issuances have been made by North South Power Services Ltd and Access Bank Plc worth N8.56bn and N15bn respectively, to finance various infrastructural projects in the power, water and agriculture sectors of the Nigerian economy.

She said the onus therefore lies with all in the financial services industry to work together

and continue to expand these issuances by locating a need and fashioning appropriate sustainable financing products to meet them.
"In addition, the Securities and Exchange Commission led the creation of sustainable finance guidelines and disclosure requirements for capital market operators. The guidelines which will be rolled out before the end of the year were developed in line with the Nigerian Sustainable Finance Principles (NSFP), as adopted by the Financial Services Regulatory Council Committee (FSRCC).

"We expect more issuances given that the huge infrastructural gap not only promises competitive returns on investment, but more importantly ring-fences the issue proceeds from misappropriation as the funds are tied to specific projects and would only be disbursed in line with the provisions of the issue prospectus", she stated.

In his remarks, Governor Babajide Sanwo-Olu of Lagos state tasked citizens to collectively deal with the large amounts of domestic, commercial and industrial waste generated daily across the city.

SEC: NEW FRAMEWORK ON CROWDFUNDING REGULATION TO BE RELEASED SOON

The Securities and Exchange Commission (SEC) has hinted that a framework to regulate the use of crowdfunding by small businesses to raise capital is in the offing.

The Acting Director General of the SEC, Ms. Mary Uduk gave the indication on the sidelines of the ongoing annual meetings of the World Bank and International Monetary Fund (IMF) in Washington DC.

Uduk said the move is aimed at protecting investors in the capital market. "Investors' confidence is central to our job as the regulator of the capital market. People must have the confidence to invest," she said.

"With crowdfunding, private companies like SMEs can raise money, raise long-term funds using regulated platforms. The platform of the crowdfunding will be regulated by the SEC."

Speaking on the performance of the capital market in 2019, Uduk said the market has received a significant boost with the listing of MTN Nigeria and Airtel on the Nigerian Stock Exchange.

"The primary market has witnessed a new trend in the last one year with the listing of the telecom companies (MTN Nigeria) and also the recent IPO and dual listing of Airtel," she said.
"The dual listing of Airtel signifies the interest of the foreign issuers into the Nigerian capital market.
"Consequent to the Airtel IPO, some offshore companies are in discussion with the commission for an IPO that will be dually listed in Nigeria and the UK.

"If you look at the equities market, especially on the NSE, the market has lost about 16 per cent so far this year, on the back of relatively weak economic fundamentals and investors sentiments.

"However, as we are into the last quarter of the year, we hope to also see some improvement in the equities segment, especially as investors see opportunities to pick low-priced stocks.
"As you know, even in a down market, there are still opportunities, since what is down has a higher probability of rising."

On the back of MTN Nigeria and Airtel's listing, Uduk said it would be a great thing for more companies in the oil and gas sector to list on the stock exchange.

"As you rightly said, the listing of MTN and Airtel was a very positive outcome and they substantially raised the capitalisation of the equities market. It also meant we now have the telecoms sector of the economy represented on the stock market," she explained.

"Therefore, it will be great to also have the petroleum sector well represented on our market and having NNPC will make it greater. Recall that one of the provisions of the petroleum industry governance bill (PIGB), if approved, is to list 10 per cent and an additional 30 per cent of NNPC companies between five and 10 years.

"If this is done, it will significantly improve the size and performance of our market. Meanwhile, it will also be important for the NNPC companies to be well commercialised such that they can return positive profits to their shareholders.

"I believe that with the country's potential in the oil and gas sector as well as with appropriate governance and commercialization policy, investors, the market and the entire economy will benefit from such listing and it will be a great achievement indeed."

Uduk assured that the Commission would continue to seek new ways to expand the market and release instruments that would make investments easier.

SEC HINGES PROSPERITY ON SOUND ECONOMIC POLICIES

Acting Director-General of the Securities and Exchange Commission (SEC), Ms. Mary Uduk, has stated that sound domestic economic policies are critical to the actualisation of a nation's prosperity.

She urged key stakeholders in the capital market to implement sound economic policies and build robust financial institutions for the economic prosperity of West Africa (WA).

Addressing participants at the maiden West Africa Capital Market Conference in Abidjan, Cote d'Ivoire, Ms. Uduk reiterated that the m Uduk said the theme of the conference, 'Positioning West Africa Capital Markets to Achieve Sustainable and Real Economic Growth through Integration and Sound Regulation', clearly articulated the aim of the gathering.

"The conference could not have taken place at a better time with globalisation and increased connectivity of our markets as well as investors' quest for liquidity, market efficiency, and lower transaction costs, it has become imperative to begin to have conversations around initiatives aimed at integrating markets and improving regional market competitiveness.

Her words, "In addition, market integration requires participating exchanges to have the proper technological infrastructure to facilitate trading as well as adopt the highest standards of transparency and integrity."

She said the forum provided participants with the rare opportunity to share relevant experiences and knowledge of best practices in capital market operations and regulation.

"I, therefore, urge us all to take advantage of this auspicious event to learn from one another and adopt principles that will strengthen integration efforts in the WA region and deepen our markets to be competitive, robust and resilient to shocks," she added.

In addition, the Vice President, Republic of Cote d'Ivoire, Daniel Duncan, while declaring the conference open expressed the need for a harmonised regulatory framework within the WA sub-region for economic growth.

Duncan emphasised that capital markets in the region were important to economic growth and commended the conference organisers on the initiative.

According to him, the development of states has shown the importance of capital markets in their respective economies.

He said, "We need to work towards addressing the challenges facing our countries. We, therefore, need to find ways to mobilise part of the global savings to Africa to finance infrastructure development."

OMAN

UPDATE FROM CAPITAL MARKETS AUTHORITY

CMA APPROVES FIRST PROSPECTUS FOR REAL ESTATE FUND

The Capital Market Authority has approved the prospectus for the issuance of the units of Aman reals estate fund pursuant to the Real Estate Investment Funds Regulation, which is an economic diversification enhancement initiative as the first real estate investment fund in Oman with RO 20 million capital , 50% of which is offered for public.

The prospective indicates that the fund will offer 100 million investment units in public offering at 102 Baisas per unit (0.27 USD) comprising 100 Baisa (0.26) issue price and 2 Baisas issue expenses. The units will be offered during the period 2-16 January 2020. The minimum limit for subscription is 1,000 unit and a maximum of 10 million units for individuals, and a minimum of 10000100 units and maximum 20 million units for juristic persons.

It is worth to note that real estate funds provide numerous options for investors including allowing companies and individuals to invest in properties and holding investment units in addition to allowing foreigners to own properties indirectly to push the economic and development wheel as qualitative addition to the Gross Domestic Product which would enhance investment opportunities in real estate as new supporter of investment through qualifying small and institutional investors to enter the Omani market and encourage investment in real estate, attract foreign investments and capital as well as diversification of investment options, increase the market depth and benefit from the features of such financing instrument in stimulating the real estate business in Oman.

CMA APPROVES 300 MILLION SUKUK AL IJARAH PROGRAM OF OMAN SOVEREIGN SUKUK COMPANY

The Capital Market Authority has approved the results of allocation of First and Second Issues of Sukul Al Ijara program of Oman Sovereign Sukuk Company in private placement. The volume of the issues is 3 million Sukuk at a total value of RO 300 million and an issue price of RO 100 per Suk as per the period and terms and conditions stipulated in the prospectus.

The volume of the first issue is one million Sukuk at a total value RO 100 million for five years with maturity date on December 10, 2024.

The volume of the second issue is 2 million Sukuk at a total value of RO 200 million for seven years with maturity date on December 10,2026.

Sukuk Al Ijarah are debt instruments for financing investment projects and initiatives which are negotiable securities of equal value representing shares in holding leased properties or benefits in leased properties or services holdings.

CMA PREPARES REGULATION FOR THE COMMERCIAL COMPANIES LAW FOR PUBLIC CONSULTATION

The Capital Market Authority had invited all public joint stock companies, audit firms and law firms to opine and comment on the draft regulation for implementation of the Commercial Companies Law (CCL) with regard to public joint stock companies.

The draft was posted on the CMA's website (www.cma.gov.om) for the stakeholders to opine on it until Thursday October 31, 2019 to achieve the principle of participation in drafting the regulations regulating the businesses of public joint stock companies.

CMA SUSPENDS EIGHT AUDIT FIRMS FROM AUDITING THE ACCOUNTS OF THE COMPANIES REGULATED BY CMA FOR THREE MONTHS

The Capital Market Authority has issued a number of decisions suspending 8 audit firms from auditing the accounts of the companies regulated by CMA for three months as a grace period to rectify their situations and meet the legal requirements.

The move comes as it is established the firms have violated Second Paragraph of First Article of Decision No. 8/2018 on the Rules for Accreditation of Auditors which provides" Auditors accredited by CMA must renew their accreditation during a period not exceeding six (6) months from the date this regulation having effect."

CMA HOSTS THE 19TH MEETING OF THE GCC COMMITTEE OF CAPITAL MARKETS AUTHORITIES, AND THE 8TH MEETING OF THE GCC MINISTERIAL COMMITTEE OF THE CAPITAL MARKETS REGULATORS

The GCC Committee of Capital Markets Authorities held the 19th meeting. The meeting discussed number of issues, most notably; the initiatives and priorities of the coming period to facilitate procedures, serving the GCC citizens and the integration of the GCC Capital Markets.

It is worth mentioning that on the margins of this meeting, the Committee held the 2nd joint meeting with the Heads of the GCC Stock Markets, where they discussed the possibility of unifying the opening times of the GCC stock markets, activating the inter-recognition among the GCC stock markets and find the best methods to apply it, studying mechanisms for the central clearing of the GCC capital markets and the dual listing of the capital markets of the GCC States.

The 8th Meeting of the GCC Ministerial Committee of the Capital Markets Regulators included the launch of the knowledge portal for the Gulf Capital Markets, which includes studies, researches and training programs as a platform that facilitates the exchange of experiences between the GCC capital markets. During the meeting, they discussed the recommendation of the GCC Presidential Committee of Capital Markets Authorities in regards to activating the inter-licensing of investment funds and related services between the GCC States, as well as the aspirations of the members of the Economic and Development Affairs Authority on the strategic aspects that should be taken into consideration in the work program and priorities of the Economic and Development Affairs Authority.

The Committee also reviewed the unified rules and regulations for the integration of capital markets in the GCC States and discussed the importance of joint work in order to achieve financial awareness among the member States and promote the investment culture and benefit from the experiences of the Gulf markets in this regard.

CMA PARTICIPATES IN THE MEETING OF THE WORLD ALLIANCE OF INTERNATIONAL FINANCIAL CENTERS (WAIFC)

The CMA participated in the meeting of the World Alliance of International Financial Centres (WAIFC). held in Abu Dhabi. During the meeting, the latest developments in financial technology and the role of financial centers in financing the economy as well as sustainable financing and the latest economic indicators were discussed.

CMA ORGANIZES TRAINING PROGRAM ON COMPLIANCE, CORPORATE GOVERNANCE AND RISK MANAGEMENT

The Capital Market Authority organized a training program titled" Compliance, Corporate Governance and Risk Management" in collaboration with the Union of Arab Securities Authorities.

The programs aims to acknowledge the participants with the concepts of compliance, corporate governance and risk management, and the role of the regulators and supervisors of capital markets.

The program highlighted a number of relevant issues and case studies from the regulator point of view.

The program targeted employees of capital market institutions especially the workers of surveillance, disclosure, listing and enforcement departments and the employees of stock exchanges, the depository and other entities such as financial intermediaries, financial institutions and banks.

CMA REVIEWS WITH JUDGES THE REGULATION OF THE CAPITAL MARKET AND INSURANCE SECTOR

The Capital Market Authority hosted a delegation of judges from the primary and appeal courts to discuss the regulatory mechanisms of the capital market and insurance sector. The meeting reviewed the legislative and regulatory aspects of the capital market and insurance sector, beside the issues related to buying and selling shares as well as matters related to insurance.

CMA CONDUCTS A TRAINING PROGRAM ON (MONITORING AND INSPECTION OF LISTED COMPANIES

In cooperation with the Secretariat of the Gulf Cooperation Council, the CMA organized a workshop on (monitoring and inspection of listed companies) The workshop aims to provide participants with expertise and skills related to inspection issues on listed companies in the market, as well as control of trading operations in financial markets, as well as providing them with practical and realistic cases of inspection and control issues. In addition to understanding and analyzing methods of manipulating financial markets and how to combat them

THE CMA LAUNCHES TAHEEL, A TRAINING INITIATIVE FOR NATIONAL INTERNAL AUDIT GRADUATES

Taheel, Arabic for qualifying, is a training initiative, which aims at upskilling fresh Omani graduates of accounting and finance to prepare them to work as internal auditors, and supplying the market with qualified candidates.

The Capital Market Authority receives students from the Middle East College

In its endeavor to spread awareness within different groups of the society the received a group of students from the Middle East College. The students were introduced to the authority and its supervisory and legislative role in Capital market and insurance sectors.

CMA CONDUCTED THE FOLLOWING AWARENESS SESSIONS:

1- Workshop for a local school teachers. The workshop included two working papers: The first on the stock market and its economic importance, financing via the market, the organization structure of the money market and the role of the authority in the market, and how the individual benefits from the market.

2- Awareness lecture on the capital market at Ghala Air Force Base (in coordination with the Office of the Minister of Defense)

3- Workshop about the capital market and its economic functions at the Ministry of Higher Education.

PALESTINE

UPDATE FROM PALESTINE CAPITAL MARKET AUTHORITY

THE CENTRALIZED SHAREI'A BOARD HELD ITS FIRST MEETING.

The centralized Sharei'a Board held its first meeting at PCMA headquarter. The meeting included discussions about the Islamic financial issues for the non-banking financial sector in Palestine, which enhances the PCMA capabilities toward regulating the Islamic financial services in Palestine.

It is also worth mentioning that the centralized Sharei'a Board will be acting as counselor for the PCMA concerning the Islamic financial activities performed by the non-banking financial sector. The centralized Sharei'a Board will provide Sharei'a opinion, which aims to regulate the work of the non-financial Islamic service providers.

The first meeting between the Sharei'a Board and the PCMA executive management

PCMA on-job visit to Jordanian insurance market aiming to explore the Jordanian experience with Traffic accident information system (E Kroka).

PCMA delegate conducted an on-job visit to Jordan to explore the Jordanian experience with Traffic accident information system (E Kroka), and the possibility of implementing the system in Palestine. This system is currently applied in Jordan and it enables the Jordanian insurance companies to review the registered road accidents immediately (OnLine), and enables them to contact its insurers immediately at the time the accident happen.

PCMA delegate to Jordanian insurance market.

The Financial Inclusion National Committee held its third meeting.

The technical committee for financial inclusion had submitted the annual implementation report for the national committee which in turn discussed, reviewed and approved the report results, the report shows the progress of implementing the financial inclusion national strategy, including activities which were implemented by both PCMA and PMA which mainly aimed to enhance the financial inclusion in Palestine. The importance of the strategy lies in enhancing the economic development as well as enhancing the financial conditions for all of the society's segments. It is worth mentioning that Palestine is considered one of the first Arab countries that launched the national strategy for financial inclusion in accordance with the international best practice.

During the meeting held by the financial inclusion national committee jointly chaired by His excellency Dr Nabeel Kassis (PCMA Chairman) from the left and his excellency Mr. Azzam Shawwa (the Governor of PMA) on the right.

The CEO of PCMA Mr. Barraq Nabulsi introducing the Financial Leasing Day.

PCMA launching Financial Leasing Day in Palestine.

PCMA has launched (Financial Leasing Day in Palestine), with the cooperation of the Italian Agency for Development and Cooperation, and The federation of Palestinian chambers of Commerce, Industry and Agriculture.

This event aims to introduce the financial leasing activity for the attendees; and its vital role in financing small and medium enterprises. The event also included an open meeting with the licensed financial leasing companies in Palestine to encourage this important financial activity in Palestine.

Financial leasing company presents its offers and services concerning the financial leasing.

QATAR

UPDATE FROM THE QATAR FINANCIAL CENTRE REGULATORY AUTHORITY

QFC REGULATORY AUTHORITY AFFIRMS THAT VIRTUAL ASSET SERVICES MAY NOT BE CONDUCTED IN OR FROM THE QFC

The QFC Regulatory Authority (Regulatory Authority) has affirmed that Virtual Asset Services may not be conducted in or from the QFC at this time. For the purposes of this subject the below definitions apply:

"Virtual Asset" means anything of value that acts as a substitute for currency, that can be digitally traded or transferred and can be used for payment or investment purposes, excluding fiat currencies and other monetary instruments.
"Virtual Asset Services" are any one or more of the following activities or operations:

- Exchange between virtual assets and fiat currencies;
- Exchange between one or more forms of virtual assets;
- Transfer of virtual assets;
- Safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets; and
- Participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

"Virtual Asset Service Provider" is any natural or legal person who as a business conducts one or more Virtual Asset Services for or on behalf of another natural or legal person.

For the avoidance of doubt, the Regulatory Authority does not generally consider activities in relation to digital forms of securities or of other financial instruments that are regulated by the Regulatory Authority, the Qatar Central Bank or the Qatar Financial Markets Authority to be Virtual Asset Services for the purposes of this Circular. The Regulatory Authority may from time to time issue additional guidance to Authorised Firms on compliance with this Circular, including as to scope and application of the definition of Virtual Asset.

In accordance with QFC Law No. 7 of 2005 and the Financial Services Regulations (FSR), all Authorised Firms (as defined in the FSR) are not currently permitted to provide and/or facilitate the provision of Virtual Asset Services or otherwise exchange, trade or deal in Virtual Assets, until further notice.

The Regulatory Authority shall impose penalties in accordance with its rights and obligations pursuant to QFC Law No. 7 of 2005 in case of any violation of undertaking permitted activities that are not permitted in the QFC.

QFC Regulatory Authority consults on updated Anti-Money Laundering and Combating the Financing of Terrorism Rules

The QFC Regulatory Authority (Regulatory Authority) issued a consultation paper, on 11 December, on the following proposed rule amendments:

- Draft Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019 ("draft AML/CFTR Rules"); and
- Draft Anti-Money Laundering and Combating the Financing of Terrorism (General Insurance) Rules 2019 ("draft AMLG Rules").

The proposed amendments apply to QFC authorised firms and QFC licensed firms that are Designated Non-Financial Businesses and Professions

On 11 September 2019, the State of Qatar announced the adoption of Law No. (20) of 2019 on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT), which amends and replaces Qatar's existing law No. (4) of 2010 on Combating Money Laundering and Terrorism Financing.
The Regulatory Authority has completed its assessment of the new AML/CFT Law and the accompanying Implementing Regulations and concluded that the required changes to the Regulatory Authority's AML/CFT Rules framework will be limited and focused to specific matters. In that connection, amendments are proposed to address the following matters:

a Definitions will be revised to take account of a new definition of 'politically exposed persons' and changes to the definition of 'terrorist act', 'terrorism financing', 'terrorist organisation', 'beneficial owner' 'funds', 'customer' and 'instruments' in respect of digital or electronic financial instruments;

b Amendments to elements of the requirement that firms implement an effective risk-based approach to AML/CFT, including for example, the timing and extent of customer due diligence and the risk assessment of new products and technologies; and

c The time required for record retention will be increased for authorised firms and designated non-financial businesses and professions from a minimum of six years to at least 10 years.

QFC Regulatory Authority consults on updated operational risk prudential framework for conventional and Islamic banks
The QFC Regulatory Authority (Regulatory Authority) issued a consultation paper on the draft Banking Business Prudential (Operational Risk) Amendments Rules 2020 and the Islamic Banking Business Prudential (Operational Risk) Amendments Rules 2020 ("the draft Rules"). The Regulatory Authority is seeking to assess the impact of these proposals on QFC authorised banks.

The proposals relate to the operational risk management framework and form part of an ongoing consultation with QFC authorised banks to enhance the Governance and Controlled Functions Rules 2012 and bring the operational risk framework in line with standards published by the Basel Committee on Banking Supervision ("BCBS"). While the Islamic Financial Services Board ("IFSB") is currently consulting on the revision of its capital adequacy standard for institutions offering Islamic financial services, the Regulatory Authority is anticipating that the future IFSB standards will be similar to the BCBS approach to operational risk.
The primary aims of the proposed rule amendments are to strengthen the current qualitative operational risk management framework and introduce new quantitative operational risk requirements in a proportionate manner while maintaining alignment with the latest developments in the BCBS standards and future IFSB standards.
The Regulatory Authority is proposing that the draft Rules relating to the qualitative requirements will commence on 1 April 2020. Following the development and field-testing of new operational risk prudential returns, the Regulatory Authority is proposing to commence the quantitative draft Rules by 1 January 2022.

Please click here to access the Consultation Paper and the draft Rules.

QATAR

UPDATE FROM THE QATAR FINANCIAL MARKETS AUTHORITY

Qatar Financial Markets Authority هيئة قطر للأسواق المالية

QFMA AND QFIU ORGANIZED PUBLIC-PRIVATE DIALOGUE FORUM ON AML/ CTF

Qatar Financial Markets Authority (QFMA), in cooperation with the Qatar Financial Information Unit (QFIU), organized the 3rd meeting of the public-private dialogue forum on Anti-Money Laundering and Combating Terrorist Financing (AML/ CTF). The meeting, held at the QFIU headquarters, aims to strengthen national cooperation towards upgrading the AML/ CTF national system. During the meeting, they reviewed the second part of the review study on Suspicious Transactions Reports (STR) and the Electronic STR System (E-STR) as well as a private sector visual presentation. The meeting was attended by 37 participants representing financial institutions and entities licensed by QFMA.

QFMA ORGANIZES A WORKSHOP ON ANTI-MONEY LAUNDERING AND COMBATING TERRORIST FINANCING "AML/CTF"

QFMA has organized a workshop for entities under its jurisdiction on Anti-Money Laundering and Combating Terrorist Financing "AML/CTF" with attendance of 25 participants from 16 entities. The organization of such workshop came as part of the QFMA's contribution to national efforts in enhancing the efficiency of the AML/CTF system in the State as well as the preparation for the mutual evaluation process. The workshop addressed the elements of the AML/CTF Program of entities under the QFMA's jurisdiction. Such elements include institutional governance of anti-money laundering systems, compliance programs and internal control procedures, monitoring with a view to detecting and reporting suspicious activities, training, education and awareness raising, and independent audit and review. The workshop also discussed the QFMA's methodology for preparing the evaluation process.

QFMA PARTICIPATES IN THE MEETINGS OF CAPITAL MARKETS AUTHORITIES IN THE SULTANATE OF OMAN

Qatar Financial Markets Authority (QFMA) has participated in the meeting of the GCC Committee of Heads of Capital Markets Authorities, which was held on Sunday in Muscat, Oman. The QFMA was represented at this meeting by an official delegation headed by Mr. Nasser Ahmed Al Shaibi, Chief Executive Officer. The meeting discussed a number a number of important issues in the integration of financial markets in the GCC countries, most notably and the initiatives and priorities of the coming period to facilitate procedures, serving the GCC citizens and the integration of the GCC Capital Markets. They also addressed the latest developments regarding the memorandum of understanding between the regulators of the GCC Capital markets, as well as the latest developments of the GCC Working Group for the Capital Markets Integration Strategy. On the margins of this meeting, the Committee held the 2nd joint meeting with the Heads of the GCC Stock Markets, where they discussed a number of issues, the most important of which is the possibility of unifying the opening times of the GCC stock markets, activating the inter-recognition among the GCC stock markets and find the best methods to apply it, studying mechanisms for the central clearing of the GCC capital markets and the dual listing of the capital markets of the GCC States. The QFMA also participated in the 8th meeting of the GCC Ministerial Committee of the Financial Markets Regulators held on Monday. The meeting included the launch of the knowledge portal for the Gulf Capital Markets, which includes studies, researches and training programs as an electronic platform that facilitates the exchange of experiences between the GCC capital markets. During the meeting, they discussed the recommendation of the GCC Committee of Capital Markets Authorities in regards to activating the inter-licensing of investment funds and related services between the GCC States, as well as the aspirations of the members of the Economic and Development Affairs Authority on the strategic aspects that should be taken into consideration in the work program and priorities of the Economic and Development Affairs Authority.

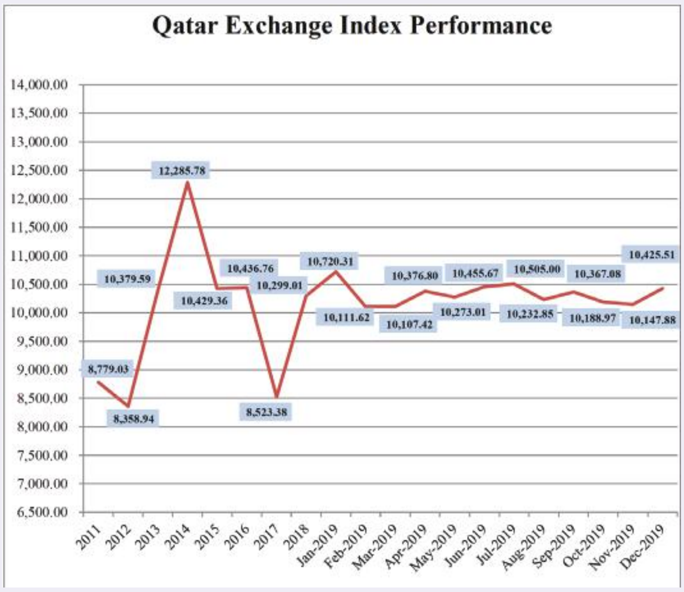
MOU BETWEEN QU & QFMA FOR JOINT COOPERATION AND EXCHANGE OF EXPERIENCES

Qatar University (QU) and Qatar Financial Markets Authority (QFMA) has signed a Memorandum of Understanding (MoU) for further collaboration between the two parties. The MoU was signed by Dr. Hassan AL Derham, President of QU and Mr. Nasser Ahmed Al Shaibi, CEO of QFMA.The MoU signed at QU includes cooperation in areas of researches and studies, surveys and polls, as well as events and activities. According to the MoU, areas of cooperation between the parties include collaboration in the areas of exchange of experiences and information including newsletters, journals, studies, statistics and other data, as well as conducting studies, and holding conferences, meetings, and training. In addition to cooperation in areas of research and studies, cooperation on any other possible respective fields that are of mutual interest for both parties. The signing of the MoU between the two parties comes as a part of their rrecognize the vital and effective role that the State institutions play in serving the country and the society, and in an effort to exchange information and experience to improve the performance of the two parties according to the comprehensive quality standards, and in accordance with the jurisdictions and legislations in force in the State. In addition, this signing is necessary to establish joint cooperation covering different, scientific, administrative, technical and research areas. In his speech, Dr. Hassan bin Rashid Al Derham, President of QU, said: "I am delighted to participate in this MoU signing ceremony with QFMA, which is an active partner and under this agreement, the cooperation will be further enhanced, as it is of particular importance to the QU for its cooperation in the areas of studies, research and surveys, as well as all fields related to scientific, administrative, technical and research.The QU president added that this MoU is part of the university's strategy in the field of community service, which is a fundamental objective of the university strategy.For his part, Mr. Nasser Ahmed Al Shaibi, Chief Executive Officer of QFMA welcomed the strategic partnership with QU, stating that the MoU reflects the joint interest between the two parties to contribute in enhancing the exchange of experiences and information in order to benefit both parties from their respective institutional experiences. Mr. Al Shaibi expressed his hope that the MoU will usher in a new phase of constructive cooperation between the two parties, which are making great and continuous efforts to play their role through benefit and quality that will enhance the positive results we all aspire to. He added that we expect more cooperation with QU in the near future for the benefit of both parties, which will reflect positively on the University and the capital market sector in the State. The signing ceremony was attended by the Vice President for Administrative and Financial Affairs, Chief Strategy & Development Officer, Dean of the College of Business and Economics, and a number of QFMA staff and officials.

QATAR STOCK EXCHANGE PERFORMANCE (QSE)

(1 USD = QAR 3.65)

At the end of 4th Quarter 2019, Qatar Stock Exchange (QSE) General Index closed at 10,425.51 increased by 126.50 points, reflecting a rose of 1.23% compared to the performance of the index at the end of 2018.



MARKET CAPITALIZATION

Total equity market capitalization at the end of 4th quarter 2019 reached USD 159.66 Billion, showing a decrease of 1.01% compared to the 2018 year-end results.

Daily Trading Average for Listed Securities

The results of the daily trading average for listed securities at the end of 4th quarter 2019 compared to the daily trading average of the previous year is as below:

1- Daily Trading Average Value: Compared to 2018 results the Daily Trading Average Value at the end of 4th quarter 2019 decreased by 1.56 % to reach USD 74.20 Million.

2- Daily Trading Average No. Transactions: Compared to 2018 results the Daily Trading Average No. Transactions at the end of 4th quarter 2019 increased by 46.01 % to reach 6,116.07 transactions.

GOVERNMENT DEBT INSTRUMENT

QCB ISSUES TREASURY BILLS WORTH USD 1,863.01 MILLION UNTIL END OF THE FOURTH QUARTER.

Qatar Central Bank (QCB) listed Treasury Bills (T-Bills) until end of 4th quarter for the period of 3, 6 and 9 months, where the total amount of issuance is (USD 1,863.01 Million).

Listed & Traded T. Bills (USD Million)

T. Bills	Until end of 4th Quarter
Listed T. Bills□	1,863.01
Traded T. Bills□	-

QCB ISSUES GOVERNMENT BONDS WORTH USD 8,219.18 MILLION UNTIL END OF THE FOURTH QUARTER.

Qatar Central Bank (QCB) listed Government Bonds (G. Bonds) until end of 4th quarter for the period of 3, 5 and 10 years, where the total amount of issuance is (USD 8,219.18 Million). The traded on the G.Bonds until end of 4th quarter was (USD 1,974.60 Million).

Listed & Traded G. Bonds (USD Million)

G. Bonds□	Until end of 4th Quarter
Listed G. Bonds□	8,219.18
Traded G. Bonds	1,974.60

ETF Traded Until End of the 4th Quarter

ETF Name	Traded Value (USD Million)
QE Index ETF (QETF)	12.53
Al Rayan Qatar ETF (QATR)	4.22
Total	**16.75**

SAUDI ARABIA

UPDATE FROM THE CAPITAL MARKETS AUTHORITY

THE CAPITAL MARKET AUTHORITY ANNOUNCES THE ADOPTION OF THE AMENDED RULES ON THE OFFER OF SECURITIES AND CONTINUING OBLIGATIONS

In continuance to the Capital Market Authority's (CMA) effort to regulate and develop the capital market, in addition to deepening it and promoting its role in raising capital, which were included in the CMA's strategic objectives to enhance the attractiveness of the market for investors of all classes under the pillar of facilitating funding, one of the pillars of the CMA's strategic plan (Financial Leadership Program 2019-2021), and in line with (the Financial Sector Development Program) one of the main programs to achieve the objectives of Saudi Vision 2030.

The CMA Board has adopted the amended Rules on the Offer of Securities and Continuing Obligations (the Rules). The Rules shall be effective upon its publication date, except for paragraphs (1) and (3) of Article 90 of the Rules, which will enter into force starting from 01/01/2020G.

The most prominent amendments that aim at developing the Parallel Market (Nomu) and promoting the trading and listing in it are allowing the direct listing in the Parallel Market, and regulating the provisions related to it in the Rules and the Listing Rules. In addition to changing the disclosure requirement of the interim financial statements from quarterly basis to semi-annual basis for companies listed on the Parallel Market, provided that the referenced amendment to the disclosure requirement of the interim financial statements shall enter into force starting from 01/01/2020G.

In addition, a number of amendments have been adopted to the Rules that will allow foreign issuers to list their shares on the main market, by stating the provisions with which the foreign issuer who submits an application for listing in the Main Market in accordance with the listing rules shall comply. It is also worth mentioning that the CMA Board's resolution to adopt the Rules included that the investments limits imposed by the Capital Market Law and its implementing regulations on the investments of foreign investors shall not apply to the investments of foreign investors (of all categories, whether resident or non-resident) in the shares of the foreign issuer that are listed on the Main Market in accordance with the Listing Rules. In addition, the aforementioned resolution also provides that all categories of foreign investors are allowed to invest directly in the shares of the foreign issuer whose shares are listed on the Main Market in accordance with the Listing Rules.

Other amendments to the Rules included the amendment of paragraph (c) of Article (69) of the Rules to include termination of a director's membership in the board of directors or director's dismissal from the board of directors, and termination of any of the audit committee's membership. The amendments on the Rule also included adding a requirement obliging the issuer seeking registration and offering or registration of its shares in the Parallel Market to submit along with its application to the CMA electronic copies of the acknowledgement and an undertaking signed by the board of directors of the issuer and by each proposed director of the issuer in the form set forth in Annex 8 of the Rules. Further amendments on the Rules included amending Articles 24 and 75 of the Rules for the financial statements required to be submitted in the case if the period covered by the most audited financial statements has ended more than six months prior to the expected date of approval of the application for registration and offer or the application for registration to become reviewed financial statements instead of audited financial statements. The amendments also included amending subparagraph (2) of paragraph (a) of Article (69) of the Rule in relation to the periods during which directors, senior executives or audit committee members of the issuer or any of their associates my not deal in any securities of the issuer. The amendment of the aforementioned subparagraph included that the period of the prohibition of dealing will be during the 30 calendar days preceding the end of the financial year and until the date of disclosing the issuer's audited annual financial statements, or the interim financial statements for the fourth quarter if the issuer has disclosed them after reviewing them and fulfilling the requirements of Article (64) of the Rules. Further, the amendments also included extending the scope of exempt offer pursuant to subparagraph (8) of paragraph (a) of Article (6) of the Rules to not limiting it to sophisticated investors by regulating and stating the requirements for individual investors' participation in the subscription of the offered securities. In addition, the amendments included stating the cases that the issuer is obliged to disclose that are related to bankruptcy procedures under the Bankruptcy Law.

HE Mr. Mohammed El-Kuwaiz, Chairman of the Capital Market Authority, said: "The CMA has adopted the amendment of the Rules on the Offer of Securities and Continuing Obligations in order to regulate and develop the Capital Market, in addition to enhancing its stability and supporting the national economy. He added: "The most prominent amendments were focused on encouraging the entry of the foreign issuer into the Main Market, to create greater opportunities for diversification of investment for investors. In addition, developing the Parallel Market to become more attractive and to facilitate ways to invest in it. The amendments also included stating the cases on which the issuer in the Capital Market must disclose, which are related to bankruptcy procedures under the Bankruptcy Law, in order to raise the level of governance and transparency in the Capital Market. Besides extending the scope of exempt offer to include individual investors, to support entrepreneurs and small enterprises.

It is worth mentioning that the CMA has also adopted the amended Instructions for Companies' Announcements and the amended Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority to be consistent with the amendments to the Rules. At the same time, the CMA approved the amended Listing Rules and the amended Glossary of Defined Terms used in the Exchange Rules at Tadawul. The CMA has taken into consideration, when amending the Rules, carrying out the public consultation from specialists and interested parties. Moreover, The CMA Board has also issued its resolution to adopt and publish the amended Instructions for Book Building Process and Allocation Method in Initial Public Offerings, which will be effective as of the date of their publication.

THE CAPITAL MARKET AUTHORITY (CMA) OPENS THE DOOR TO APPLY FOR A FINANCIAL TECHNOLOGY

Experimental Permit (FinTech ExPermit) for the 3rd batch

Reference to the Capital market law issued by Royal Decree number (M/30) dated 31 July 2003, and The Financial Technology Experimental Permit Instructions published on 10/01/2018, the Capital Market Authority (CMA) is pleased to welcome applications for the 3rd batch for the FinTech ExPermits effective from 01/12/2019. The application period for the 3rd batch will be closed on 30/01/2020.

The Authority has previously announced the opening of the first batch of applications for a FinTech ExPermit in February, 2018. The CMA had received a number of FinTech applications and had granted the FinTech ExPermit to two (2) applicants to create an equity crowdfunding platform. The second batch of FinTech applications opened on October, 2018. The CMA had received a number of applications and had so far granted the FinTech ExPermit to six (6) applicants to create an equity crowdfunding platform, as well as a robo-advisory platform.

This initiative aims at enhancing the innovation and development of technology in the financial market and providing a supportive regulatory framework for the participants to conduct their work efficiently in light of the rapid development in the exploitation of financial technology (FinTech) associated with the securities business in the Kingdom; and to find new financing and investment means for entrepreneurs and investors based on the strategy of the CMA in facilitating financing and stimulating investment under the umbrella of the Financial Sector Development Program, which is one of the programs aimed at achieving the Kingdom's Vision 2030.

The CMA would like to invite all those interested in financial technology (FinTech) and entrepreneurs to apply for a Permit from the CMA, in which their products promote innovation in FinTech and achieve growth, efficiency, and competition in the Kingdom's financial market. The CMA looks forward to receiving new models in this batch, these include facilitating the distribution of investment products and increasing the efficiency of services provided to investors.

THE CAPITAL MARKET AUTHORITY PUBLISHES THE DRAFT AMENDMENTS TO SECURITIES BUSINESS REGULATIONS AND AUTHORISED PERSONS REGULATIONS FOR PUBLIC CONSULTATION

As part of the Capital Market Authority's ("CMA") strategic objectives to develop the capital market, and in line with the Saudi Vision 2030, and based on the Capital Market Law issued by Royal Decree No. (M/30) Dated 2/6/1424 H, the CMA Board issued its Resolution to publish the draft amendments to the Securities Business Regulations and Authorised Persons Regulations ("Draft Amendments") for public consultation for a period of (30) calendar days ending on 27/5/1441H corresponding to 22/1/2020G.

The Draft Amendments aims to develop the securities business activities, support the development of securities business carried on by the Authorised Persons, and enhance investors' protection in line with the international best practices and standards. The main elements of the Draft Amendments are:

a) Amending the term of "Authorised Persons" to be "Capital Market Institutions".

b) Developing the scope of Arranging activity, and the types of authorisation for Dealing and Managing activities.

c) Developing the requirements for authorisation to carry on securities business, commencement of business, registerable functions, conduct of business, system and controls, and client money and assets.

d) Developing client classification and the requirements for Know Your Customer, client understanding of risk, and client suitability.

The CMA, with full gratitude, would receive the opinions and comments of relevant and interested persons, through any of the following channels:

- Email (Laws.Regulations@cma.org.sa);
- Fax number (+966114906460); or
- Mail address (P.O. Box 87171 Riyadh 11642, CMA Deputy for Legal Affairs and Enforcement – Laws and Regulations Department).

All comments will be taken into full consideration for the purpose of finalising the Draft Amendments. The Draft Amendments can be viewed via the following link: Draft Amendments to the Securities Business Regulations and the Authorised Persons Regulations

SOUTH AFRICA

FINANCIAL SECTOR CONDUCT AUTHORITY

KEY DEVELOPMENTS

COOPERATION AND COLLABORATION IN A TWIN PEAKS SYSTEM OF REGULATION

Under the Twin Peaks System of Regulation, two regulators have been established – a Prudential Authority within the South African Reserve Bank and a new Financial Sector Conduct Authority ("FSCA"). The Prudential Authority ("PA") is a juristic person operating within the administration of the South African Reserve Bank ("SARB") and was established together with the FSCA as part of the Twin Peaks model of financial sector regulation to regulate financial institutions that provide financial products or securities services (which includes banks, insurers and market infrastructures) under the Financial Sector Regulation Act, 2017 (FSRA). Although it operates within the SARB administration, the PA has separate powers and duties under the FSRA. The PA exists to promote and enhance the safety and soundness of financial institutions and to assist in maintaining financial stability.

Among other duties and responsibilities, the PA cooperates with and assists other financial sector regulators such as the FSCA, Council for Medical Schemes, Competition Commission and National Credit Regulator (NCR) on matters of mutual interest, as this is set out in the FSRA.

As indicated in the introductory paragraph, the FSCA supervises how financial services firms conduct their business and treat customers and also assists in maintaining financial stability.

The South African Reserve Bank oversees financial stability within a policy framework agreed with the Minister of Finance.

The FSCA and the PA play a dual role in strengthening the integrity and efficiency of financial markets with the PA's power to ensure financial soundness of retirement funds delegated to the FSCA for three years, as directed under the FSRA. Also as per FSRA requirement, the FSCA and the PA have concluded a comprehensive memorandum of understanding (MoU) to ensure that they work together effectively and efficiently, without getting in each other's way but rather collaborating consistently towards achieving their shared goals and responsibilities. Areas of shared responsibilities covered by the memorandum of understanding include:

- Having consistent, shared policy positions and formulating joint regulatory strategies
- Making standards, joint standards and other regulatory instruments
- Licensing financial institutions
- Designating financial conglomerates
- Supervisory on-site inspections and investigations
- Enforcement and administrative action
- Information sharing and minimising duplication
- Delegating certain responsibilities to one another

In order to work towards the strengthening of the efficiency and integrity of financial markets, the FSCA will undertake a number of measures, both in collaboration with other relevant entities and also as an independent body with specific mandates and objectives.

FSCA MEASURES TO ENSURE THE STRENGTHENING OF FINANCIAL MARKETS

- An MoU between the SARB and the FSCA to govern cooperation in supporting financial stability, and working with the SARB's National Payment System Department

(NPSD) on oversight of payment service providers, as well as with the SARB Financial Surveillance Department (FinSurv) on services related to the buying and selling of foreign exchange

- An MoU with the NCR will govern responsibilities for oversight of the credit industry
- An MoU between the FSCA and the Financial Intelligence Centre (FIC) is already set out in the FSRA. Further MoUs envision cooperation with the PA and with the SARB to ensure holistic oversight of money-laundering and terror-financing risks, while recognising that supervision of compliance with the FIC Act has both market and prudential implications
- The FSCA is in discussions with the Council for Medical Schemes (CMS) to determine how and in which cases FSCA agreement is required with CMS decisions. The FSCA is also exploring broader opportunities for collaborating with the CMS on consumer protection objectives in the medical schemes sector
- The FSCA will have regard to international standards to which South Africa subscribes, in ensuring that financial markets comply with these standards where appropriate; without losing sight of unique South African circumstances that may impact such compliance. To this end, the FSCA actively participates in relevant international and regional bodies and forums, in order to keep abreast of international developments.
- The FSCA also participates in the periodic reviews of the Financial Sector Assessment Programme (FSAP), which is a voluntary assessment by the International Monetary Fund (IMF) which probes the stability of a country's financial system and helps to identify key sources of systematic risk in the financial sector. The objective of this is to work towards implementing policies that enhance South Africa's resilience to shocks and contagion
- The FSCA recognizes the importance of open, honest and constructive collaboration with all relevant stakeholders, and is therefore committed to making itself more accessible to an ever wider range of financial customers and businesses. In accordance with this objective:
- Stakeholders can expect to engage with FSCA through the websites
- www.fsca.co.za and www.fscaconsumered.co.za. The FSCA's Business Centre acts as an information hub for the entire FSCA, where all queries, complaints and inputs can be made.
- Formal consultation forums such as the Market Conduct Regulatory Framework Steering Committee (MCRF SteerCo, Intergovernmental FinTech Work Group (IFWG), the Exchange Fragmentation Forum as well as regular (usually quarterly) Industry association meetings with specific industry associations, will continue.
- An annual FSCA-wide regulatory and supervisory seminar, and ad hoc seminars and workshops on specific topics will be held as and when necessary
- The public media, including print, television, radio and social media will be utilised
- In addition to the above communication channels, the FSCA is open to invitations to all forums arranged by professional or industry bodies. The FSCA will also look at how to assist consumers to formally organise so that they can be represented more fully in these engagements.

The FSCA is committed to enhance and support the efficiency and integrity of financial markets and protects financial customers by promoting the fair treatment of customers (TCF) by financial institutions. At the same time the FSCA regulates and supervises financial institutions in such a manner as to empower them to comply with the standards and guiding principles of the FSCA and international best practice.

2. Subordinate Legislation: The Financial Markets Act, Act No 19 of 2012

The FSRA empowers the FSCA and the Prudential Authority to make regulatory instruments in respect of the entities that they regulate including the process for making such regulatory instruments. These regulatory instruments may take the form of conduct standards by the FSCA, prudential standards by the PA or joint standard by both the PA and the FSCA.

On 9 February 2018, the Minister of Finance prescribed Regulations for the Over the Counter ("OTC") Derivatives market ("OTC Derivatives Regulations") in terms of the Financial Markets Act, 2012 (No. 19 of 2012) ("Financial Markets Act"). The OTC Derivatives Regulations are aimed at ensuring that South Africa meets its international commitments by making regulatory and legislative reforms to the OTC derivatives market to align with international standards. The Minister of Finance, in Regulation 5 of the OTC Derivatives Regulations, prescribed an authorised OTC derivative provider to be a regulated person as contemplated in section 5(1)(b) of the FMA.

In pursuance of the OTC Derivatives Regulations as aforesaid, on 27 July 2018, the FSCA published a conduct standard which prescribes criteria for the authorization of over-the-counter derivative providers as contemplated in section 6(8) (a) of the FMA. Furthermore, the FSCA and the PA are finalising the Joint Standard on Margin Requirements for non-centrally cleared OTC derivative transactions. The Joint Standard on Margin Requirements is currently going through the PA and the South African Reserve Bank internal process.

The deadline for applications for a license to operate as an Over the Counter Derivatives Provider (ODP) in South Africa, was the 14th of June 2019. Applicants were required to lodge an application in terms of a set of guidelines issued by the FSCA and SARB that addresses the requirements for an operator to be granted a license. An extensive consultation process was conducted with the industry to ensure that the application requirements were communicated. At the time of writing, 52 applications for licenses were received from ODP's from both the banking and non-banking sectors.

There is no licensed trade repository to which ODPs will be required to report data. Neither do we have a licensed CCP.

3. Draft Conduct Standard for parties to Securities Financing Transactions ("SFTs") in the South African Securities markets

It is commonly accepted that the optimal use of securities finance transactions can make a significant contribution to the efficiency, liquidity and the competitiveness of the South African capital markets and will further reduce systemic risk. Currently there is no formal regulation of securities finance activities within the South African capital markets and as such, the South African securities finance industry is to a large degree self-regulating and operates under among others, guidelines laid down by the South African Securities Lending Association ("SASLA").

A SFT is any transaction where securities are used to borrow cash, or vice versa and includes securities lending and borrowing, repurchase transactions and margin trading transactions.

With this in mind, the FSCA began a process for the development of a regulatory framework for securities finance activities in the South African markets. On 19 October 2017 the FSCA published a draft Conduct Standard for parties to Securities Financing Transactions in the South African Securities markets for public comment until 20 November 2017. Comments were received from various stakeholders such as Banking Association of South Africa ("BASA"), South African Securities Lending Association ("SASLA"), South African Institute of Stockbrokers, Strate (Pty) Ltd and other Institutions.

The Market Integrity Division considered the comments and amended the draft Conduct Standard to incorporate all the comments received during the public consultation. The FSCA further consulted its policy maker (National Treasury) and fellow regulators (the PA and the SARB) and it was agreed that the draft standard should be a conduct standard. However, the authorities will provide necessary inputs to it, as required. The parties have agreed that the SARB and the National Treasury will be exempted from the provisions of the conduct standard.

The Financial Markets Implementation Committee constituted by the SARB, FSCA and National Treasury, has advised the FSCA to approach the Treasury with the view to requesting the Minister of Finance to designate both SFTs and benchmarks as activities in terms of the FSR Act.

The draft Conduct Standard was published on 19 October 2017 for public comment until 20 November 2017. However, the FSCA decided to extend the comment period until the 31 December 2017. Comments were received from institutions such as BASA, SASLA, SAIS, Strate and other Institutions. The Market Integrity Division considered the comments. The draft Conduct Standard was amended to incorporate all the comments received during the public consultation. The FSCA has shared the draft Conduct Standard with two key stakeholders SASLA and BASA and they have provided the FSCA with their comments which the office is currently considering.

The meeting was convened between the FSCA, PA, SARB and NT to discuss the document and whether or not it should be a joint standard. The meeting decided that the document will not be a joint standard. However, the authorities will provide necessary inputs to it, as required. The Financial Sector Implementation WG decided that the SFTs must be designated as financial service as per the FSR Act.

The draft letter to the Minister requesting him to designate SFTs as a financial service has been sent to General Counsel's office for review. The Department received the response from the General Counsel's office and gave input. The next step is to finalise the letter and send to National Treasury to submit to the Minister of Finance. However, it was also decided that instead of two letters being sent to the National Treasury on SFTs and benchmarks to be designated as financial services only one letter will be sent. The draft Conduct Standard for SFTs was sent to the FSCA's Department of Regulatory Frameworks, which has provided some inputs and comments. A meeting between the FSCA's Office of the General Counsel, the Department of Market Infrastructures and SROs and Regulatory Frameworks department will be convened in due course to discuss the comments and map the way forward on the matter.

4. CPSS-IOSCO Principles for Financial Market Infrastructures

During April 2012, the Committee on Payment and Settlement Systems (CPSS) and the International Organisation of Securities Commissions (IOSCO) issued principles for Financial Market Infrastructures (FMIs). The FSCA is responsible for ensuring that the FMIs under its supervision, i.e. central securities depositories, clearing houses, central counterparties and trade repositories are in compliance with the applicable principles.

Strate (Pty) Ltd (Strate), a licensed Central Securities Depository ("CSD") conducted its self-assessment in November 2017. Strate provides electronic settlement for securities – including equity, bond , derivative products, Exchange Traded Funds ("ETFs"), , money market securities for the South African market and equities for the Namibian Stock Exchange.

JSE Clear (Pty) Ltd, a clearing house has conducted self-assessments against the principles stipulated in the CPSS-IOSCO "Principles for Financial Market Infrastructures (PFMIs) in December 2018. The Financial Sector Conduct Authority in collaboration with the Prudential Authority reviewed the self-assessment against the principles stipulated in the CPSS-IOSCO PFMIs and produced a report which was sent to JSE Clear for comment on 18 December 2019

Of the 24 principles included in the CPSS-IOSCO "Principles for Financial Market Infrastructures" report, only 20 are considered relevant to JSE Clear due to the nature of its operations.

Having completed the assessment, JSE Clear is rated as "Observed" on 18 of these principles, indicating that any identified gaps and shortcomings are not issues of concern and are minor, manageable, and of a nature that the FMI could consider taking up in the normal course of its business.

On Principles 2 (Governance) and Principle 13 (Participant Default Rules and Procedures) JSE Clear has been rated as broadly observed, indicating that the assessment has identified one or more issues of concern that the FMI should address and follow up on within defined timelines.

5. Review of the South African Wholesale financial markets

The National Treasury, the SARB and the FSCA jointly established a Financial Markets Review Committee ("FMRC") to undertake a benchmark review of South Africa's wholesale financial markets, similar to the Fair and Effective Markets Review conducted in the UK. The objective of the review was for the FMRC to develop recommendations to reinforce conduct standards in wholesale financial markets and the output of the FMRC is intended to inform legislative changes, including to the FMA.

6. Review of the Financial Markets Act

The National Treasury has instituted an inter-agency committee, the Financial Markets Implementation Committee, tasked with progressing the review of the Financial Markets Act (FMA). With assistance from international experts, the committee will assist the National Treasury to identify policy gaps and develop a policy paper as a baseline for an FMA Amendment Bill. The FSCA will engage with the PA, the SARB and the National Treasury on the following focus areas:

- Alternative trading platforms
- Regulation of authorized users
- Cross-market surveillance

7. Short-selling reporting regime

Legitimate short-selling plays an important role in financial markets for various reasons, including more efficient price discovery, mitigation of price bubbles, increasing market liquidity, and facilitating hedging and other risk management activities. To address conduct concerns where short selling may be used in an abusive manner, the FSCA is developing a short-selling reporting regime in which short sales are flagged by the authorized user and reported to the exchange concerned as well as to the FSCA. This will give the FSCA a repository of short-selling data, enabling it to carry out its market abuse investigation mandate in terms of the FSR Act.

Comments regarding the proposed introduction of an appropriate reporting and disclosure framework for short sale transactions within the South African financial markets were invited. The comment period closed on 15 February 2019. A comments matrix has been compiled and a Position Paper has been developed and will be published for comment in 2020.

8. Market Fragmentation Interventions – Conduct Standard on Exchanges

The Market Integrity Division identified interventions that need to be considered by the Authority in light of the prevailing multi-exchange environment. It initiated engagements and arranged multiple meetings with the exchanges to discuss possible solutions in respect of the identified interventions. It was then decided that conduct standard will be drafted for the following interventions:

- Price sensitive information;
- Corporate Actions;
- Financial soundness/capital adequacy requirements;
- Default Procedures;
- Accounting Standards;
- Corporate Governance;
- Continuing Obligations; and
- Best execution

The draft Conduct Standard is being finalised with the view of publishing it for public comments by Q4 2020.

9. Legal Entity Identifiers

A press release with the aim to raise awareness and provide an update on the developments regarding LEI Implementation was published on 10 June 2019.

MARKET PROFILE OF THE SOUTH AFRICAN CAPITAL MARKETS (EXCLUDES NEW EXCHANGES AS THEY HAVE LOW TRADING VOLUMES AND LIQUIDITY)

Market Profile of the South African Capital Markets

(a) The market profile of the JSE Equities Division for the period Jul 2019 – Sep 2019 is outlined below:

	Jul 2019	Aug 2019	Sep 2019
Number of Trades	6,387,850	6,856,118	7,053,044
Volume Traded (Mil)	5,850	7,466	7,739
Value Traded (R Mil)	394,139	452,717	524,621
	(27 798 USD)	(29 720 USD)	(34 521 USD)
Market Capitalisation (R bn) period	**16,275 (1 147 USD)**	**16,036 (1 052 USD)**	**17,498 (1 151 USD)**
	Jul 2019	**Aug 2019**	**Sep 2019**
Foreign Purchases (R Mil)	67,401 (4 753 USD)	70,967 (4 658 USD)	85,102 (5 599 USD)
Foreign Sales (R Mil)	-79,781 (-5 626 USD)	-92,858 (-6 096 USD)	-95,768 (-6 301 USD)
Foreign net (Sales) Purchases	**-12,380 (-873 USD)**	**-21,891 (-143 USD)**	**-10,666 (-701 USD)**

(b) Number of companies/securities listed for the period Jul 2019- Sep 2019

Mainboard, Venture & Development Capital			
Mainboard, Venture, Development Capital & BEE	**Jul 2019**	**Aug 2019**	**Sep 2019**
Companies Listed	314	315	314
No of New Listings	0	0	1
No of Delistings	3	0	2
AltX			
Companies Listed	43	42	42
No of New Listings	0	0	0
No of Delistings	0	0	0
Overall JSE Listing			
No of New Listings	0	0	1
No of Delistings	3	0	2
Foreign Listings	70	70	70
Overall JSE Listing			
Domestic Listings	287	287	286
Companies Listed	357	357	356
No of Securities Listed	**918**	**921**	**948**

EQUITY CAPITAL RAISED ON THE JSE (R MILLION)

	2016	2017	2018	Month ended Sept 2019	Year to date 2019	Year to date 2018	% change year on year
Acquisition of Assets	13,085	23,315	5,231	0	1,107	3,444	-68%
Rights Issue	24,160	32,688	5,097	2,086	3,247	4,172	-22%
Share Incentive	9,374	9,468	6,461	42	3,698	4,543	-19%
Waiver of Pre-emptive rights	69,649	35,048	38,830	366	22,854	37,290	-39%
TOTAL	**116,268**	**100,519**	**57,637**	**2,493**	**30,906**	**5,407**	**-37%**

ANNUALISED JSE LIQUIDITY

	2016	2017	2018	Month ended Sept 2019	Year to date 2019	% Change year on year
Liquidity %*	34.9	35.9	44.7	44.92%	38.20%	-6.58%

*Liquidity is the equity turnover as a percentage of market capitalisation

JSE INDICES MONTHLY INDICES:

JSE indices	As of Jul 30, 2019	As of Aug 31, 2019	As of Sept 30, 2019	% Change (Jul-Sept)
ALSI	56,785	55,260	54,825	- 0.786
ALSI 40	50,799	49,320	48,814	-1.027
FINI 15	15,770	15,133	15,418	1.887
INDI 25	72,776	70,645	69,641	- 1.422

JSE Derivatives Divisions

(i) Equity Derivatives Division (EDD)

- When the JSE migrated to ITAC they stopped providing the EDD information on their Market profiles reports.

(ii) Commodity Derivatives Division (CDD)

The month on month market statistics comparison of the CDD are illustrated in the following table:

	Jul 2019	Aug 2019	Sep 2019	% Change (Jul-Sep)
No. of Futures Trades	33,908	44,290	30,773	-30.5
No. of Options Trades	1,194	1,932	1,382	-28.5
Futures Contracts Volume (000)	271	328	202	-38.5
Options Contracts Volume (000)	16	26	21	-18.8
Futures Turnover value (R Mil)	67,812 (47 USD)	80,761 (53 USD)	50,756 (33 USD)	-37.2 -37.0
Options Turnover value (R Mil)	186 (13 USD)	418 (27 USD)	177 (11 USD)	-57.6 -57.5

REGULATION OF OTC MARKETS AND ISSUERS

Application for License to operate as ODP

Following the publication of the conduct standard which prescribes criteria for the authorization of over-the-counter derivative providers as contemplated in section 6(8) (a) of the FMA on 27 July 2018F the OTC Markets and Issuers department was operationalized in December 2018. The department has received applications for license to operate as an ODP.

- The department then began a review of the application process and requirements for ODP licensing.
- Having reviewed the application received and after having consulted with several industry players, it was evident that the industry was uncertain regarding the Authority's requirements for granting a license to ODP's.
- After consulting both internally and with the PA, it was decided that the application requirements were not prescriptive enough to enable applicants to provide the detail required to assess the application in line with the regulatory requirements.
- The OTC Markets and Issuers department also developed a detailed application form and an application index that outlines the requirements for registration as an ODP as stipulated in the regulations.
- The intention is to receive applications that provide comprehensive responses to the regulatory questions and requirements that are necessary for the Authority to make an informed decision with respect to every application received. The process is designed to level the playing fields with regards to the applicants' interpretation pf the Authority's requirements.
- The PA was also involved in the process and has made clear, its own requirements from applicants that fall under its regulations.
- The application deadline for ODP's has been extended from 31 March 2019 to 15 June 2019.
- This was done in order to provide the industry with sufficient time to put together the comprehensive information requirements that need to accompany their applications.
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REGULATION OF CREDIT RATING AGENCIES

With the conversion of the Financial Services Board into the Financial sector Conduct Authority (FSCA) the Credit Rating Agencies Department (CRAD) which was established on 1 April 2013, now falls under the FSCA's Market Integrity Division.

Three Credit Rating Agencies (CRAs), viz, S&P Global Ratings Europe Limited, Moody's Investors Service South Africa (Pty) Limited and Global Credit Rating Co. (Proprietary) Limited are registered and approved to carry out the activities of credit rating services in South Africa.

In June 2018, the Authority granted S&P Global Ratings Europe Limited registration as an external credit rating agency in terms of Section 5 of the Act. This followed a cross-border merger which took place on 1 July 2018 where Standard & Poor's Credit Market Services Europe Limited (SPCMSE) merged into S&P Global Ratings Europe Limited. S&P Global Ratings Europe Limited continues to operate in South Africa through its South African branch.

Global Credit Rating Company Limited is now a wholly owned subsidiary of Global Credit Rating Company based in Mauritius following the acquisition of a remaining 7.5% shareholding.

The CRAD took increased steps to ensure that the industry is served only by registered CRAs. A certain entity contravened Section 3(2) of the Act in that it performed credit rating services and/or issued a credit rating whilst it was not registered as a CRA. The Authority imposed an administrative penalty in terms of Section 167 of the FSRA.

The Authority imposed an administrative penalty on a registered CRA for failing to put in place reasonable safeguards for managing conflicts of interest requirements. The Authority also recommended to certain registered CRAs to enhance the oversight required of independent members of the boards on monitoring the development of credit ratings methodologies, effectiveness of the internal control system, and effectiveness of measures and procedures instituted to ensure that any conflicts of interest are identified, eliminated or managed and disclosed.

The department continues to work closely with other regulatory authorities in the field of credit rating services.

The Prudential Authority applied for an exemption on behalf of South African registered banks. The proposed exemption allows South African registered banks to continue to rely on the credit assessments issued by eligible external credit assessment institutions (ECAIS), without these ECAIS having to register in terms of section 4(1) of the Credit Ratings Services Act. The granting of the exemption has been recommended. The Authority is considering the comments received from market participants before approving the request.

TUNISIA

UPDATE FROM FINANCIAL MARKET COUNCIL

LEGISLATION

- Amendment of the Decree dated 27 July 1977 relating to the implementation terms of the Law dated 21 January 1976 regarding the review of the Law on the Foreign Exchange and trading. This amendment mainly made possible for Tunisian natural persons having a professional activity abroad and not qualified as non -resident pursuant to the Foreign exchange regulations into force, to open foreign currencies accounts.
- Enactment, on 15 November 2019 of the Central Bank of Tunisia Circular No. 2019-8 defining the Islamic banking transactions and their operating terms.
- Enactment of two Decrees in December 2019 aiming at supporting anti-corruption efforts:
- The Governmental Decree No. 1124 dated 09 December 2019 setting the methods, ways and criteria of granting financial gratifications to whistleblowers;&
- The Governmental Decree No. 1123 dated 09 December 2019 relating to the criteria & procedures of granting incentives to protect against corruption.

SUPERVISION

- Deciding a trading halt against a company listed on the alternative market. The securities trading resumed subsequent to the disclosure, by the company, of a press release on the regulator (CMF) official bulletin.
- Posting an investors 'alert on the CMF website regarding the activities of the website: http://startup-fund.tn that used the wording equity crowdfunding platform and inappropriately associated it to a venture capital fund dedicated exclusively to qualified investors and subject to the provisions of the CISs Law dated 24 July 2001, taking into account that this platform has no legal license allowing the provision of financial services to investors.

- The regulator also urged a company listed on the main market to react to an article issued on Bloomberg. This company has, therefore, provided the requested information and the committed to disclose to the market and on a timely basis any information having an impact on its business.

INTERNATIONAL COOPERATION

- Participation of the CMF in the workshop on the implementation of green capital markets in Africa, arranged by the AMMC and the Toronto Centre on 4-5 November 2019 in Rabat/ Morocco. The CMF presented the green, social and sustainability guidelines for Tunisia.

- Enhancement of the communication within the IFREFI community via the monthly sharing of the developments in connection with the members 'respective capital markets.

MARKET PERFORMANCE as at 16 December 2019 & in M TND (unless otherwise indicated)

Secondary market				CISs	
Number of listed companies	**Market capitalization**	**Tunindex**	**Foreign share/ market cap**	**Number of CISs**	**Net asset**
81companies: 68 on the main market + 13 on the alternative market (A company was delisted from the main market).	23 314.15 MD ≈ 8 326.48 M US $[1]	6 984.41	24.73 %	121 CISs	3 769.830 MD ≈ 1346.36 M US $

1 TND ≈ 2.8 US$ (source : BCT as at 19/12/2019).

END