AMERC Quarterly Review

A PUBLICATION OF AFRICA MIDDLE EAST REGIONAL COMMITTEE OF IOSCO

47th Edition | July-September, 2017

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OICU-IOSCO
INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

CURRENT DEVELOPMENT TRENDS AT THE GEMC

Our cover page for the third quarter is centered on a very important subject that is currently being worked on at the GEMC level. This was culled from the note given after the GEM Committee meetings in Sri Lanka, and reported by the GEMC Chair, Ranjit Singh at the board meeting held in Madrid recently.

The GEMC Chair provided an update on the work on sustainable financing in emerging markets. This includes the development of green/sustainable/ESG asset classes, such as green bonds, related funds and indices, and the key imperatives to facilitate the development of these asset classes.

Furthermore, he informed board members that a survey on sustainability in emerging markets and the role of securities regulators will be launched in the beginning of November. An online version of this survey is currently being developed by the IOSCO Secretariat to facilitate responses from members.

Another subject of critical importance that was highlighted by the GEMC Chair at the Board meeting was in the area of cyber resilience. He updated the Board on the recent regulatory workshop organized during the GEMC Annual Meeting and Conference in Colombo and the main outcomes of the workshop, namely: i) Regulators can also be (and are) targets of cyber-attacks; ii) Regulators need to be aware of the information and data which can be of interest to cyber-attackers; iii) different GEM members are at different levels of cyber maturity; and iv) Regulators need to cooperate and be part of domestic and international networks on cyber matters.

It should be noted that the board agreed to set up a Board-level Task Force on Cyber-Resilience (TFCR) which will be chaired by Christopher Giancarlo, Chairman of the CFTC. Among its first tasks will be to conduct a gap analysis following a survey of the IOSCO membership against the guidance issued by the CPMI-IOSCO Working Group on Cyber Risks (WGCR), the NIST standards and the ISO standards. The IOSCO Secretariat has called for expressions of interest from Board members regarding TFCR membership.

In addition, the Board discussions focused on the Risk Outlook and areas for 2018. The key issues identified by the Risk Outlook, highlighted the importance of starting a detailed discussion on structural changes impacting our capital markets, such as the shift in issuances and trading from

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public to private markets and from regulated to unregulated markets. However there are concerns from some members, questioning whether this trend was impeding effective capital formation or concentrating capital formation in the private markets.

The Board also discussed the issue of Initial Coin Offerings (ICOs) and thought it was significant enough to bring this issue to the attention of the broader IOSCO membership through a statement.

The GEMC Chair concluded by informing the board that the Management Committee (MC) of the Asia Pacific Regional Hub met for the first time on the sidelines of the Board meeting. The MC discussed some possible capacity building activities for early next year which will include, inter alia, a second workshop on behavioral economics, given the success of the first workshop and the high demand from members. Further, the Hub will host the IOSCO Assessment Committee's inaugural Self-Assessment workshop early next year. The aim of the workshop is to facilitate the conduct of self-assessments by members in their respective jurisdictions.

AMERC NEWS

CMA Oman Issues Regulatory Warning to PwC

Capital Market Authority Oman has issued a regulatory warning to the audit firm PricewaterhouseCoopers (PwC) for certain deficiencies in its audit of a listed Company wherein the Financial Statements previously audited by PwC had to be significantly restated after CMA's inspection.

CMA's review concluded that PwC had failed to discharge its statutory obligations to the shareholders and other stakeholders with due care because of the misstatements of the Company's financials and other financial irregularities remained undetected by PwC during its tenure as the auditors of the Company.

HE Abdullah Salim Al Salmi, the Executive President of CMA, stated that "legal and regulatory requirements make audit compulsory to ensure integrity of financial reporting. CMA treats auditors as the first line of defense and places reliance on them. The financial statements audited by the audit firms are trusted by the investors to make their investment decisions and used by lenders to grant loans. This necessitates that the audit firms must implement robust quality controls and internal review procedures so that the field work is adequately supervised. It is also very important that the field audit work should be led by qualified and experienced professionals who should be given sufficient time and resources to carry out the audits."

The regulatory warning to PwC has been issued in terms of Auditors Accreditation Rules and CMA would conduct a review of the quality control procedures of the firm in due course after the corrective actions are completed.

CMA Uganda Increase Efficiency in Approvals

The Uganda Capital Markets Authority (CMA) recently approved an application by one of the listed companies, DFCU Limited for the issue of 263,157,895 additional shares in a Rights Issue within a record ten day period. The CMA client service charter indicates that a Rights Issue will be approved in 21 days. The application, which was received on 27 July 2017, was approved on 10 August 2017 by the CMA Board, giving the company approval to sell additional shares to existing shareholders at a ratio of 0.53 shares for every one share held by the close of business on 24 August, 2017.

Mr. Keith Kalyegira, the CEO of CMA noted that the Authority is seeking to reduce the time taken to approve applications, whether it is for a license or an offer in order to improve efficiency in the capital

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markets ecosystem but emphasized that this will not in any way affect the integrity of the approval process.

"Excellence is one of our core values and for a regulator, there is no better way to display that than expediting an application", Mr. Kalyegira said.

In addition, He stated that "One of our central roles as a regulator is to approve applications of debt and equity offers as well as licenses. We have instituted mechanisms that will enable us make faster approvals for any applications that are received because our services are mainly to the private sector where efficiency is vital to decision making. However, this will not compromise the integrity of the approval process."

The DFCU rights issue, whose proceeds will largely be used to refinance a shareholder loan, confirms one of the benefits of capital markets. This is the second time a listed company is issuing shares to refinance debt. Electricity distribution company, Umeme Limited did the same in 2012 when they conducted an initial public offering to raise over $68 Million, part of which was to reduce its interest-bearing debt and be able to secure better financing options over the next few years, to help finance their capital investment programme.

Mr. Kalyegira added that this move is in line with Government's commitment to improve services, especially working through its implementing arms. He said that the Board has also been very supportive and cooperative in ensuring that the Authority becomes more efficient so that it can better serve the public and deliver on its mandate.

EFSA Prepares to Participate in the Financial Inclusion Global Initiative

The Financial Inclusion Global Initiative launched by the World Bank in cooperation with the International Telecommunication Union (ITU), will focus on three model countries, including Egypt. This was revealed by the then EFSA's Chairman, Sherif Samy, who stressed that the Authority seeks to achieve financial inclusion through introducing financial products and services targeting low incomes and other financially marginalized categories which did not benefit from dealing with banks and other insurance or financing entities.

Sherif Samy pointed out that the three-year initiative, which includes Egypt, China and Mexico, will work on developing the electronic payment systems to spread the financial services. He added that the World Bank declaration revealed that Egypt has Laws and regulatory decisions that suit the markets in addition to the financial and technological infrastructure. Thus, it has success factors to achieve the financial inclusion for nearly 44 million citizens.

EFSA's Chairman noted that efforts started in the field of non-banking financial services by the issuance of Microfinance Law, followed by introducing micro-insurance form, launching the issuance and distribution of electronic insurance policies, and drafting a new law for financial leasing and factoring, and submitting micro-financial leasing draft to the Cabinet of Ministers to be approved. He also pointed out that EFSA is cooperating with the Central Bank of Egypt in achieving the financial inclusion and it will be a member in the National Council for Payments.

Sherif Samy revealed that the Authority launches the first interactive digital map for microfinance which shows the entities that are licensed to practice microfinance activity from companies, associations and civil institutions in various governorates and at the level of centers in each governorate. The map identifies branches of these entities, their addresses, number of clients and financing value in each governorate and center. He added that interested people can view the map through the internet.

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He pointed out that the report of the Global Microscope which is published annually by the Economist and presents the conditions of financial inclusion all over the world revealed that Egypt advanced 2 places in the ranking and 10 points in the measurement of financial inclusion since 2014.

Bahrain Issues Financing-based Crowd Funding Regulations for Conventional and Sharia Compliant Markets

The Central Bank of Bahrain (CBB) released regulations for both conventional and Shari'a compliant financing-based crowd funding businesses. For the first time it will be possible for small and medium sized businesses in Bahrain and in the region to raise conventional or Shari'a compliant financing through crowd funding. Firms operating an electronic financing/lending platform must be licensed in Bahrain under the CBB Rulebook Volume 5 – Financing Based Crowd funding Platform Operator. The general regulations are the same for both conventional and Shari'a compliant financing based crowd funding platforms. For the latter, an additional requirement is to ensure that the financing structure is Shari'a compliant by engaging a Shari'a advisor or outsourcing this function to a third party.

Mr. Khalid Hamad, Executive Director at the CBB stated "We expect Bahraini entrepreneurs to benefit from the global crowd funding trend, which provides a viable alternative to bank financing. In particular, the CBB is keen to see Bahrain dominate the Shari'a compliant financing-based crowd funding market in the region. The demand for Shari'a compliant financing is already high and we expect to see it reflected in the crowd funding market as well".

For the purpose of reference, the regulations can be found on the CBB Rule Book volume 5.

Abu Dhabi Global Market and Capital Markets Authority Kenya FinTech Collaboration

The Abu Dhabi Global Market (ADGM), the International Financial Centre in Abu Dhabi, and the Capital Markets Authority (CMA) Kenya signed a Cooperation Agreement which provides a framework for cooperation to support financial innovation in each jurisdiction. The Agreement was signed by Mr Paul Muthaura, Chief Executive, CMA Kenya and Mr Richard Teng, Chief Executive Officer, Financial Services Regulatory Authority (FSRA) of ADGM. stated that the Agreement expands both ADGM and CMA's FinTech cooperation network to growth markets with enormous potentials. It provides a framework for information sharing between the two Authorities to assist each other in keeping abreast of regulatory and relevant economic or commercial developments in their respective markets. Both Authorities are also looking forward to render support to innovative FinTech businesses and to better understand the regulatory regimes in each of their jurisdictions.

Mr Paul Muthaura said, "we are committed to facilitating innovation in financial services, leveraging Kenya's positioning in the region as an innovation centre. This is central to the implementation of the Capital Markets 10-year Master Plan which identified Fintech as an area in which Kenya could emerge as a centre of excellence. This however calls for us to assess lessons learned and to compare strategies to balance innovation and regulation with our peer regulators. The CMA has conducted public consultations on its strategy towards the establishment of a Regulatory Sandbox structure that is designed to encourage innovation in the capital markets. This emphasizes the CMA's commitment to facilitating the introduction of new fintech products in the capital markets area. This serves as a timely addition to the

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Fintech MOU already entered with the Australian Securities and Investments Commission.''

Mr Richard Teng, CEO, FSRA of the Abu Dhabi Global Market said, "This is our first FinTech Bridge with an African regulatory counterpart. The African continent is providing a compelling story of how digital technology can be deployed to provide financial services to the unbanked and unserved populations. Kenya is particularly active on that front. Through closer collaboration, ADGM and CMA hope to harness the strength of each other's innovation platform to encourage and support technology startups and innovators in advancing their creative solutions into new markets. ADGM will continue to work with more like-minded partners like the Kenya CMA to advocate robust financial inclusion and regulatory cooperation."

This new agreement establishes ADGM's fourth FinTech Bridge with a global FinTech hub, following its recent collaborations with the Monetary Authority of Singapore, the Australian Securities and Investments Commission and the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Qianhai Authority). ADGM will continue to establish new initiatives and work closely with local and global stakeholders to foster an open and inclusive global FinTech hub to serve Abu Dhabi and the greater MENA region.

Rev. Daniel Ogbarmey Tetteh

SEC Ghana Gets New DG

Rev. Daniel Ogbarmey Tetteh was appointed as the new Director General of the Securities and Exchange Commission Ghana on 4 September, 2017. Rev. Tetteh, prior to this appointment, spent over twenty (20) years working with one of the leading investment banking firms in Ghana, Databank Group, where he played various roles including Head of Research and Head of Asset Management.

As Executive Director of Databank Asset Management, he had oversight over four strategic business units: Mutual Funds, Pensions, Institutional Business and Wealth Management. Under his leadership, assets under management grew from over GHC180 million in 2008 to over GHC1.8 billion. During his tenure as Head of Databank Research, he built the team into a formidable research house supplying economic and equity research to many economic actors including leading media houses – local and international including Financial Times, CNN and Bloomberg. He also led Databank Research to pick the prestigious award as the Best Africa Research Team at the Africa Investor Ai Index Awards held at the London Stock Exchange in 2007.

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He also served as the Vice President of the Ghana Securities Industry Association (GSIA) from November 2013 till September 4, 2017. He was nominated to serve as the representative of the GSIA on the board of the Ghana Investments and Securities Institute (GISI), which is collaboration between the Securities and Exchange Commission, the Ghana Stock Exchange, The Central Securities Depositary and the GSIA. He was elected to serve as the Chairman of the GISI board, a position he still holds (though now in his capacity as a representative of SEC).

Rev. Tetteh lectured briefly in Marketing at the University of Ghana Business School from 1996 to 1998 and was also a facilitator in a Case Study in a Corporate Finance class at the Harvard Business School in 2008. He is very passionate about financial literacy and has been a regular speaker at various seminars held in workplaces, town halls, universities/training colleges and churches throughout all the ten regions of Ghana. He has written two books including a bestseller titled '31 Days to Financial Independence' and other several articles to his credit.

Rev. Tetteh holds a B.Sc. in Administration (Management) with first class honours and an MBA (Marketing) from the University of Ghana Business School. He also has a Postgraduate Diploma in Corporate Finance and Management from Sorbonne, University, Paris and an honorary doctorate in Management and Christian Leadership from the International Christian University.

Rev. Tetteh is the Senior Pastor of New Creation Chapel Int., a charismatic church headquartered in Accra.

On behalf of the region, the AMERC Secretariat congratulates you on your appointment.

MR. ALEXANDER WILLIAMS

Mr. Alexander Williams Exits SEC Ghana as Ag. DG

Mr. Williams is a lawyer and a fellow of the Chartered Institute of Bankers (FCIB, Ghana). He holds a BA in Law and Political Science from the University of Ghana and MBA from GIMPA. He is a member of the Ghana Bar Association and the International Bar Association.

In December 2016, following the retirement of Dr. Audu A. Antwi as SEC Ghana Director General(DG), Mr. Williams became the Acting Director General and vacated the seat in August 2017. Prior to becoming the Acting DG, he served as Deputy Director General Legal of the Organization.

He also chaired the first working Group (WG) on Listing for the IOSCO/ AMERC Region.

Mr. Williams continues to lecture and examine at the Institute of Human Resource Management Practitioners. For the Chartered Institute of Bankers (Gh.), he now examines Law Relating to Banking and Corporate Banking: Law and Practice.

He also serves as guest faculty member to the National Banking College. He is a non-executive director of Mudee Trustees Company Limited,

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Express Savings and Loans Company Limited, L'Aine Services Limited, HORDS Limited, PlaySoccer Ghana (an international NGO), and Cyber Crime Control and Counteraction Centre (an NGO). He was also appointed as the independent trustee of the Central University College Pension Scheme and a member of the 37 Military Hospital Institutional Review Board. Mr. Williams is a columnist on employment relations for HR Focus, a human resource magazine.

On behalf of the region, the AMERC secretariat wish you success in your future endeavours.

Mr Harvesh Kumar Seegolam

New CEO Appointed to FSC Mauritius

Mr. Harvesh Kumar Seegolam was appointed the Chief Executive of the Financial Services Commission (FSC) in July 2017 Pursuant to Section 9 (1) (b) of the Financial Services Act 2017, following the exit of the acting Chief Executive Mr. P. K Kuriachen.

Prior to his appointment, he was Chief Executive of the Financial Services Promotion Agency (FSPA), institution under the aegis of the Ministry of Finance and Economic Development mandated for the development and promotion of Mauritius as an International Financial Centre (IFC) of excellence.

Harvesh was also Director of the Innovation, Technology & Services cluster at the Board of Investment (BOI), the Investment Promotion Agency of Mauritius. He has successfully advised a number of global players on setting up operations in Mauritius in the fields of banking, private equity, investment funds, legal services and wealth management, manufacturing and ICT amongst others.

Harvesh holds a BSc (Hon) in Economics and an MSc in International Finance, in addition to several other qualifications in accountancy and finance. He is an alumni of the London School of Economics & Political Science, the University College London, Durham University, as well as the SKEMA 'Grande Ecole de Commerce' in France as he continues to serve as the Chief Executive of the FSC Mauritius.

On behalf of the region, the AMERC Secretariat congratulates you on your appointment.

Dr. Mohammed Omran

Dr. Mohammed Omran Appointed as EFSA Chairman

Following Parliament ratification, a Presidential Decree was issued naming Dr. Mohammed Omran as the Chairman of the Egyptian Financial Supervisory Authority (EFSA)

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for a renewable four- years term, starting the 21st of August, 2017. He takes over from Mr Sherif Samy who completed his four-year term as Chairman of EFSA on 7 August, 2017.

Prior to his recent appointment, he was the Executive Chairman of the Egyptian Exchange for 6 years. He was also the Chairman of the Federation Euro-Asian Stock Exchanges (FEAS). He served as a Vice Chairman for Operation of the Insurance Holding Company for one year and the Vice Chairman of the Egyptian Exchange for four years from 2006-2010.

He holds an MSc from Cairo University and Ph.D. in Finance from the University of Plymouth. UK. He was a visiting Professor in several research and academic institutions such as University of Plymouth, University of Oklahoma, the World Bank, University of Laval, and Vaasa University. He served for several years as an Economist at both the Arab Monetary Fund in Abu Dhabi and the International Monetary Fund in Washington D.C. He was an advisor to the Minister of Investment and an Acting Executive Director of the Egyptian Institute of Directors.

Professor Omran had been awarded several research grants and prizes. Recently he was the winner of the Capital Market Personality of the year 2017 in Africa. In the same year, he was one of 9 selected globally and the First and Only Egyptian to get the Distinguished Hubert Humphery Leadership Award.

Professor Omran was a Fullbright Scholar and he served as an International Board Member at the Privatization Agency of Kosovo for 5 years from 2009-2014. He served as reviewer for more than a dozen of Economics and Finance Journals.

He specializes in financial markets, corporate governance, corporate finance and privatization concentrating on the MENA region.

He authored and co-authored around 40 papers and his work appears in several international Economics and Finance Journals such as: Journal of Economics and Business, Journal of Financial Research, Journal of Comparative Economics, Journal of International Financial Markets, Institutions and Money, World Development, International Review of Law and Economics, inter alia.

On behalf of the region, the AMERC Secretariat congratulates you on your appointment..

Mr. Sheriff Samy

Sheriff Samy Exits EFSA as Chairman

Mr. Samy Sheriff exits as chairman and president of the Board Egyptian Financial Supervisory Authority (EFSA) after completing his four year term. He also held the post of Vice Chair of the Africa/ Middle East Regional Committee (AMERC) of IOSCO

He started his career with Accenture (the international consulting firm) working in three of its offices, namely in Chicago, Riyadh and Beirut.

Prior to joining EFSA, Mr. Samy was the managing director of Misr Capital, the investment arm of Banque Misr, managing a private equity portfolio of nearly $2 billion as well as two large mutual funds. He also served on the board of the General Authority for Investment (GAFI) for several terms and was a board member of Banque du Caire, the SME Development Fund in addition to numerous listed and privately held companies operating in the capital market, textile,

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urban development, engineering, education, logistics and mining sectors.

On behalf of the region, the AMERC Secretariat wishes you success in your future endeavours.

Development Reports

ANGOLA

Capital Markets Commission (CMC) Angola becomes an Ordinary Member of IOSCO

CMC Angola has been officially admitted as an ordinary member of IOSCO thereby fulfilling one of the objectives of its strategy to provide the Angolan financial system a transparent and efficient securities market. This follows the signing of IOSCO Multilateral Memorandum of Understanding (MMoU) in July 2017.

CMC Angola Initiates Series of Presentation for Religious Institutions

CMC held the first series of Lectures for religious institutions on 29 September, 2017 under its Financial Education Program. This is with a view to increase the financial literacy levels in religious institutions, through the sharing of basic concepts of the financial

CMC Angola Discloses Public Offering Regulations

The CMC held an outreach session on the Public Offering Regulation. In a bid to clarify and sensitize stakeholders on the rules governing the processes of public offering. The session was attended by bankinginstitutions, insurance companies and lawyers and aimed to promote the regulation of securities offerings including public offerings and private offerings..

Legal Framework of Asset Management Companies Published in Official Gazette

The legal regime of Asset Management Companies (SGP) was published in the Official Gazette in line with Presidential Legislative Decree No. 2/17 in August 2017. SGP are non-bank financial institutions linked to the capital market and investment, whose object is the exercise of third-party owned assets management business, and may also provide investment advisory services.

The SGP are incorporated in the form of public limited companies and are subject to the supervision of the CMC, which is responsible for granting the authorization for its incorporation and registration for the start of its activity.

Supervision

In the quarter under review, the CMC as part of its mission to supervise, regulate and protect the investor, carried out five on-site supervision, guided four licensing processes in which it granted authorization to set up and registered three registrations of non-bank financial institutions.

BODIVA Trading

During the 3rd quarter of 2017, the Angola Stock Exchange - BODIVA, SGMR, S.A in the secondary market segment of public debt, the stock exchange and over-the-counter market presented great volatilities. In the stock exchange, in August, compared to July, the negotiations closed higher, while the month of September compared to the previous month saw a decline in public bond trading. The same scenario was observed in the OTC market.

CAMEROON

Study Tour of Nigeria Capital Market from 13th - 19th August 2017

The Financial Markets Commission (FMC) led a delegation of the Capital Markets Community of Cameroon to Nigeria on the invitation of the Securities and Exchange Commission (SEC). The visit was organised in two phases. The first phase took place in

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Abuja at the Head Office of SEC Nigeria and discussions with the various departments of SEC gave the delegation an opportunity to understand the inner workings of the SEC.

While in Lagos for the second phase, the FMC delegation participated in the following:

The Nigeria Capital Markets Committee Meeting (CMC) held on the 15th of August 2017

The FMC had the opportunity to understand how the capital markets of Nigeria are structured, the key players and organisation of workflow to speed up capital markets development. The delegation equally learnt that the process of dematerialisation of securities for public companies has been completed and that dividends are now being paid electronically. Also, the area of financial education programme, a curriculum was developed for financial education in primary and secondary schools.

Meetings with market infrastructure and industry groups

The Delegation had one on one sessions with the different market infrastructures and industry groups. These included the Nigerian Stock Exchange (NSE), the bond exchange (FMDQ), the commodity exchange (AFEX) and various industry groups.

Visit to Dangote Group headquarters in Lagos

The delegation also had a working session with top officials of the Dangote group. The objective of this session was first, to present the Cameroon capital markets and associated tax incentives relating to listing on the Douala Stock exchange. Secondly, to invite the Dangote Group to consider listing Dangote Cement Cameroon on the Douala Stock Exchange or at least engage in bond issuances in the Cameroon Capital market.

It is expected that FMC will sign bilateral MMoUs with SEC Nigeria while some industry groups in may sign conventions with their counterparts in Cameroon for cross-border transactions.

Cooperation with COSUMAF Gabon

The FMC continues to work towards fostering cooperation with Commission De Surveillance Du Marché Financier De L'afrique Centrale (COSUMAF) in Gabon as a means to promoting market integration in the Central African sub region. New developments in this cooperation are expected by 2018.

EGYPT

EFSA Commences study on Regulating Short-term Debt-based Financial Instruments with the European Bank

EFSA started a technical cooperation project with the European Bank for Reconstruction and Development to study the requirements for developing short-term debt-based financial instruments in the Egyptian Capital Market.

The project "Development of regulatory frameworks for short-term debt-based financial instruments in Egypt" was approved by the Ministry of Investment and International Cooperation and for a period of six months. The project states that the European Bank for Reconstruction and Development will offer technical support to EFSA through providing international experts in areas of financial legislations and markets: as well as to prepare a comparative study on what is being applied in other markets in order to identify the best practices applied internationally in this field. The project also includes seeking the help of a local expert to participate in the preparation of the proposed model that will be applied in Egypt and drafting the necessary amendments in the relevant legislation. The Egyptian Capital Market is currently regulating bonds and securitization bonds with periods of 13 months or more. Hence, comes the need to study the

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availability of providing Short-term debt-based financial instruments to companies along with bank financing.

EFSA Signed a Protocol on Establishing and Managing Movable Guarantees Registry with the Egyptian Credit Bureau "I-Score"

The Egyptian Minister of Investment and International Cooperation - Dr. Sahar Nasr witnessed the signing ceremony that was also attended by representatives of the International Finance Corporation (IFC).

Establishing Movable Guarantees registry is an important step towards achieving financial inclusion. The registry will facilitate SME funding after registering movable guarantees in the registry, this will activate investment, push forward the wheel of development and increase operating and growth rates. In addition this will encourage financing institutions to expand financing for these projects, which had difficulties in borrowing before the establishment of the registry due to the lack of loan guarantees . The registry will allow the projects to obtain financing by guaranteeing machinery, equipment and inventory, in addition to patents, models and engineering designs.

The law and its Executive Regulations include the preparation of an electronic registry for publicizing movable guarantees. EFSA was keen to establish the registry in accordance with the best international practices and applications including " legal rights index" that is stated in Doing Business Report.

Technical Cooperation with the World Bank in Developing Legislations Governing the Green Bond Market

Dr. Omran – EFSA Chairman met an expert of the International Finance Corporation IFC of the World Bank Group. The meeting discussed EFSA's request for technical support from the IFC in developing legislations governing the green bond market in light of the large investments made by international bodies and financial institutions in green projects, as well as the importance of working to preserve the environment locally.

KENYA

CMA Kenya Launches the World Investor Week (WIW)

The Capital Markets Authority (CMA) launched the World Investor Week (WIW) 2017 on 29th August 2017 in an event graced by key market stakeholders. The World Investor Week (WIW) 2017 took place from 2-8 October 2017. The week-long event was a global outreach by securities regulators aimed at raising awareness about the importance of investor education and protection. The WIW 2017, an initiative of IOSCO, saw 78 countries in six continents executing investor focused activities.

During WIW 2017, the Authority conducted engagements targeting university students, investor education outreach through Huduma Centres in Meru and Eldoret, radio campaigns, a social media campaign and a competition on the Resource Centre Portal that was recently launched. The event added impetus to the Authority's Investor Education and Public Awareness Strategy, which has seen CMA reach to over 60,000 people in 30 counties so far. CMA initiative targets investors, potential issuers and market intermediaries.

CMA Conducts a Derivatives Round Table Session for Asset Managers

During the quarter, the Authority with the assistance of Mr. David White, CMA's resident Derivatives consultant conducted a half day Asset Managers workshop noting the fact that derivatives contracts are pivotal in ensuring risk management especially for asset managers. The forum aimed to inform the asset managers that the derivatives products present a window for diversification and provide an opportunity for asset managers to gain exposure in multiple asset classes. critical to note from the forum was the discussion around amendments to the relevant

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Investment Policies/Guidelines documents within the domain of asset managers to take advantage of equity futures and several other products that the exchange plan to roll out within the derivatives market.

Capital Markets Rated as the Most Innovative Regulator for the Third Consecutive Year

The Authority was distinguished by yet another organization as the 'Most Innovative Capital Markets Regulator in Africa 2017'. The Award hosted by Africa Investor was conferred in New York, on 18 September 2017 and seeks to profile African capital market success stories to the global investment community.The Authority had been previously recognized in 2015 as the most innovative regulator. The Authority won the Award against eight other capital markets regulators in Africa including South Africa, Mauritius, Nigeria, Namibia, Botswana, Uganda and Tanzania.

The Award recognized CMA for the milestones achieved in the implementation of the Capital Market Master Plan (CMMP), which seeks to position Kenya as the Heart of African Capital Markets and as a gateway for regional and international fund flows.

The Award judges also analyzed evidence of commitments to increasing transparency and efficiency, support for innovative technologies, employment of best regulatory practice, openness to foreign investors and efforts to create an enabling environment for the capital markets industry. This recognition coupled with the initiatives within the Capital Markets Master Plan and robust stakeholder engagements and collaborative efforts are key towards promoting the Kenya's capital markets as a premier investment destination.

On the same front, CMA, for the second year in a row (2016 and 2017) was recognized as the Most Innovative Capital Markets Regulator Africa by the International Finance Magazine Awards 2017 (IFM Awards) in appreciation of initiatives to promote innovation and deepening of capital markets in Kenya. The IFM Awards seek to honor individuals and organizations in the international finance industry that make a significant contribution to enhance innovation and drive performance.

CMA Online Forex Regulations Gazetted

During the quarter, The Capital Markets (Online Foreign Exchange Trading) Regulations, 2017 was gazetted on 25th August 2017.The regulations provide for among other things;

The Requirements for licensing of online foreign exchange brokers and money managers; the conduct of online foreign exchange business; inspection of online foreign exchange brokers and money managers; offences and penalties for online foreign exchange brokers and money managers; application for a license to conduct the business of an online foreign exchange broker/money manager; and the online foreign exchange broker/money manager license fees.

With effect from the enactment of the online forex trading regulations, Kenya's online currency traders, dealers and money managers are now compelled to obtain a license from the Authority to continue in the business. The Authority envisions that approximately 50,000 persons, including brokers, dealers and money managers, are in the business and are mainly using offshore platforms that are not overseen by Kenyan regulators to offer the service. The requirement for online traders, dealers and money managers to register with the Authority to conduct business are part of efforts to exercise a measure of regulatory oversight over online forex business to ensure adequate arrangements for investor protection. In addition, the CMA approved the Policy Guidance Note (PGN) on Global Depositary Receipts (GDR's) and Global Depositary Notes (GDN's).

KUWAIT

CMA Launches Phase 1 of Interim Post Trade Model

The Capital Market Authority (CMA) Kuwait launched and implemented phase one of the Interim Post Trade Model (IPTM) on 25 May, 2017 which includes unifying the settlement cycle to T+3, new tick sizes, increased price limits and the randomized closing auction. The development of the Post-Trade Model was one of CMA's main priorities since inception. The Authority has conducted many studies and formed various committees with specific mandates, to coordinate the implementation of developing the Post-Trade Model in order to be in line with international best practices in the areas of clearing and settlement, custody, reporting and other related services.

The interim period is an important step towards reducing post-trade risks and upgrading the market classification status, as well as preparing the impacted parties to implement the changes targeted for implementation in the final phase (Final PTM). By implementing IPTM 1, in September 2017 FTSE Russell announced that Kuwait met all the criteria to be assigned Secondary Emerging Market status within the FTSE Country Classification Scheme. The inclusion commences in conjunction with the FTSE GEIS semi-annual review in September 2018. FTSE Russell will confirm whether the inclusion of Kuwait will be conducted in tranches in March 2018, following a consultation with index users.

Kuwait has been on the Watch List for possible reclassification to Secondary Emerging market status since September 2008. The outstanding criterion was "Clearing & Settlement – T+2/T+3" which was addressed following the introduction of a T+3 settlement cycle with a Delivery versus Payment (DvP) model in May 2017.

MAURITIUS

Capital Markets in Mauritius

The Stock Exchange of Mauritius Ltd ('SEM') is licensed under Section 9 of the Securities Act 2005 and operates two markets namely the Official Market (OM) for larger companies and the Development & Enterprise Market (DEM) which is tailored for medium and smaller companies.

The SEMDEX is the main index. Below provides an overview of performance of the market.

Official Market

As at September 2017 the number of listed companies was 56, while the volume of trade stood at 59.8 million (rising by 68.4%) While the SEM-ASI stood at 2,290.90 (7.2% increase) and the market capitilisation rose by 3.8% which closed at USD 8.1 billion.

Development & Enterprise Market

As at September 2017 the number of listed companies dropped to 40 from 41, while the volume of trade decreased sharply by 83.3% to 6.2 million. Market capitalization and the DEMEX (points) increased by 7.14% and 4.15% which closed at USD 1.5 billion and 223.92 (points) respectively.

Source: Stock Exchange of Mauritius Ltd

New Licenses

The number of new licenses during the period under review are eight (8) collective investment schemes (CIS), eight (8) close ended funds and five (5) CIS managers, which brings the total licenses to 474, 479 and 401 respectively.

MOROCCO

The Strategic Plan

The AMMC Morocco unveiled the 2017-2020 Strategic Plan to the public on the 3rd June, 2017. The purpose of the plan is to allow the capital market play its primary role as a major source of financing of the economy.

The drafting of this strategic plan is the result of an internal reflection enriched by the contribution of all capital market participants in order to meet the market's expectations.

The strategic plan is structured into 4 main pillars:As a first step, AMMC aims to strengthen investor confidence and trust in the capital market by improving

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market transparency, ensuring the protection and fair treatment of investors, developing institutional communication and enforcement.

The second pillar will enable the AMMC to reshaping the regulatory approach to sustain market development and dynamics through several means such as financial innovation and the diversification of financial instruments.

With regards to the third pillar, it expresses AMMC aspiration to play an effective role as a regulator locally and internationally.

The last pillar aims to strengthen the capacities of investors and markets participants through several measures.

Approval of the Bill 69-17 Amending and Supplementing the Law No. 33-06 on the Securitization of Assets By the Government Council

The entry into force of the provisions of Act No. 33-06 on the securitization of assets, as amended and supplemented by Law No. 119-12 and Law 05-14, is conditional on the adoption of its implementing rules.

The present draft decree aims to supplement Decree No. 2-08-530 taken for the application of Act No. 33-06 relating to the securitization of assets This draft decree specifies the technical characteristics of Sukuk certificates intended to be distributed to resident investors as well as the terms and conditions of their issuance are set by order of the Minister in charge of Finance after the assent of the High Council of Sharia Scholars.

First Engagement Visit under the Newly Signed MoU between AMMC Morocco and SEC Ghana

AMMC hosted a delegation from the Securities and Exchange Commission of Ghana from the 17th to 20th of July 2017 in its headquarters in Rabat for a four day immersion visit.

The visit was organized following the signing of bilateral MoU between SEC Ghana and AMMC Morocco in February 2017 before the two countries respective Heads of State.

SEC Ghana staff met with AMMC senior staff in charge of risk management, market surveillance, audit and supervision of market participants.

Side visits were also organized with the Casablanca Stock Exchange for market surveillance aspects and the Central Bank of Morocco as well as the Financial Intelligence Unit (UTRF) to study Moroccan framework of anti-money laundering and the financing of terrorism.

NAMIBIA

Market Performance

Namibia's securities markets had mixed results during the reported quarter. In both the equity and debt markets, new securities were issued during the quarter, adding to the outstanding securities and the market capitalization. While the prices of securities on the overall equity market declined significantly, the relatively smaller local market component experienced growth.

Assets under management in the capital and money markets generally increased during the quarter. The CIS assets, which are generally invested mostly in money market instruments, had significant growth relative to the long-term assets managed by investment managers.

Key Trends in Securities Markets

The NSX overall market dropped significantly during the quarter. Compared to the local market and the JSE, the NSX overall market prices declined by 5 percent. The FTSE/JSE All Share Index fell modestly by 0.9 percent for the quarter. However, the NSX prices were 3.6 percent higher than a yea r ago. The issuance of 55.2 million new shares during the quarter helped the market value and liquidity. The market cap only declined by 1.9

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percent and the relative liquidity improved to 0.35 percent on the back of the 19.7 percent in volumes traded.

The securities comprising the local index or market of the NSX were largely unaffected by local circumstances. Despite the continued contraction in economic activity, the local market remained flat from the previous quarter, but gained 7.2 percent from June 2016. Both the volumes and values traded declined significantly during the period. As a result, the already illiquid market declined to a liquidity level of 0.30 percent from 0.79 percent in the previous quarter.

Local investment requirements on institutional investors, such as pension funds and insurers, continue to drive the local securities market. These institutions are required to invest 35 percent of their assets in local securities and therefore buy and hold these securities. The demand for the securities, however, increases with the growth in the assets of institutional investors and other investors, bidding up the prices of local securities.

The securities markets continue to be affected by the lack of market depth and breadth. The local index market capitalization increased by 0.5 percent to N$32.9 billion to the quarter-end. The market cap was but about 2 percent of the total market cap and 31 percent of total assets of pension funds and insurers. Moreover, foreign portfolio investors also hold local index securities, while the total investable NBFI assets are over N$230 billion.

Furthermore, the number of securities quoted on the local market consist of only ordinary shares, while the overall index includes ordinary and preference shares, linked units and commodity-based electronically-traded funds (ETFs). However, the ETFs represent only 2.1 percent of the market. and Government bonds remain unlisted and continue to trade over-the-counter (OTC). Although OTC trades are reported to the NSX, reporting remains limited, making price discovery and the pricing of new issues difficult.

In the debt markets, the total nominal debt securities outstanding increased by 3.6 percent to N$64.1 billion. This includes domestic debt issued by the central government, public enterprises, banking institutions and corporates. Although the government is cutting back on expenditure, it issued N$539 million in new long -term debt and N$670 million short-term debt during the quarter. The total government debt constituted 92.7 percent of total debt outstanding.

Debt markets remained illiquid although relatively more liquid than the equity markets. Trading in debt instruments remained less than 1 percent of issued debt. Due to the limited investable assets, the tendency is for institutional investors, including banking institutions, to buy and hold the available debt securities to maturity or close to maturity. Moreover, banking institutions are required to hold government debt securities. NBFIs may hold government debt securities, but may not exceed certain thresholds by regulation. This makes the debt markets very illiquid and price discovery difficult and/or costly.

Key Trends in Investment Management

The investment managers' assets under management were N$152.5 billion at the end of the reported quarter. Although 0.7 percent less than a year ago, the assets had increased by 0.8 percent during the quarter. This growth may be due to the relative net market performance and contributions. The assets under management were mainly invested in Namibia and the Common Monetary Area (CMA). The local assets accounted for 51.2 percent of total assets. The assets were mainly invested in listed equity, money market and listed debt securities. Listed equity accounted for 45.4 percent of total assets, while money market and listed debt were 30.4 percent and 13.7 percent respectively. The N$667 million or 0.9 percent reduction in pension assets, through divestment or reallocation,

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,contributed largely to the fall in managers' assets. The N$1.1 billion increase in corporate assets offset the pension fund asset reduction.

Namibia is part of the Common Monetary Area (CMA) with South Africa, Lesotho, and Swaziland, in which the South African Rand is common currency instruments and 20.4 percent in listed equity. This asset allocation is well suited to households that invested 34.8 percent of assets.

NBFIs continue to be significantly invested in the banking institutions. Investment managers held 14.3 percent of the assets managed in instruments issued by banking institutions as at the end of the reported quarter. The managers' holdings of negotiable certificates of deposits remained about the same since June 2016, increasing by 19.6 percent in the quarter. This increase may be driven by the reallocation of assets from the CMA and offshore to Namibia. The CISs also maintained their holding of negotiable certificates of deposit and notice deposits over the last five quarters, and held 45.3 percent of the assets in banking institution instruments as at the end of the reported quarter.

NIGERIA

Study Visits by Sister Regulators to the Commission

The Commission received two batches of three (3) man delegations from SEC Ghana on a study tour of the Commission's Enforcement, Legal activities, Human Resource and Admin operations respectively

Also, the Commission hosted our Cameroonian counterpart Commission Des Marches Financier (CMF), on a week-long study tour of the Nigeria Capital Market from August 13 - 19, 2017.

Investor Education

The Commission in collaboration with Bwari, Kuje Area Councils of the Federal Capital Territory, Abuja, and other Financial Institutions organized a workshop on Financial Inclusion to sensitize Farmers, Market women, Artisans, Informal Cooperative Societies and others on how to access capital market products and services that meet their needs.

The Federal Ministry of Youth and Sport Development visited to Seek for assistance and partnership from the Commission on the National Financial Inclusion Peer Group Educator Programme for Corp Members.

PRIMARY MARKET

New Issues

The Commission approved a total of Eight (8) securities valued at N113.70 billion in the third quarter of 2017, which comprise three (3) Rights issues, 1 Debt to Equity Conversion , one (1) Bonus issue, one (1) Corporate bond and two (2) Sub-National bonds. In the second quarter of 2017, the Commission approved seven (7) new issues valued at N31.22 billion being four Rights issues and three (3) Bonus issues.

When both periods are compared, the number of new issues approved by the Commission in the third quarter of 2017 rose by14.28% while the value appreciated by 264.14%.

FGN Bonds

A total of nine (9) FGN bonds were auctioned by the Debt Management Office (DMO) in the quarter under review. The bonds auctioned were worth N405 billion with the allotted sum being N405.79 billion. All the Nine (9) FGN bonds auctioned were re-openings of the previous bonds. The DMO auctioned Nine (9) FGN bonds in the second quarter worth N415 billion for which N314.58 billion was allotted.

Delisting

At the end of the third quarter, two companies were delisted from the Daily Official List of the Exchange effective 4th July and 18th September, 2017. This brings the total number of listed companies to 171.

Diaspora Bond

During the period under review, One (1) Diaspora bond was issued worth $300 million on 20th July, 2017.

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Trading Activities on the Nigerian Stock Exchange (NSE)

In the third quarter, a total of 20.35 billion securities worth N360.37 billion in 251,924 deals were recorded. In the second quarter, a total of 24.44 billion securities worth N240.61billion exchanged hands in 266,073 deals. A comparison of both periods indicated a decrease of 5.32%in the number of deals and 16.73% in the volume of trades. In addition, 71,330 units of FGN bonds valued at N69.24 million and 3,024,525 units of ETF valued at N34.66 million were traded in the period under review.

A comparison of both third quarter 2017 and corresponding quarter of 2016, indicates an increase of 17.15% and 9.94% in the total number of deals and total volume of trades.

The All-Share Index and Market Capitalization

The All-Share index closed the third quarter of 2017 with an increase of 7.01 % rising from 33,117.48 at the end of the second quarter to 35,439.98 points in the quarter under review. In the previous quarter, the broad index appreciated by 24.42%, thus the review period's performance was much better than that of the previous quarter.

Total market capitalization of listed securities (equities, fixed income securities and exchange traded funds) at the end of the period under review stood at N19.62 trillion. This figure indicates an increase of 3.10% when compared with the position at N19.03 trillion at the end of the previous quarter.

Foreign and Domestic Portfolio Investment

Total transactions (foreign and domestic) declined by 41.20% from N220.27 billion in second quarter to N129.52 billion in September 2017. Foreign portfolio transactions accounted for 65.06% of total transactions in September 2017 while domestic transactions accounted for 34.94%.

OMAN

CMA OMAN Hosts Training Ptrogram

The Capital Market Authority (CMA) Oman organized a training program titled "Risks in Financial Services" under the supervision of the United Arab of Securities Authorities (UASA) and in cooperation with the Trading Academy. The program held in Muscat from 21st to 23rd August 2017 with the participation of internal and external representatives of bodies, markets, depository companies and institutions that practice financial services in Arab countries. The program aimed at introducing participants to the risks facing capital markets including operational risks, investment and liquidity risks as well as operational risk management. The Financial Services Risk Program provided a solid background to the most important principles of risk management and corporate governance and covers the techniques used to identify and reduce risk, manage operational risk, credit risk, investment, liquidity and other risks.

The three-day program included risk management principles and international regulation of the risk management mechanisms of capital and regulatory standards in accordance with Basel, Bank of International Settlements and other legislative regulations. The program also discussed operational risk policies, overall framework, risk assessment and measurement, credit risk, such as its definition, how it is measured, and the mechanism adopted in its management.

CMA OMAN Participated in GEMC Meeting.

The CMA participated in the IOSCO Growth and Emerging Markets (GEM) Committee Annual Meeting and Conference in Colombo; Sri Lanka from 20th to 21st September, 2017,with the participation of more than 300 participants from 50 jurisdictions. The Committee discussed a number of issues related to emerging financial markets, particularly the challenges facing the sustainable market-based financing and liquidity issues in emerging markets in addition to the impact of financial technology "Fintech" on capital markets. On the sidelines of the GEMC meetings, a workshop on Cyber Resilience was held and a number of practical cases were discussed.

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Also, the CMA Participated in the Affiliate Member Consultative Committee (AMCC) Training Seminar, Mumbai, India, 27 – 28 September. The Training Seminar discussed a number of topics: 1) Cybersecurity, 2) Corporate governance and disclosure of information, 3) Surveillance, 4) Enforcement and Investigation, 5) SME Finance; and 6) Regtech.

PALESTINE

Market capitalization and trading value as percentage of GDP

Market capitalization of Palestine Exchange (PEX) as a percentage of the GDP increased from 27.1 % in June 2017 to 28.5 % in September 2017.

PEX trading activities 2017

From the beginning of 2017 to the end of September 2017, trading volume in Palestine Exchange (PEX) reached 191,935,293 shares, and the trading value was 332,240,841 USD.

National Strategy for Financial Inclusion in Palestine

In July 2017, Palestine Capital Market Authority (PCMA) completed developing a "National Strategy for Financial Inclusion" for the whole financial sector in Palestine. The main objective of this strategy is to enhance access, use and affordability of financial products and services, provided in a fair and transparent manner at reasonable prices, while suiting the needs of all segments of society including marginalized groups. This includes providing a mechanism to deal with customer complaints and identifying the supervisory body responsible for the protection of consumer rights within financial services.

The strategy which will be implemented within a practical framework is designed to fit the state's conditions relying on the best international practice, where PCMA has developed the main standards for developing the "National Strategy for Financial Inclusion in Palestine" based on the G20 principles for innovative financial inclusion and the OECD high level principles for financial education.

The strategy gives particular emphasis on priority areas within the local context. It also gives special focus to access to, and use of financial services and products with a special concentration on the financial capabilities. It is worth mentioning that the strategy puts forth a set of goals and objectives designed to enhance financial inclusion rates in Palestine, these objectives will be achieved through a well-tailored action plan.

All relevant sectors –governmental and non-governmental- participated in the process of building the strategy through their representations in the specialized working groups, these working groups are part of the strategy coordination structure.

This structure includes the steering committee headed by PCMA and PMA and the technical committee. The implementation of the strategy's action plan is expected to start in 2018 with a framework of 8 years.

Financial Leasing

The endorsement of the leasing law by his Excellency President Mahmoud Abbas is considered one of the remarkable steps that PCMA accomplished toward completing its regulatory and supervisory frameworks that govern the financial leasing sector in Palestine. The financial leasing law was drafted in harmony with the Palestinian laws and regulations and in accordance with the best international practices in this field, specifically the standard leasing law approved by the International Institute for the Unification of Private Law (UNIDROIT) for the year 2008.

QATAR

Global Competitiveness Report (2017-2018)

Further to the release of the Global Competitiveness Report 2017-2018 by the World Economic Forum (WEF), the State of Qatar has achieved the Second highest ranking regionally and the Twenty Fifth globally in the overall Global Competitiveness Index Report 2017-2018 out of the 137 countries accounted for in the report.

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WEF published report have affirmed Qatar's success as first in the region based on multiple components, most importantly in areas like : efficiency of development of financial markets, financing through local equity market and venture capital availability.

As for Qatar's ranking in Regulation of Securities Exchanges, it has not only retained its rank of First within the Region, but also advanced from Eleventh to Ninth ranking globally. Moreover, Qatar is ranked Globally Fifth in Venture Capital availability and Tenth in Efficient Development of Financial Markets.

It is worth mentioning that The Global Competitiveness Report also stated that "Qatar remains the second-most competitive economy in the Arab World…: Qatar's strengths remains its good infrastructure facilities and the country's efficient goods markets."

Qatar Stock Exchange Performance (QSE)

At the end of the third Quarter 2017, Qatar Stock Exchange (QSE) General Index closed at 8,312.43 decreasing in line with the historical trend noted during this season and is expected to improve with the upcoming quarterly performance reports of listed companies.

Market Capitalization

Total equity market capitalization at the end of the third Quarter 2017 reached QR 454.61 Billion, showing a decrease of 7.05% compared to the previous quarter.

SOUTH AFRICA

Subordinate Legislation: Financial Markets Act, No 19 of 2012 (FMA)

The notices and regulations in respect of OTC (Over-the-Counter) derivatives, trade repositories, margin requirements for non-centrally cleared derivatives and central counterparties are currently being considered by the Working Group consisting of officials from the FSB, South African Reserve Bank (SARB) and National Treasury. The draft Margin Notice was published on the FSB website on 8 August 2017 for public comment. The comment period ended on 8 September 2017. The final version of the amended OTC regulations is due to be published in November/December 2017 and a Working Group is currently conducting road shows to meet stakeholders and to clarify certain matters before the final publication of the regulations.

Exchanges and Applications

The Capital Market Department is currently assessing the applications of two exchange licenses: Yizani Phuthuma Nathi ("YPN") and South African Financial Exchange (Pty) Ltd ("SAFE").

There are currently five licensed exchanges: JSE Limited, A2X (Pty) Ltd (granted an exchange licence on 6 April 2017), 4 Africa Exchange (Pty) Ltd (4AX) (Granted an exchange licence on 31 August 2016), ZAR X (Pty) Ltd (ZARX) (Granted an exchange licence on 31 August 2016) and Equities Express Securities Exchange (Pty) Ltd (EESE) (Granted an exchange licence on 11 September 2017).

Legal Entity Identifier (LEI)

On 18 December 2015 the LEI Regulatory Oversight Committee (ROC) endorsed Strate (Pty) Ltd (Strate) as a pre-Local Operating Unit (pre-LOU). Strate as a pre- LOU went live with the LEI application program in February 2016. To date 71 LEI's are registered on the Strate System. Strate is currently in the process to be accredited as a Local Operating Unit (LOU) by the Global Legal Entity Identifier Foundation (GLEIF). LEI's are mandated in the draft Financial Markets Act (FMA) regulations and will be used in the reporting of derivative transactions to a Trade Repository.

Electronic Trading Platform for RSA Government Bonds

The National Treasury (NT) is in the process of implementing an electronic trading platform ("ETP") for the Primary Dealers ("PDs") where the secondary market

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quoting obligations under the Primary Dealer contract will need to be satisfied on the ETP. The primary reasons for this decision are to enhance the transparency within the South African Bond Market and to enable NT to more accurately monitor the activities of the PDs. The ETP is expected to go live in the first quarter of 2018 during the middle of February.

SWAZILAND

Licensing

In the Period under review, the FSRA issued two (2) new CIS Manager Licences to Ecsponent and Inhlonhla, in addition to the respective Investment Advisor licenses of which the two entities were already in possession.

We are already in receipt of one more Investment Advisor application, Aluwani Capital Partners Swaziland. We anticipate that application will be fully processed by the end of Q4-2017. Efforts are afoot to ensure that the Central Securities Depository is also licensed in Q4-2017 along with the three remaining commercial banks being licensed as Dealers.

Assets under Management (AUM) and Assets under Advisement (AUA)

Total Assets under Management (AUM) grew to E14, 135, 778, 174.43 (USD 1 082 371 988.as at 30th June 2017. These are total assets managed by the eight (8) Collective Investment Scheme Managers in their twenty-one (21) portfolios in the period under review.

As at 30th June 2017 the FSRA had fourteen (14) licensed Investment Advisors that had total Assets under Advisory (AUA) of E9 213 114 334.94 (USD 705 445 201.76).

Unfortunately Q3-2017 data is not available until mid-November 2017 because our regulated entities are expected to only file their returns by the 31st of October 2017. In light of this, Q2-2017 data will be compared with Q1-2017 data.

Other Developement

In the period under review, the FSRA hosted the 2nd Capital Markets in Aba. The theme for this year's event was **"Alternative Investments".** The keynote address was delivered by His Excellency, the Right Honourable Prime Minister Dr. Sibusiso B. Dlamini. He was supported by the honourable Minister for Finance, Senator M.G. Dlamini. A number of industry experts were on hand to share their experience in the industry as far as alternative investments are concerned. These included Ms. Thandile Nxumalo (Sanlam Swaziland), Mr. J.M Busha (JM Busha), and Mr. J.P. Fourie (Metier Private Equity). The aim of this event is to bring together all the capital markets stakeholders in order to discuss issues pertinent to capital markets in Swaziland; and more importantly, to chart a way forward for the development of capital markets in the country.

TUNISIA

Legislation

The CMF Tunisia issued guidance on anti-money laundering and counter terrorism financing to market intermediaries and management of securities portfolios on behalf of third parties. This guidebook is posted on the regulatorwebsite on: https://www.cmf.tn/sites/default/files/pdfs/documentation/guides/guide_blanchiment_v2017.pdf .

Market Performance

Within the quarter, eighty one (81) companies listed on the Bourse des Valeurs Mobilières de Tunis (BVMT), market capitalisation and tunindex was 21 324,8 M TND (USD8, 598.70) and 6 180.70 respectively. Also, 123 CISs was listed with a net asset value of 4 672 M TND (USD 1, 883.87).

UNITED ARAB EMIRATES (UAE)

SCA

Securities and Commodity Authority (SCA) Launched its strategy on Islamic Capital Market Development.

The SCA in cooperation with Dubai Islamic Economy Development Centre (DIEDC) launched its strategy to develop Islamic capital market.The road map published covers the role of SCA, the securities exchanges and the challenges in Islamic Finance. SCA's domain comprises of different initiatives/projects including forming regulations on supervision of Islamic capital market products and capital adequacy regulations through assigning weights to Islamic products. Under this strategy, the SCA also envisages to launch sandbox initiative to stimulate innovation in Islamic financial markets as well as introduce Shari'ah board governance systems.It will also organize training programs along with integrated awareness program dealing with Islamic financial market

SCA signs MOU with UAE Football Association (UAEFA) to Bolster Cooperation on Good Governance and to Consider Transforming Sporting Clubs into Joint-stock Companies

MOU signed between SCA and the UAE Football Association (UAEFA) to foster cooperation between the two parties in good governance, provide advice and technical support with respect to mergers between sports institutions, and bolster efforts to drive the transformation of sports institutions into public joint-stock companies, which sets the ground for listing them on UAE-based exchanges.Interest shown by UAEFA in the use of sophisticated scientific methods to run sporting clubs and view them as economic entities that contribute to the development plan laid out by the country is considered an exceptional initiative, one that lays the foundations and sets the criteria for a strategic partnership between SCA, as the financial market regulator, and the UAEFA to enhance the competitiveness of the country's sporting clubs. Consequently, sporting clubs will have well-established regulatory frameworks and administrative structures that take into account good governance rules and will be able to fund sporting activities, embark on planned projects, attract the best expertise, and utilize the finest sporting equipment and devices. He further said that the mergers between a number of the country's sporting clubs will lead to the establishment of giant and powerful sporting institutions that are able to compete regionally and internationally in various sports fields.

DFSA DUBAI

FinTech

The DFSA's fostering of FinTech, and use of technology, is aligning with the National Innovation Strategy as set out by the UAE Vice President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, to create an innovation-friendly ecosystem through the addition of a new strategic theme – Innovation – to the DFSA strategic priorities.

Crowdfunding

The DFSA produced new Crowdfunding Rules for equity and loan-based crowdfunding – the first in the Region -which came into force on 1 August 2017.

FinTech Hive @ DIFC

The DIFC's FinTech Hive Accelerator, announced on 10 January this year, is an accelerator programme that offers both start-ups and more established FinTech firms the opportunity to develop, test and modify their innovations in collaboration with seven global and regional financial institutions. Accenture was chosen to set up and operate the programme because of its experience and expertise in building and running FinTech Innovation Labs in London, New York and Hong Kong.

The programme, which began on 21 August, runs for a 12-week period. At the end of this programme there will be a 'demonstration day' on 15 November, where candidates will have the opportunity to show what they have learned and pitch to financial institutions, venture

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capitalists, and angel investors. The DFSA is actively supporting this programme and meeting with entities who may wish to apply for a financialservices licence after the accelerator programme.

RegTech

The increasing use of technology by both regulators and market participants is becoming a key way for regulators to facilitate their own activities as well as market participants to meet their regulatory requirements. Commonly referred to as RegTech, this can bring increased efficiency to operational flows for both regulators and market participants.

The DFSA has made significant inroads in RegTech during the past 18 months, including the introduction of our online forms during the third quarter of 2017. During the same period, we also made significant efficiency gains via the introduction of the common enquiry portal, which is now used by over 50% of the firms in the Centre. This portal allows firms to place all their enquiries with DFSA in an automated fashion and provides a date and time-stamped trail for the DFSA to track each enquiry throughout their processing.

Our RegTech initiative, which shows how the DFSA develops and rolls out technology to improve operational efficiencies, will be extended further with the introduction of additional technology-driven solutions during the upcoming months. The advancements we made in this area allows us to process data in a timely manner, to identify key issues more easily, and to focus on emerging regulatory issues in a more efficient way than in the past.

The DFSA is also looking at ways to accommodate how firms utilise technology to meet our regulatory requirements and will continue to work with the industry to achieve efficiencies in this area.

ADGM

FSRA has Granted in-principle Approvals to its First Money Services Provider and its First Fund Administrator

A Money Services Provider will in principle operate in ADGM as a Money Services Provider with a business model similar to that carried on by Western Union and MoneyGram, facilitating remittances by issuing payment instructions within a global network of agents.

Apex Fund Services (AD) Limited was also granted approval in principle to operate as the first fund administrator in ADGM. AD is part of the Apex group, a global fund administration business with assets under administration across numerous service centres. Apex plans to provide fund accounting, portfolio reconciliation, registrar and corporate secretarial services to Domestic Funds and Foreign Funds managed by ADGM fund managers.

FSRA improved ADGM's value proposition for Fund Managers

FSRA passed rulebook amendments to create a tailored regulatory framework for ventures capital of other rulebook amendments, including the development of Private REITS, FSRA has amended the base capital requirement for eligible fund managers. The new base capital requirement is aligned with the standards imposed in comparable international jurisdictions and better reflects the risks presented by fund managers.

FSRA Introduced Foundations Regime

The foundations regime complements ADGM's regime on trusts, providing stakeholders with a legal structure for wealth management, succession planning and asset protection. Client demand for foundation structures appears strong globally, and there is an opportunity for ADGM to develop into a leading jurisdiction for both new and existing foundations worldwide.

FSRA obtained a legal Opinion Confirming that ADGM is a Netting-Friendly Jurisdiction

On 24th September 2017, the International Swaps & Derivatives Association (ISDA) published a legal opinion providing assurance to financial institutions carrying out OTC derivatives trading within ADGM or with ADGM counterparties that ADGM's netting regime conforms to the requirements of Association.

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IOSCO UPCOMING EVENTS

Phase II of the IOSCO/PIFS-Harvard Law School Global Certificate Program for Regulators of Securities Markets, Cambridge, Massachusetts, USA, 3-8 December 2017

IOSCO and the Program on International Financial Systems at Harvard Law School (PIFS-HLS) jointly developed a two-phase program aimed at offering IOSCO members an executive education program that is exclusively tailored for regulators of securities markets. Attendees have up to three years to complete both phases of the Global Certificate Program. Successful attendees will be awarded a joint certificate of participation issued by IOSCO and PIFS-Harvard Law School. Also, IOSCO members may attend any part of the program on a non-certificate basis. Following the inauguration of the program in 2016, it is envisaged that going forward both phases will be conducted once every year.

Phase II consists of a one week-long in-person module that will be conducted on campus at the Harvard Law School in Cambridge (Massachusetts, US) from 3-8 December 2017. This one week-long session will examine current and future regulatory challenges and emerging issues and will be delivered by leading academics, securities regulators and public policy makers.

While any IOSCO member employee may attend the program, it is specifically designed for regulatory staff with strong leadership potential and approximately five years of regulatory experience.

RESOURCE CENTRE

Obligation Bond

A municipal bond used to secure a mortgage on property or other physical assets that can be liquidated. The face value of the bond is greater than the value of the property itself.

An obligation bond creates a personal obligation on the part of the borrower to compensate the lender for costs in excess of the value of the mortgaged property or assets,

Two-Sided Market

A market in which market makers (or specialists) are required to give both a firm bid and firm ask for each security in which they make a market. In other words, those making the market must be willing to both buy and sell at the prices they quote.

People mainly use this term in the context of the Financial Industry Regulatory Authority (FINRA) requirement that Nasdaq market makers give both a firm bid and firm ask for each security in which they make a market. However, this term can also be applied in the bond market. For example, some broker-dealers make two-sided markets on larger, actively traded bonds and rarely make a two-sided market in inactively traded bonds. The theory is that this helps to enhance liquidity and market efficiency.

Ultra-Short Bond Fund

A type of bond fund that invests only in fixed-income instruments with very short-term maturities. An ultra-short bond fund will ideally invest in instruments with maturities around one year. This investing strategy tends to offer higher yields than money market instruments, with less price fluctuations than a typical short-term fund.

Ultra-short bond funds offer investors greater protection against interest rate risk than longer term bond investments. Since these funds have very low durations, increases in the rate of interest will affect their value less than a medium or long-term bond fund

Vulture Fund

A fund that buys securities in distressed investments, such as high-yield bonds in or near default, or equities that are in or near bankruptcy.

Even highly leveraged firms may be targeted if there is a chance that the owners will not be able to make all required debt payments. As the name implies, these funds

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are like circling vultures patiently waiting to pick over the remains of a rapidly weakening company. The goal is high returns at bargain prices.

Widow-And-Orphan Stock'

A stock that pays high dividends and is generally considered to carry low risk. Widow-and-orphan stocks would most likely be in non-cyclical industries that are less likely to be negatively impacted during economic downturns.

Prior to being broken up in 1984, AT&T was considered to be a widow-and-orphan stock, and was widely held by all classes of investors. Some utilities are deemed to be safer than the broader market. Investors seeking higher returns may shy away from widow-and-orphan stocks because they provide low returns, regardless of the company size. Culled from Investopedia.com

Photo News

SEC Nigeria DG, MrMounir GWARZO and FMC Chairman, Mr Jean Claude NGBWA in Lagos Nigeria, August 2017

From third left: Dr. Patrick Njoroge-Governor, Central Bank of Kenya, and Mr. Paul Muthaura-Chief Executive, Capital Markets Authority, flanked by other members during the launch of the World Investor Week 2017 at the CMA office in Kenya on 29th August 2017.

Dr Omran awarded as the Winner of the Capital Market Personality of the year 2017 in Africa

Africa Investor Chief Executive Officer, Hubert Danso (left), hands over a certificate to Capital Markets Authority (CMA) Kenya Assistant Manager Financial Analysis, Willyson Yanga. as "The Most Innovative Capital Markets Regulator in Africa 2017"

Photo News

Presentation of the new AMMC By-Laws and the 2017 - 2020 Strategic plan

EFSA signed a Protocol on establishing and managin Movable Guarantees Registry with the Egyptian Credit Bureau I-Score

Group photograph with delegates of SEC Ghana (Alpha Ghana Team) who were on a study visit to SEC Nigeria 24th – 26th July 2017

Group photograph with delegates of SEC Ghana (Bravo Kumasi Team) with staff of SEC Nigeria during a study visit to Nigeria 7th – 11th August 2017

CMA organized a training program in the "Risk in Financial Services"

The FSRA CEO, Mr. SandileDlamini, delivering his address on the "CHANGES IN THE CAPITAL MARKETS LANDSCAPE"

Group Photograph with delegates of FMC Cameroon (Delta Yaoundé Team) led by its President, Mr. **Jean Claude NGBWA** with staff of SEC Nigeria in Abuja during a week-long familiarization visit of the Nigerian capital market 14th – 19th August 2017

Important Disclaimer

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