

GREEN CAPITAL MARKETS: MOROCCO HOLDS THE VANGUARD IN AMERC



Ms. Nezha Hayat, CEO, AMMC

Morocco, a North African member of AMERC, has taken the lead in the promotion of green finance and indeed green capital markets in Africa and Middle East.

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This was marked with the Climate Change (COP22) Conference in Q4 2016 which culminated in the Marrakech Pledge. The Conference which was designed to push the United Nations Paris Agreement into an action plan, centered on an initiative inviting members to contribute to an intercontinental partnership in pursuance of sustainable development through the promotion of climate resilient capital markets in Africa and driving capital into the green economy. The Conference was attended by negotiators from almost 200 countries.

The 'Marrakech Pledge', signed by 19 African capital markets' regulators and stock exchanges represents the first of such voluntary commitment on a continental level. With the pledge, African leaders have affirmed readiness to support the development of an effective support ecosystem, green financial instruments and climate-resilient investment vehicles in Africa, and promote transparency and accessible information on green finance and climate-resilient investments in Africa.

Briefly, the Paris Agreement sets out the framework for the international climate action. Participants in the COP22 agreed that the process of setting up the action plan should be completed by 2018, with a review progress in 2017. A key pillar to meeting the Paris Agreement commitments is the mobilization of the necessary financing for the project hence it was agreed in Marrakech that countries should continue scaling up their financial contributions towards the pre-agreed USD100 billion a year by 2020. The Agreement noted that USD5-7 trillion is needed to finance development sustainable goals while developing countries alone will need about USD3.9 trillion a year with only USD1.4 trillion available; the African continent happens to be directly exposed to the effects of climate change; less than 3% of international sustainable development projects are in Africa and less than 5% of total climate finance flows are targeted at Africa. On these notes, it was resolved that Africa must take charge of its sustainable development as an emerging continent by making and encouraging home grown green initiatives and attracting green funds and investments. Further to the foregoing and in specifics, capital market leaders from around the world came together

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in Marrakech in November 2016, to discuss how regulators, stock exchanges and investors can promote the green finance, particularly in developing countries. Discussions centered on global trends, best practices, and recent developments. A review of opportunities for building effective global and regional partnerships among regulators, exchanges and central securities depositories was also undertaken.

The Conference observed the need, among others, to transition to low carbon economy given its implication for capital markets, investors and issuers; learn from the fast paced progress made by smaller exchanges and their significant impacts; link the capital depth in the north with the climate needs of the south, and align the expectations of green project developers and investors in a volatile environment.

The Conference also noted the significant growth potential in green finance building on the successes of COP21 and COP22. It also noted the crucial role of stock exchanges in the transparent raising of funds for renewable and improved energies, water and waste management efficiency, and in providing investors with the opportunity to do good for the planet while improving their returns.

The event succeeded in extracting from participants the commitment to facilitating the international green finance flows that the transition requires and to supporting the development of efficient green capital markets in emerging economies. It was agreed for African regulators, exchanges and finance professionals to work more closely together, towards facilitating the mobilization of the financial resources necessary to support the transition to green African economies. This was with a view to enabling a rapid and effective establishment of climate resilient capital markets systems in Africa and the surge of efficient climate finance mechanisms aligned with the specificities of Africa economic structures.

The 'Marrakech Pledge' focused attention on the 3 key priorities of enabling the development of an effective ecosystem to support the establishment of green capital markets in Africa; supporting the development of green financial Instruments and climate in resilient investment vehicles in Africa, and promoting transparency and accessible information on green finance and climate resilient investments in Africa.

As fallout of deliberations, a financial sector roadmap for contributing to sustainable development and to the fight against climate change was drawn up. It was divided into Banking; Capital Market; Economy and Finance; Insurance, and Financial City.

The Secretariat views these steps as being in sync with efforts across the globe in the fight against environmental degradation. We congratulate AMMC Morocco on the

initiative and call on members to work more closely with other stakeholders for the common good of today and generations yet unborn.

AMERC News

ABU DHABI ADGM BECOMES FULL SIGNATORY OF IOSCO MMoU

The Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM) has also qualified as an Appendix 'A' Signatory to the IOSCO MMoU.

ADGM's signatory of the IOSCO MMoU will facilitate its cooperation with 112 financial market regulators worldwide and also reinforce its commitment as an international financial centre to enhance and build strong collaborations with international financial regulators in the supervision of cross-border activities.

Mr Richard Teng, Chief Executive Officer of FSRA, ADGM in his remarks enthused, "We are pleased with IOSCO's stamp of approval for ADGM's best-in-class regulatory standards. As an international financial centre and financial services regulator, ADGM is committed to maintain a robust and effective framework that enables the sharing of information and cooperation with fellow regulators on supervisory and enforcement matters. We look forward to working closely with international regulators to uphold market confidence, bolster cross-border activities and support the growth of financial services globally".

BOTSWANA

NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY (NBFIRA) AND BOTSWANA INVESTMENT TRADE CENTRE (BITC) SIGN MoU.

The Non-Bank Financial Institutions Regulatory Authority (NBFIRA) and **Botswana Investment Trade Centre (BITC)** signed a Memorandum of Understanding (MoU) **in February 2017**.

The MoU is premised on the need to enhance cooperation in the sharing of information between the two institutions. It will help define and guide working relationships in addition to enabling the smooth exchange of supervisory information by International Financial Services Centre (IFSC) on companies under their purview. It is in this context that this collaboration will help equip NBFIRA and BITC with insight on issues of common interest such as strategies

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to combat financial crime in a collaborative manner.

The MoU was signed by the NBFIRA Acting CEO, Mr. Sriram Ghade and the CEO of the Botswana Investment Trade Centre, Mr. Letsebe Sejoie.

DUBAI: DFSA SIGNS MoU WITH ESMA

The Dubai Financial Services Authority (DFSA) and the European Securities and Markets Authority (ESMA) have entered into information sharing and cooperation arrangements regarding Dubai International Financial Centre (DIFC). This was based on Central Counter Parties (CCP) compliance with conditions set out in the European Union's Market Infrastructure Regulation (EMIR).

The MoU was signed on behalf of the DFSA by the Chief Executive, Mr Ian Johnston, and the Chairman of ESMA, Dr Steven Maijor, in Milan. This follows a decision published in mid-December 2016 by the European Commission, which found the DFSA's regulatory framework for CCPs as equivalent to that of the European Union. The European Commission's decision also confirmed that the DFSA's framework is compliant with international standards as set out under the IOSCO Principles for Financial Market Infrastructures.

The MoU marks the 100th MoU signed by the DFSA and the second with ESMA. The first MoU between the two regulators was signed in 2013 on cooperation in relation to credit rating agencies.

JORDAN

JORDAN SECURITIES COMMISSION APPROVES THE CAPITAL MARKET DEVELOPMENT STRATEGY AND ROADMAP

The Roadmap seeks to achieve the JSC's strategic goals of promoting the capital market, enhancing confidence in the investment climate and protecting the market from potential risks via developing technical and regulatory frameworks in accordance with best practices. The Roadmap was prepared in cooperation with the European Bank for Reconstruction and Development (EBRD) and included various recommendations covering all aspects of the capital market.

This decision was reached following a seminar organised by the JSC in cooperation with the EBRD and with the support of H.E. the Prime Minister, Dr Hani Al-Mulki during which the Roadmap was announced. The seminar was attended by a number of ministers, members of the House of Parliament as well as representatives from the

European Commission, financial services companies and a number of relevant government and private sector institutions.

OMAN

CMA SIGNS MOU WITH AUTORITI MONETARI BRUNEI DARUSSALAM AND CMA LEBANON

The Capital Market Authority, Oman entered into a MoU with Autoriti Monetari Brunei Darussalam in January 2017. The MoU aims at developing cooperation between both counties in the field of information exchange and mutual cooperation. It also aims at drawing a framework for potential support and collaboration between the signatories in critical areas including the securities markets, clearing and depository institutions and financial services companies.

Also, in a related development, the Authority signed a MoU with the Lebanese CMA on the sidelines of the 11th meeting of Union of Arab Securities Authorities (UASA). The MoU seeks to foster exchange of information, cooperation particularly in the areas of enforcement relating to the issuance of securities and investment instruments as well as financial markets oversight.



CMA Oman signing the MoU with Its Lebanese and Brunei counterparts

**QATAR
QFCRA APPROVED AS APPENDIX 'A'
SIGNATORY TO THE IOSCO MMoU**

The Qatar Financial Centre Regulatory Authority (“QFC Regulatory Authority”) has been approved as an Appendix 'A' signatory to the IOSCO MMoU. The approval of the QFC Regulatory Authority as a signatory to the IOSCO MMoU comes after a rigorous screening process of the applicant's legislative and regulatory regime, including provisions on information-sharing, confidentiality and international cooperation.

The signing of the MMoU highlights the QFC Regulatory Authority's continuing commitment to international standards and fostering international cooperation with other regulators. In welcoming the MMoU, Mr. Michael Ryan, CEO of the QFC Regulatory Authority stated that the QFC Regulatory Authority “operates to the highest international standards of regulation and best practice and the approval of the Regulatory Authority as a signatory to the IOSCO MMoU is testament to our adherence to international securities standards. We look forward to working closely with IOSCO and IOSCO MMoU signatories on matters of mutual interest”.

**UASA
UASA SEEKS TO PROMOTE
GREEN CAPITAL MARKET**

The Union of Arab Securities Authorities (UASA) at its 11th meeting held in Tunisia, has thrown its weight behind the development of green capital market in the Arab region. This follows the Board's adoption of the general guidelines and practical steps geared towards fostering green capital markets, especially with regards to encouraging the transformation of the Arab capital markets into green markets. This transformation will help attract environment friendly investments and encourage UASA members' initiatives as it relates to fostering such financial instruments and building the knowledge and educational capacity in this regard.

Other issues considered included the annual report of 2016, work plan for 2017, the Working Group (WG) study on corporate governance of listed companies in the Arab capital markets amongst others.

**UGANDA:
UGANDA GETS NOD FROM GLOBAL SECURITIES STANDARDS SETTER**

The Capital Markets Authority (CMA) Uganda has been admitted as an Appendix 'A' Signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU). This follows the recent amendment of the CMA Act, which subsequently provided grounds for the re-submission of its application.

The IOSCO MMoU provides an international benchmark for cross-border co-operation and offers securities regulators with the tools for combating cross-border fraud and misconduct that can weaken global securities markets and undermine investor confidence. By this admission, the CMA Uganda becomes the 112th member to append its signature to the memorandum which was instituted in 2002. Admission to this cluster also means that Uganda's regulator will have increased access to knowledge and research through the IOSCO network which will boost investor education and market development activities.

The CEO of CMA Uganda, Mr. Kalyegira noted while CMA's Appendix 'B' status had limited its participation, engagement and contribution to international dialogues, the new qualification will fuel the desire to transform Uganda's capital market into one of the most efficient, and trusted centres for attracting capital and providing capital in Africa, and this could not easily be achieved without enhancing the regulatory framework to fully suit international standards.

The formal signing ceremony will be held at the 42nd IOSCO annual conference which will be held in Jamaica in May 2017.

Development Report

CMA KENYA: EARNS CONTINENTAL RECOGNITION



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The Authority was formally recognized as the most innovative capital markets regulator in Africa (2016), an award conferred by the International Finance Magazine, a quarterly magazine circulated in over 185 countries worldwide. The Authority looks forward to maintaining the lead position in capital markets innovations as it works at providing a conducive policy, regulatory and institutional environment for continued development of capital markets products.

FELICITATES WITH FIFTY (50) KENYAN COMPANIES LISTED IN LSE'S REPORT

Kenya is a global trendsetter and hub of landmark innovations mainly pioneered by small and medium companies that are in their active growth stages.

This was recently confirmed through the recognition of fifty companies operating in Kenya, by the London Stock Exchange's inaugural Companies to inspire Africa' report. Kenya was privileged to be involved in this initiative and proud to have the CMA Chief Executive Mr. Paul Muthaura, write the foreword for the final report that was launched on 31st March, 2017, in London.

Collectively, Kenyan companies made up 14% of the total number of companies in the report, one of the highest concentrations of high growth companies in Africa. 28% of Kenyan companies operate in the renewable energy space, reflecting the country's pre-eminent role in exploring alternative energy production on the continent.

The report identified 343 companies from 42 African countries as the continent's most exciting and dynamic small businesses. The listed companies delivered an impressive average compound annual growth rate (revenue) of 16% over a 3 year period 2013 – 2015.

Promotes new listings, launches the Business Accelerator and Incubator Listing Experience

Informed by the array of diverse well performing small businesses in the country, the Authority premiered the *'Business Accelerator and Incubator Listing Experience'* on 30th and 31st March 2017. The initiative is aligned to the Capital Markets Master Plan target to increase listings on the Growth Enterprise Market translating to approximately 40 companies by 2023, creating a solid supply of future Main Board listed companies. The experience is intended to give interested companies a realistic and practical feel of the

listing process. The firms were taken through a stage by stage, one on one, structured engagement with the CMA, NSE, Nominated Advisors (NOMADS), Transaction advisors, Lawyers, Auditors, Stockbrokers and Investment Banks, among other service providers, to allow for confidential B2B discussions on their readiness for listing. Statistically, company participation exceeded the Authority's expectation of 70, totaling 84.



CMA Chairman Mr. James Ndegwa (centre), officially opens the Business Accelerator and incubator listing experience

Approves listing of first ETF and issuance of mobile based bond

In line with its strategic objective to widen financial products in the Kenyan market, the Authority approved the secondary listing of the first Exchange Traded Fund (ETF) in Kenya in February 2017, which was subsequently listed on the Nairobi Securities Exchange on 27th March, 2017.

The listing was of 400,000 gold bullion debentures by New Gold Issuer (RF) Limited on the Main Investment Market Segment of the Nairobi Securities Exchange, commencing trading on the NSE on 27th March 2017. The ETF is expected to open the doors to local investors wishing to indirectly participate in the gold market, where they have previously had to either trade in the commodity in its physical form (bullion) or do so through offshore markets. It is also expected to provide diversification benefits from a portfolio perspective. To deepen the knowledge in ETFs and how they are traded, the Nairobi Securities Exchange in collaboration with the Authority is organizing an ETF stakeholder workshop in April,

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2017.

In the same vein, M-Akiba, a Government of Kenya mobile based retail bond that seeks to enhance financial inclusion for economic development was launched into the Kenyan market in March, 2017. The Authority approved the listing of the Special Limited Offer bond valued at Kenya Shillings One Hundred and Fifty Million (KES 150,000,000) on the Fixed Income Securities Market Segment of the Nairobi Securities Exchange.

The approved bond issuance (KES 150 Million) was the first phase of the KES 5 billion with the remaining KES 4.85 billion expected to be floated in June of 2017. The 3-year infrastructure bond is the first in the world to be sold on a mobile money platform and is expected to open the bonds market, currently dominated by financial institutions and high-net-worth individuals, to retail investors.

CMA SAUDI ARABIA

Announces mandatory disclosure by listed companies with accumulated losses of up to 50% or more of their capital as per article 150 of the companies law.

In reference to the period set for existing companies to remedy their positions as per the provisions of the Companies Law on 25/07/1438H (22nd April, 2017), as the end of this period is approaching and as per Article (150) of the Companies Law which states that when the company's accumulated losses reach half of its paid up capital, the company's board shall hold an extraordinary General Assembly to decide either to increase the company's capital, decrease it to the level so that losses decrease below half of the company's paid up capital or dissolve the company before the term prescribed in its by-laws.

In case the extraordinary General Assembly was not held within the prescribed period, if a meeting was held but failed to issue a resolution on this matter or if the Assembly decided to increase the capital but not all of the capital increase was subscribed to within (90) days from the issuance of the Assembly's resolution, then the company is deemed dissolved by force. Affected companies are to comply on or before 24/07/1438H (21st April, 2017).

Reconstitutes advisory committee

The CMA has issued a resolution to recompose the Advisory Committee for its fourth term to comprise 12 part-time members from market participants, experts, specialists and experienced college professors. The Committee's composition took into consideration a

more expanded representation of market participants. Previously, the CMA Board issued a resolution on 2/11/1434H (8th September, 2013) to approve the CMA's Advisory Committee Regulations pursuant to the Capital Market Law (CML). This came in the context of enabling effective communication between the CMA and all different market participants, and creating a regulated mechanism for such interaction in order to support the CMA in fulfilling its functions and achieving its goals.

Issues corporate governance regulations

As part of efforts to deliver on its statutory mandates, the CMA, during the period under review approved and issued new corporate governance regulations in replacement of the 2006 version. While a section of the new regulations will take effect on 25/07/1438H (22nd April, 2017), the other section will come into force on 12/04/1439H (31st December, 2017).

The new regulations aim to achieve the best investment of company potential and resources through an environment of responsibility, control and commitment. It covers the principles of clearness and transparency of company objectives, strategic plans and stakeholder rights, in addition to managing its relationship with stakeholders. Best practice and opinions of relevant experts were considered in the preparation of these regulations.

These regulations come as a direct result of the various initiatives of the CMA to develop the Saudi Arabian capital market in partnership with the Ministry of Commerce and Industry.

Issues board resolution on amendments of rules and procedures on listed joint stock companies

This was further to the press release published on 24/06/1438H (23rd March, 2017) on obliging listed companies to allow shareholders to vote on the agenda of the general and special assembly meetings electronically via the electronic voting service "Tadawulaty" that is offered by the Saudi Stock Exchange (Tadawul), which applies to the assemblies for which a request of no objection is submitted to the Authority regarding their holding starting from 04/07/1438 (1st April, 2017).

The issuance proceeded from the CMA's program to achieve Saudi Arabia's Vision 2030, its role in regulating and developing the rules governing listed companies, and endeavor to encourage shareholders to participate in the general assemblies of listed companies, and the relevant royal decrees.

CMA TUNISIA

Legislation

Enactment of the CMF Regulation relating to the practical measures intended to prevent money laundering and terrorism financing, endorsed by the Minister of Finance Order dated 19th January, 2017. This regulation defines the practices to be implemented by stockbrokers and companies managing the securities

portfolios of third parties and will lead to the following diligences:

- * Towards clients
- * Transactions and operations specific
- * In respect of either regulation, internal control and on-going training;
- * Disclosure requirements to regulators
- * List of sanctions against erring professionals

Hosts UASA annual meeting

The CMA hosted the 11th UASA Annual Meeting on 16th March, 2017 in Tunis. The morning session included the UASA Board members meeting and also resulted in the signing of bilateral MoUs. The afternoon session included a seminar relating to “Complementarities and cooperation of Arab securities markets for promoting Arab investments”.

CMC ANGOLA

Holds Annual staff gathering



CMC CEO, Ms. Vera Daves
at the staff parley in February 2017

The Capital Markets Commission (CMC) held, from 1st - 3rd February, 2017, its 6th Yearly Staff Gathering under the motto "Capital Markets - Future Perspectives". The meeting aimed to share the guidelines of CMC's strategy for the next five years, to identify the main

challenges for the implementation of a dynamic capital market and to gather contributions from the main market players.

During the three days, discussions and presentations were held around relevant themes for the future of the Angolan capital market.

Central Bank (BNA) publishes market impacting notices

Considering the need to define the procedures for the application of resources from abroad for the purpose of investments by foreign non-residents in the securities market, the Angolan Central Bank has recently published the two notices below:

- (a) Angolan Central Bank (BNA) Notice n°. 1/17 of 3rd February 2017, which determines the procedures for investment, transfers of capital, interest, dividends and other income related to securities transactions by non-residents, admitted to trading on the Angolan Stock Exchange (BODIVA) and other regulated markets managed by management companies registered at CMC; and,
- (b) Angolan Central Bank (BNA) Notice n°. 2/17, of 3rd February 2017, which establishes the rules applicable to the opening and operation of deposit accounts held with the national financial institutions, owned by foreign non-residents, in domestic and foreign currency.

Publishes instruction on supervision and surveillance database

Pursuant to Article 23 of the Securities Code, the CMC has published the instruction on the integration into a data base of all supervised entities. This is with the objective to improve supervisory efficiency, reduce monitoring costs, observe the market more closely, prevent illicit transactions and monitor the incidence of systemic risk.

Participates in conference on urbanism and housing financing.

The CMC joined the Ministry of Urbanism and Housing at the conference on "Urbanism and Housing Financing Models" in Luanda on 21st February, 2017. The Conference was in line with the framework designed by the financing of government's National Plan for Urbanism and Housing, in an adverse macroeconomic context and focused on the reflection on the financing of housing projects, the challenges and opportunities of investment in the projects and constraints in the real estate market.

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CMC delegates at the conference

FSB SOUTH AFRICA

Approves infrastructure rules and listing requirements

The proposed amendments to the Johannesburg Stock Exchange (JSE) Interest Rate and Currency Derivatives Rules - Registered Officers **have been approved by the Registrar and are due for publication shortly**. The amendments to the Debt Listing Requirements Part 1 of 6 were published for comments and will be finalised once final approval by the Registrar has been obtained.

Issues directive and explanatory memorandum on cooperative arrangements between market infrastructures

The FSB has redirected its focus to cooperation between market infrastructures rather than on interoperability, following the numerous comments received from stakeholders on the draft directive on interoperability. The amended draft directive was published for the second time on 16th November, 2016 and the closing date for comments was 16th December, 2016. At the request of the JSE and other stakeholders to extend the period for comments the Registrar extended the period to the 17th January, 2017. The CMD is currently considering the comments received and also planning to have a workshop with stakeholders to consider the draft directive for the last time before final publication.

Assesses Exchange applications

The FSB is currently assessing the following four exchange license applications: A2X, Equity Express Securities Exchange (EASE), Yizani Phuthuma Nathi (YPN) and South African Financial Exchange (Pty) Ltd (SAFE”).

Legislates financial instruments in liaison with the EU

The **Markets in Financial Instruments Directive 2 (MiFID 2)** is scheduled to come into force on 3rd January 2018. Amongst its many provisions is a share trading obligation which mandates firms in the European Union (EU) to trade shares on EU venues or on third country venues **that have been recognised as equivalent i.e. have similar laws and supervisory frameworks**.

The obligation applies to shares traded on or admitted to trading on an EU exchange. **It will therefore apply to shares dual listed or traded on London Stock Exchange and the JSE**. If equivalence is not obtained, any dealing in these stocks by EU investment firms could not be routed to the JSE but instead would have to be carried out on an EU venue.

In order to obtain equivalence, the FSB is responding to a questionnaire prepared by the Directorate General Financial Markets, Financial Services and Capital Markets Union of the European Commission, which requires a description of South Africa's regulatory regime in order to enable them to assess whether trading venues abide by legal obligations that are equivalent to those rules that govern EU shares trading venues. They will also

FSC MAURITIUS

Market indices

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 for the period under review the official market SEMDEX (points) at January 17, 2017 was USD1, 880.90 and stood at USD as at March 17, 2017. For the Development & Enterprise market, the Demex points as at January 17, 2017 was USD 203.97 and stood at USD 210.35 as at March 17, 2017.

On-Site Inspections

Surveillance - Capital Markets Pursuant to Section 43 of the Financial Services Act 2007 ('FSA'), the Surveillance – Capital Markets cluster carried out 3 on-site inspections at the premises of the licensees as at 31 March 2017.

approvals to more than 22 applicant firms.

In October 2016, Abu Dhabi Financial Group (ADFG) became the first to establish an ADGM collective investment fund. ADFG's *Goldilocks Investment Company* is a USD200 million fund that aims to seek out undervalued equities on GCC markets. Equitativa (AD) Limited, part of the group that established the first Real Estate Investment Trust (REIT) in the MENA region, has since incorporated four ADGM funds (including two REITs). The establishment of these funds followed an independent review of best practice benchmarking of ADGM's funds framework, release of ADGM's funds regime collateral, and a series of outreach sessions with industry.

Promotes aviation financing

In January 2017, Etihad Airways and Natixis completed a sale and leaseback for two 2016 vintage Airbus A380 aircrafts. Both aircrafts are owned by special purpose companies based in Abu Dhabi Global Market and are leased to Etihad for a period of 12 years. This marks the first aviation financing transaction in ADGM since the recent enactment of the Cape Town Convention and Aircraft Protocol 2001 into its insolvency framework to support its ambition to be an aviation financing and asset management hub in the UAE and the MENA region.

The new set of regulations further augments ADGM's strengths as an international jurisdiction for aviation financing and leasing as well as global financial services. The 12 year operating leases are leveraged with a combination of Islamic and conventional tranches of debt arranged by Natixis in collaboration with a number of Banks in the region. As a result of this transaction, Natixis and ADGM are in advanced discussions to set up an aircraft investment platform in ADGM which will target investors looking for high USD yield. This development reinforces ADGM's commitment to provide a dynamic and conducive environment for successful aviation transactions, and to attract more global aviation financing and leasing businesses to establish their operational presence in

Undertakes international liaisons

In the first half of 2016, FSRA became a member of the three major international standard-setting bodies: IOSCO, IAIS and BCBS/BCG. On 21st December 2016, FSRA successfully completed IOSCO's screening process to become a signatory to the IOSCO MMoU. The Authority also applied to become a signatory to the IAIS MMoU and expects this

Surveillance Investment Funds and Intermediaries

The Surveillance Investment Funds and Intermediaries Cluster have worked on the legislative amendment for exemption under Section 23 of the FSA. The Financial Services Commission (The 'Commission') issued a Circular Letter in January 2017 to introduce the Financial Services (Exemption from Approval of Controllers and Beneficial Owners) Rules 2016 (the 'Rules').

The Rules made pursuant to section 23(4) and section 93 of the FSA provide for exemption from seeking the approval of the Commission under Section 23(1) of the FSA where there is an issue or transfer of shares in a licensee which do not carry voting rights.

The Circular Letter also informed Licensees that the notification under section 23(1A)(b) of the FSA must be made to the Commission within 14 days of the share transaction.

However, in case where the shares of a licensee or those of its beneficial owner are listed on a securities exchange, either in Mauritius or elsewhere, the notification should be made once every year, on or before 31 January for all share transactions in the course of the preceding year.

Enforcement Actions

In order to enable the Commission to take the appropriate measures to suppress illegal, dishonorable and improper practices, market abuse and financial fraud in relation to any activity in the financial services and global business sectors, the Commission is empowered under the FSA to take actions against those licensees who have carried out, are carrying or are likely to carry out any activity which may cause serious prejudice to the soundness and stability of the financial system of Mauritius or to the reputation of Mauritius which may threaten the integrity of the system.

During the period January to March 2017, interim directions issued were three (3) and termination of licenses was one (1).

FSRA – ADGM UNITED ARAB EMIRATE

New Applicants and Funds

Since going live on 21st October 2015, ADGM has continued to gain traction with local, regional and international firms. FSRA has now issued Financial Services Permissions and granted in-principle

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in the coming months. FSRA has so far entered into twenty-seven (27) bilateral MoUs, while it continues to pursue new collaborations. Separately, ADGM has also been establishing MoUs with UAE federal authorities.

In January 2017, ADGM received the President Nursultan Nazarbayev of the Republic of Kazakhstan during his official visit to the country. The official stop at ADGM is part of the high ranking delegation visit from Kazakhstan to Abu Dhabi and also marked the signing of a MoU between Astana International Financial Centre (AIFC) and ADGM to cooperate and foster the development of their respective financial markets.

Issues amendments, manuals

The FSRA has coordinated amendments to the ADGM's *Insolvency Regulations 2015* to confirm the application of the *Cape Town Convention and Aircraft Protocol 2001* in ADGM. Among other things, the amendments ensure greater legal certainty where a party to an aviation financing agreement becomes insolvent, which in turn may reduce the cost of raising finance for aircraft equipment.

The FSRA has also published its Guidance and Policies Manual and the FSRA Confidentiality Policy. The two documents provide a level of certainty to FSRA stakeholders (i.e. firms, service providers and other regulators) as to how the FSRA will perform its functions and discharge its obligations under the law. These outcomes are consistent with FSRA's objective to maintain a high level of regulatory transparency and engagement.

FSRA SWAZILAND

Licensing

During the period under review, the FSRA licensed five (5) entities including one collective investment scheme (CIS); three (3) investment advisors and a dealer. The dealer license was granted to the Swaziland Development Bank whose responsibility partly relates to bringing Government papers from the primary market on to the secondary market through the Swaziland Stock Exchange.

On- site inspection

The FSRA conducted its first on- site inspection of regulated entities in a bid to ensure compliance with all applicable laws, rules and regulations and identify common risks among its entities.

Mandate on Collecting Investment Schemes

Prior to the end of Q1, Collective Investment Schemes were allowed a special dispensation to invest only a minimum of 30% of the assets under management in Swaziland. However, in a bid to increase activity in the local capital markets and to develop the secondary market, the FSRA issued Circular No.2 of 2016 mandating CIS Managers to fully comply with the 50% local asset requirement stipulated by the Securities Act, 2010. Since then, we have seen an increase in the development of private equity projects that can absorb the capital inflows.

Issues e-reporting template

The FSRA has operationalized its e - reporting template in order to promote e - filing and reporting in order to make communication processes more efficient. The FSRA has also automated the trading platform on the Swaziland Stock Exchange (SSX) in order to make trading more efficient.

SEC NIGERIA

Listings: Equities, Bonds and ETF

During the period under review, two (2) equities were listed on the Nigerian Stock Exchange while two (2) FGN bonds, one (1) Eurobond and one (1) ETF were admitted to trade on the Exchange. In the corresponding period of 2016, two (2) FGN bonds, one (1) State Government bond and two (2) corporate bonds were admitted to trade on the Exchange.

Extends investor education to Schools

The Commission, in collaboration with the Nigeria Educational Research and Development Council (NERDC), has taken steps towards actualizing its aspiration to infuse capital market studies into the basic and senior secondary school curricula. This forms part of the implementation of the initiatives proposed by the 10-year Capital Market Master Plan.

Training of compliance officers

The Commission carried out a training programme for all compliance officers /chief finance officers of all market intermediary firms on the quarterly reporting template.

Visits Morocco on study

As fall out of the recently signed bilateral MoU between AMMC Morocco and SEC Nigeria, as well as the subsisting IOSCO MMoU on consultation, cooperation and exchange of information to which both authorities are signatories, colleagues from SEC Nigeria undertook

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a study visit to Morocco in March 2017 to glean from the experiences of AMMC in the growth of its asset management industry and current focus on green bond, an initiative currently being driven vigorously by the AMMC. In addition to the foregoing benefits, the study visit was, also for Nigeria, in furtherance of a critical initiative of the 10 - year Capital Market Master Plan with respect to deepening the country's asset management and bond industries.

Specifically, the 1-week attachment focused on:

- The asset management industry in Morocco, viz, regulatory framework, players, growth catalyst, potentials, ongoing developments, etc.
- The regulatory framework and development of Green Bonds in Morocco.

SEC Nigeria appreciates the opportunity provided by AMMC Morocco and calls on enjoins colleague authorities to take advantage of the capacity and growth asymmetry to develop our territorial and more importantly, regional market.

SPECIAL FOCUS: OUR NEW MEMBERS

QATAR – QFMA

Qatar Financial Markets Authority (QFMA) was established under Law No. 33 of 2005, as an independent regulatory authority to supervise the financial markets and authorized securities firms. QFMA is empowered to ensure investor protection, uphold fairness, transparency, professionalism efficiency and maintain investor awareness and market integrity.

The QFMA holds the primary responsibility of setting and maintaining a reliable regulatory infrastructure based on international standards for the capital markets, to create a world-class capital market. This is to enable it attain a leading position in the region through focusing on its strategic objectives which includes: Upgrading to a modern financial market, improving market accessibility for investment firms and products, establishing an effective market surveillance and supervisory regime amongst others.

SWAZILAND - FINANCIAL SERVICES

REGULATORY AUTHORITY

The Financial Services Regulatory Authority (FSRA) was established by the Financial Services Regulatory

Act, 2010 to license and regulate all non-banking financial institutions in the Kingdom of Swaziland. The FSRA is a company wholly owned by the Government of Swaziland; however it has a Board of Directors that report to the Honorable Minister for Finance.

Swaziland is a member of the Committee of Insurance Securities and Non-Banking Financial Authorities (CISNA) which promotes harmonized regulatory frameworks in capital markets, investment services and insurance and retirement funds in the

The FSRA's Mandate

The Authority's mandate is to foster the regulation and prudential supervision of financial services providers: maintain the stability of the Swaziland financial system, safeguard the soundness of financial services providers, maintain the highest standard of business conduct by financial services providers, promote fair competition amongst the different financial services providers for the benefits of stakeholders amongst others.

Upcoming Events

2017 IOSCO SEMINAR TRAINING PROGRAM (STP), MADRID, SPAIN, 3rd-5th MAY 2017

The 2017 IOSCO Seminar Training Program will take place from 3rd to 5th May 2017 at the IOSCO secretariat in Madrid, Spain. The program, with the theme “*Protecting Investors through Supervision, Inspections, and Examinations*”, is free of charge and open to all members.

IOSCO/PIFS-HARVARD LAW SCHOOL GLOBAL CERTIFICATE PROGRAM FOR REGULATORS OF SECURITIES MARKETS, PHASE I MADRID, SPAIN, 19TH-30TH JUNE, 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. The 1st phase of the program will be held from 19th to 30th June, 2017 at IOSCO Secretariat in Madrid, Spain. The program is scheduled to cover the fundamentals and intricacies of securities regulation and compliance.

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

10th IOSCO AMCC Training Seminar, Mumbai, India, 27th-28th September, 2017

The 10th edition of the IOSCO AMCC Training Seminar will be kindly hosted by the Bombay Stock Exchange Limited in Mumbai, India, from 27th to 28th September, 2017. This yearly Training Seminar organized by the IOSCO Affiliate Members Consultative Committee (AMCC) will feature panels, case studies, presentations and breakout sessions on implementing the IOSCO Principles.

The Training Seminar is open to all members free of charge.

12th Joint IOSCO/Financial Stability Institute (FSI) Seminar on Trading Book Issues and Market Infrastructure, Madrid, Spain, 15th -17th November, 2017

The annual IOSCO/FSI Seminar will be jointly hosted by IOSCO and the Financial Stability Institute (FSI) from 15th to 17th November, 2017 in Madrid, Spain. The seminar is free of charge and open to bank supervisors and securities regulators.

IOSCO/PIFS-HARVARD LAW SCHOOL GLOBAL CERTIFICATE PROGRAM FOR REGULATORS OF SECURITIES MARKETS, PHASE II, CAMBRIDGE, MASSACHUSETTS, USA, 3RD -8TH DECEMBER, 2017

The 2nd phase of the program is scheduled to hold from 3rd to 8th December, 2017 on campus at the Harvard Law School in Cambridge, Massachusetts, USA. The program will examine current and future regulatory challenges and emerging issues.

RESOURCE CENTRE

A new security issue that remains undistributed due to insufficient investor interest or public demand at the offering price. An underwriting group purchases a new securities issue from an issuing corporation and agrees to sell the issue for a profit to investors. Undigested securities are those new issue that have yet to be distributed even though they are available for purchase by investors.

The issue could be unappealing to investors for a number of different reasons. There could be negative press surrounding the issue, current economic conditions could be dampening interest in new securities issues, an array of other financial information could be flooding the investment community to the point where the new issues simply

have not been analysed due to time constraints, and so on. Just because a security is undigested doesn't mean it is low quality.

Xenocurrency

A currency that trades in markets outside of its domestic borders. The term "xenocurrency" is derived from the prefix "xeno," which literally means foreign or strange.

An example of a xenocurrency would be the euro traded in the United States, or the Japanese yen traded in Europe. The term "xenocurrency" is seldom used in markets, perhaps because of the somewhat negative connotation of the word "xeno." Xenophobia, for example, means an irrational fear or hatred of foreigners. "Foreign currency," therefore, is the preferred term when referring to a non-domestic currency.

Champagne Stock

A slang term used to describe a stock that has appreciated dramatically. A champagne stock is one that has made shareholders a great deal of money. Although champagne stocks can come from any industry and sector, bubble stocks have made and lost shareholders quite a bit of money before those bubbles burst.

A champagne stock is typically one that has at least doubled or tripled in value in a relatively short period, creating a huge profit for the company's shareholders. The term is used because individuals who hold such stocks will often order an expensive bottle of champagne to celebrate their good fortune. A stock that has options trading on a market exchange. Not all companies that trade publicly have exchange traded options, this is due to requirements that need to be met, such as minimum share price and minimum outstanding shares.

Watered Stock

Stock that is issued with a value much greater than the value of the issuing company's assets. Watered stock can be caused by excessive stock dividends, over-valued assets and/or large operating losses.

BREAKING DOWN 'Watered Stock'

Assets can be overvalued for several reasons, including inflated accounting values or excessive issue of stock (through a dividend or employee stock-option program). This term is thought to originate from ranchers who would feed their cattle large amounts of water before market day to make them heavier, fetching a price higher than their worth.

Historical Currency Exchange Rates

A collection of historical exchange rates that are used to provide traders with a historical reference to where a currency pair has traded in the past. Historical currency rates are used by many forex traders to help shed light on the direction of a given currency pair.

Historical data for currency exchange rates is a valuable tool for those looking to convert their currencies. Whether for speculative reasons, as in the case of the retail forex day trader, or for the converter looking for physical delivery, as in the case of a person who is about to go on vacation, knowing what rate you are getting today compared to currency exchange rates of the past is a valuable planning tool. Many retail forex brokers provide this information for free, but others charge a nominal fee for this data. Be sure to do your own research before deciding where to get your historical currency exchange rate data.

Reciprocal Currency Arrangement

Temporary arrangement between central banks to maintain a supply of a country's currency for trade with other central banks at a specified exchange rate. A reciprocal currency arrangement is only intended for overnight or short-term lending in order to maintain reserve requirements, liquidity and to keep financial markets functioning smoothly. Also known as a swap line or swap network.

Reciprocal currency arrangements exist to provide short-term access to foreign currencies. In the U.S., for example, a reciprocal currency arrangement entails both a spot (immediate delivery) transaction, where the Federal Reserve transfers dollars to a central bank and receives foreign currency in exchange; and a concurrent forward (future delivery) transaction, where the two central banks consent to reversing the spot transaction at a specified date. One purpose of a reciprocal currency arrangement is the support of a country's currency during periods of uncertainty or unusual market disruptions.

...GLANCES OF PROCEEDINGS AT THE 38TH AMERC MEETING HELD IN ABU-DHABI, UAE



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