



CAPITAL MARKET REGULATORS FORUM COMCEC

FINAL REPORT ¹

COMCEC 9th CAPITAL MARKET REGULATORS ONLINE FORUM

13 – 14 October 2020

¹ This report is prepared for information purposes by the COMCEC CMR Forum Secretariat, which is executed by the Capital Markets Board of Türkiye.

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COMCEC 9th CAPITAL MARKET REGULATORS FORUM

(Drafted by the COMCEC CMR Forum Secretariat, Capital Markets Board of Türkiye)

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REPORT OF THE 9th COMCEC CAPITAL MARKET REGULATORS FORUM

(13 – 14 October, 2020)

The Annual COMCEC 9th Capital Market Regulators Forum (COMCEC CMR Forum) virtually convened on October 13th – 14th, 2020. Addressing the capital market regulators of the *Organization of Islamic Cooperation (OIC) and the Standing Committee for Economic and Commercial Cooperation (COMCEC)* member countries, “**COMCEC 9th Capital Markets Regulators Forum**” was hosted by the Capital Markets Board of Türkiye (CMB) as the Secretariat of the COMCEC CMR Forum. Delegates from Azerbaijan, Iran, Kuwait, Lebanon, Malaysia, Maldives, Pakistan, Palestine, Tunisia, Türkiye and United Arab Emirates as well as representatives from the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and COMCEC Coordination Office have participated at the meeting.

Forum participants have primarily discussed the impact of the Covid-19 disruption on their financial markets. The nature and effectiveness of the measures implemented by the regulatory authorities was also examined. In addition to Covid-19, participants have also reflected on finding the way forward in Post Covid-19 world with implications for financial markets in light of sustainable development and FinTech innovations.

Moreover, possible cases of promoting dialogue via online experience sharing, technical support between COMCEC countries were discussed by the delegates at a session. In relation to this, recent cooperation between the CMB of Türkiye and the Azerbaijan Central Bank was presented.

In the context of the Forum Task Forces’ ongoing initiatives, the Islamic Finance Task Force and the Capacity Building Task Force informed all delegates about the progress of their activities.

The Islamic Finance Task Force, chaired by the Securities Commission, Malaysia presented the details of its COMCEC Project Funding initiative on “Advancing Islamic Capital Market through Financial Technology” topic. The project initiative was scheduled to take place this year, but due to the ongoing pandemic issue, the project is postponed to 2021.

CMB Türkiye, Chair of the Capacity Building Task Force briefed the Forum on the “COMCEC Real Estate Securities Trading Link (CRESCENT Link)” initiative. This project aims at gathering the alternative asset class financial instruments such as Sukuk, real estate funds of COMCEC countries to be traded at an exclusive trading venue for portfolio diversification at lower costs and lowering the cost of capital for real estate industry.

CMB of Türkiye has been developing this initiative technically since 2015 through feasibility reports, questionnaires, international workshop and policy recommendations. Building upon this Research & Development work, in order to gradually realise the initiative, the CMB, Türkiye has drafted an action plan in 2020. With the objective of accomplishing this action plan, Borsa İstanbul, and financial market infrastructure institutions are invited for technical and administrative cooperation by the CMB. Borsa Istanbul Group has initiated technical work for establishing an information Platform for listed real estate securities. Currently the CMB and Borsa İstanbul are cooperating to operationalise the information platform as an initial step of the

trading link. Since the initiative is aimed to be international, possible partnerships alongside the technical work also continues.

In addition, taking into account current capital markets developments in the international fora, aftermath of the Covid-19 Pandemic, COMCEC CMR Forum, based on Forum General Assembly discussions has invited Forum member authorities to join the Sustainable Finance and FinTech Working Groups to promote capacity building and experience sharing among COMCEC countries capital market authorities.

I. Opening Remarks by Vice-Chairman Mr. Bora ORUÇ

Mr. Bora Oruç, Vice-Chairman of the CMB Türkiye welcomed all members who attended the 9th COMCEC Capital Market Regulators Forum. He also welcomed the representatives from the COMCEC Coordination Office, to the 9th COMCEC Capital Market Regulators Forum. On behalf of the Chair and Secretariat of the COMCEC, Mr. Oruc presented how the Forum members are sharing the knowledge and expertise in order to enhance financial cooperation among member states since the foundation of the Forum in 2011.

II. Welcoming Session by the COMCEC Coordination Office, Director, Mr. Selçuk KOÇ

Mr. Selçuk KOÇ, Director, COMCEC Coordination Office delivered his opening speech and informed the participants about COMCEC's activities as well as the activities of the COMCEC Financial Cooperation Working Group. He noted that the results of the meeting of the working group will be presented to the COMCEC Ministerial Meeting this year.

III. Covid-19 Pandemic Response of the COMCEC Capital Market Regulatory Authorities

Forum member authorities were invited to present the impact of the Covid-19 disruption of their markets. Also, the level of effectiveness of the measures to be implemented by the regulatory authorities was discussed with members from Azerbaijan, Iran, Kuwait, Malaysia Pakistan, Tunisia and Türkiye.

IV. Task Force Sessions- Update

- a. *Islamic Finance Task Force, Task Force Chair Securities Commission Malaysia, Mr. Syed Azhan SYED MOHD BAKHOR.*** Findings from '*Advancing Islamic Capital Markets through Financial Technology*' organised under COMCEC Project Funding.
- b. *Capacity Building Task Force, Task Force Chair, Capital Markets Board of Türkiye, Ms. Seçil SAYIN KUTLUCA.*** COMCEC Real Estate Securities Trading Link (*CRESCENT Link*).

V. Promoting Dialogue and Experience Sharing via Online Platforms

Mr. Samir ISMAYILOV, Central Bank of Azerbaijan and Ms. Dilek KAVLAK, Capital Markets Board of Türkiye. Findings from the Case Study; Technical Cooperation between Central Bank of Azerbaijan and Capital Markets Board of Türkiye (September 2020).

VI. How Regulators and Regulations Address Social/Copy Trading as an Emerging Investment Trend. Mr. Mustafa EKEN and Mr. Burak GÖRMEZ from the CMB Türkiye.

Findings from the Way Forward in Post Covid-19 World – Implications for Financial Markets in Light of Sustainable Development and FinTech Innovations. Ms Seçil SAYIN KUTLUCA and Mr. Burak GÖRMEZ from the CMB Türkiye.

VII. Other Issues / Forum Task Force Elections and Future Election

In the context of the Forum Task Forces' ongoing initiatives, Islamic Finance, Capacity Building and Financial Literacy Task Forces informed the delegates about the progress of their activities. Future cooperation and work programme for the upcoming year was discussed.

Annex:

LIST OF ATTENDEES as of 5th October 2020
9th COMCEC Capital Market Regulators Forum Online Meeting
(13-14 October 2020)

	Name	Organization	E-mail
1	Selçuk Koç	COMCEC Coordination Office	skoc@comcec.org
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21	Fathimath Shafeega	Maldives Capacity Development & Governance Institute	shafeega@mcdgi.edu.mv
22	Mücahit Özdemir	Sakarya University	mucahit.ozdemir@sakarya.edu.tr
23	Aroua Rouissi	Conseil du Marché Financier of Tunisia	cooperation@cmf.tn
24	Waleed al Owayesh	Kuwait Capital Market Authority	wAlOwaiyesh@cma.gov.kw
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26	Bashar Abuzarour	Palestine Capital Market Authority (PCMA)	research.director@pcma.ps
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29	Arif Jalilov	Central Bank of Azerbaijan	Arif_jalilov@cbar.az

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