



CAPITAL MARKET REGULATORS FORUM COMCEC

FINAL REPORT ¹

COMCEC 10th CAPITAL MARKET REGULATORS ONLINE FORUM

November 2021

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

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

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REPORT OF THE 10th COMCEC CAPITAL MARKET REGULATORS FORUM

(November 9, 2021)

COMCEC 10th Capital Market Regulators Forum (COMCEC CMR Forum) virtually convened on November 9th, 2021. 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 10th Capital Markets Regulators Forum**” is hosted by the *Capital Markets Board of Turkey (CMB)* as the *Secretariat of the COMCEC CMR Forum*. 10th COMCEC Capital Market Regulators Forum” General Assembly meeting is held online on 09.11.2021. COMCEC CMR Forum Secretariat, Capital Markets Board of Turkey hosted the meeting. Delegates from Albania, Bangladesh, Egypt, Iran, Lebanon, Palestine, Malaysia, Maldives, Pakistan, Sudan, Turkey and Union of Arab Securities Authorities as well as representatives from the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and COMCEC Coordination Office have joined the meeting.

This year, Forum participants have primarily discussed the “challenges and accomplishments for sustainable finance developments in OIC countries”. Complementary to the sustainable finance developments session, “Green Sukuk for financing Sustainable Development Goals” item is discussed in cooperation with the World Bank, Kuala Lumpur in order to raise awareness and capacity of capital market regulators.

“Role of FinTech in Shaping Future of Capital Markets” topic is elaborated via a presentation by Union of Arab Securities Authorities.

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

-Islamic Finance Task Force Chair SC, Malaysia, presented the details of its COMCEC Project Funding initiative on “Advancing Islamic Capital Market through Financial Technology” 6-8 September 2021 Workshop.

-Capacity Building Task Force Chair, CMB, Turkey has briefed the Forum on the accomplishment of the Real Estate Securities Data Platform (MEGAP Data Platform) initiative. The project aims gathering the data of alternative asset class financial instruments such as Sukuk, real estate funds of COMCEC countries to be presented at an exclusive platform/venue for diversifying real estate investment options for investors, ease access to data for Borsa Istanbul listed real estate investment company shares, real estate investment funds and Sukuk, enhance financial literacy, transparency and investor appetite for collective investment schemes and Islamic capital market instruments. CMB Turkey and Borsa Istanbul Group worked in cooperation to develop the website for Sukuk and other real estate related financial instruments to gather relevant data and enable institutional and retail investors to compare the information in a compact and easily accessible site. COMCEC member countries are kindly invited to engage the initiative to foster cross-border cooperation in financial markets.

-Financial Literacy Task Force Chair, SEO, Iran has provided a presentation titled “COVID-19 Consequences: Influx of Individual Investors to the Market and the Role of Financial Literacy.

I. OPENING REMARKS

Mr. Ali ERDURMUS, Executive Head of Strategy Development Department of Capital Markets Board of Turkey has opened the meeting with his greetings and opening speech. Marking the eight *COMCEC Capital Market Regulators Forum* meeting, Mr. ERDURMUS has welcomed all the participants from member authorities and international organizations. On behalf of the CMB Turkey and the Forum Secretariat, he has thanked the Task Force Chairs and Vice Chairs, members of the Forum for the support and efforts they provided within eight years, referencing with the Forum’s accomplishments on various fields of capital markets since 2011.

In his speech, Mr. ERDURMUS has underlined the success of Forum’s regular gatherings the last nine years. He has also stated the value of Forum’s vigorous agendas, producing and sharing knowledge at its Annual meetings. Moreover it is emphasized that in an ever more connected global markets environment, it is helpful for COMCEC capital market regulators to seek for

concerted, common solutions for their issues or at least verify their approaches with the international standards under the roof of COMCEC.

Mr. Erdurmuş has stated that Forum meeting focused on developing resilience for capital markets, dealing with uncertainty due to pandemic and we heard about each COMCEC member's responses for the disruption, closure of markets. One year on, thanks to progress on vaccination programs, the situation is much better, recovery is on the way. This year we have considered that our annual meeting should focus on the finance sector's key role for financing sustainable development. Addressing the challenges of climate change by decarbonisation and green transition of economies, financial markets seem to be issues that will take years ahead of us.

Sustainable finance developments are on the agenda of all advanced or developing nations and international organizations. New market practices, market driven standards, regulatory frameworks with respect to financial instruments, reporting, investing, rating, risk management is being built by many initiatives. This new financial architecture, greening of financial markets or in a more comprehensive way integrating sustainability factors in all investment decision making will entail enormous capacity development, learning from each other for every institution. With this in mind, since 2020 green recovery, sustainable, inclusive growth, long-termism, technologic innovation issues are on the Forum meeting agendas.

Mr. Erdurmuş has announced the accomplishment of the Real Estate Securities Data Platform, an initiative led by the Capital Markets Board Turkey, Capacity Building Task Force Chair last couple of years. He stated that the development of the Platform is completed very recently in cooperation with the Borsa Istanbul. MEGAP is a compaq venue for alternative asset classes such as, Sukuk, real estate funds listed in Borsa Istanbul. Once the Platform is a joint initiative with the involvement of COMCEC member countries, it will provide a visibility venue for leading OIC/COMCEC financial markets instruments, create room for extensive financial cooperation for financial innovation and capacity building. Mr. Erdurmuş has invited all Forum member authorities to join and together develop the initiative to further success stages.

II. OPENING REMARKS BY THE COMCEC COORDINATION OFFICE,

Mr. Selçuk KOÇ, Director of the COMCEC Coordination Office has delivered his opening speech. Mr. KOÇ informed the participants regarding COMCEC's strategy, mission, activities and project cycle management to serve the COMCEC Strategy as well as the activities of the COMCEC Financial Cooperation Working Group.

III. Financing Sustainable Development Goals Session

Challenges and opportunities for securities market regulators and financial markets are discussed in depth by the delegates taking into account their country's developments. Main discussion points are summarized as follows.

- Significant amount of funding to be mobilized for green transition of economies
- New financial products and markets in transition process
- Supporting brand image of the firms
- Intermediation by finance industry for public and international funds channeled to green projects
- Access to long term funding at preferable costs through green/social bond issuances and securitisation of green loans
- Potential incentives to be provided by public authorities (capital adequacy, provisions, collaterals, intermediation costs etc.

Green Sukuk Training Session by World Bank, Kuala Lumpur

Benefits for issuers, investors, main definitions, market statistics, international standards and case studies are presented in the session. Benefits for issuers are most notably, diversify investor base, send a strong pro-active message about mission and values to stakeholders, positive reputational impact, potential cost reduction and increased operating profits through efficiency gains. Moreover benefits for investors can be meeting clients needs, requests and satisfy ESG mandates, avoiding reputational risk, reducing climate risk and balancing risk-adjusted financial returns with sustainability benefits.

TASK FORCE SESSIONS

Islamic Finance Task Force Chair SC, Malaysia, presented the details of its COMCEC Project Funding initiative on “Advancing Islamic Capital Market through Financial Technology” 6-8 September 2021 Workshop.

Capacity Building Task Force Chair, CMB, Turkey has briefed the Forum on the accomplishment of the Real Estate Securities Data Platform (MEGAP Data Platform) initiative. The project aims gathering the data of alternative asset class financial instruments such as Sukuk, real estate funds of COMCEC countries to be presented at an exclusive platform/venue for diversifying real estate investment options for investors, ease access to data for Borsa Istanbul listed real estate investment company shares, real estate investment funds and Sukuk, enhance financial literacy, transparency and investor appetite for collective investment schemes and Islamic capital market instruments. CMB Turkey and Borsa Istanbul Group worked in cooperation to develop the website for Sukuk and other real estate related financial instruments to gather relevant data and enable institutional and retail investors to compare the information in a compaq and easily accessible site. COMCEC member countries are kindly invited to engage the initiative to foster cross-border cooperation in financial markets.

Financial Literacy Task Force Chair, SEO, Iran has provided a presentation titled “COVID-19 Consequences: Influx of Individual Investors to the Market and the Role of Financial Literacy. It was stated that the world is facing new generation of investors: young with retail money, A growing trend within the retail community is the use of leverage to enhance returns. A Yahoo Finance/Harris poll found that 43% of respondents have used margin, options or both since the beginning of the pandemic. While there were internet forums and newsletters in the 1990s, the current social media environment is radically more powerful.

LIST OF ATTENDEES 2021

10th COMCEC Capital Market Regulators Forum Meeting,

9 November 2021

	Name of participant:	Organization:	Email:
1	Mr. Mahmoud Gebрил. Head of Corporate Finance Department	Financial Regulatory Authority Egypt	Mahmoud.gebril@fra.gov.eg
	Mr. Mohamed Rozani Bin Mohamed Osman	World Bank, Kuala Lumpur	mosman1@worldbank.org
2	Ms. Sina Hbous, Advisor to the chairman for sustainable finance	Financial Regulatory Authority Egypt	Sina.hbous@fra.gov.eg
3	Mr. Onur Çağlar Director of Training and Technical Cooperation Department	SESRIC, Turkey	ocaglar@sesric.org
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5	Ms. Semiha Abdullah Inan Assistant Technical Cooperation Officer	SESRIC Turkey	sainan@sesric.org
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20	Mr Quarat un aim Sultan Management Executive	Securities and Exchange Commission of Pakistan	Quratulain.sultan@secp.gov.pk
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22	Mr Dania Shaikh Management Executive	Securities and Exchange Commission of Pakistan	daniya.shaikh@secp.gov.pk
23	Jalil Tarif General Secretary	Union of Arab Securities Authorities	jalil@uasa.ae
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25	Mr Mohammad Asif Iqbal Deputy Director	Bangladesh Securities and Exchange Commission	asif@sec.gov.bd
26	Mr Kamrul Anam Kham Executive Director	Bangladesh Securities and Exchange Commission	kamrul@sec.gov.bd
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