



COMCEC¹ Capital Markets Regulators Forum

Statute

Purpose

This document sets out the mandate and responsibilities of the *COMCEC Capital Markets Regulators Forum* ('Forum'). It also sets out key aspects of how the Forum will operate.

The Forum has been established to drive financial co-operation between COMCEC member states. Forum will be a co-operation mechanism to explore a level playing field for cooperation and technical assistance areas between Organization of Islamic Cooperation (OIC)/COMCEC member states capital market regulatory authorities.

Forum aims to play a role in encouraging implementation of international regulatory standards and developing regulatory capability thereby achieve the objectives of investor protection, market development and fair and efficient markets.

Background to the Forum

COMCEC is one of the three standing committees of the OIC and strengthens the economic and commercial cooperation between the member countries.

In response to the calls of the 25th and 26th Ministerial Meetings of the COMCEC in 2009 and 2010, the issues for establishing a forum for capital market regulators have been considered at the *COMCEC Capital Markets Regulators Conference and Roundtable*" hosted by the Capital Markets Board of Turkey on 16 September 2011, in Istanbul. With the unanimity of delegates from 13 COMCEC member states², it is decided to establish the "*COMCEC Capital Market Regulators Forum*" for the COMCEC member countries' capital market regulators.

¹ COMCEC abbreviation stands for Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation

² Algeria, Cameroon, Indonesia, Iran, Jordan, Kazakhstan, Malaysia, Pakistan, Saudi Arabia, Sudan, Syria, Turkey, United Arab Emirates.

C. The Forum's responsibilities and objectives

Objectives

Forum's purpose shall be primarily realized through more harmonized policies and regulations by thematic and country reviews, technical assistance and human resource capacity-building programs.

In addition to capital market related subjects, COMCEC member states consider Islamic finance as a common topic of interest and instrumental for the economic development. Thus, Forum should serve as a proper platform to excel and diversify Islamic finance instruments and also harness other member states' approaches and expertise.

The Forum will develop and deliver technical assistance programs, and need analysis made under Task Forces (TFs) titled "*Market Development*", "*Capacity Building*", "*Islamic Finance*", and "*Financial Literacy*".

The Forum will communicate and aim to publish its findings and develop work plans.

Responsibilities of the Forum

The Forum will be responsible for monitoring Task Forces whether or not they follow their mandates, work programme and communication requirements. This may include conducting thematic and country reviews for depicting the current status of selected co-operation topics under 4 TFs. This requires preparation of surveys, evaluation of the status of implementation of international standards and to recommend a road map to address any gaps in implementation.

In delivering on its Mandate, the Forum will apply the following Operating Principles:

- *Transparency*: The Forum will follow objective and transparent procedures. In consultation with reviewed jurisdictions, it will aim to publish the outcomes of its work to promote greater transparency in international assessments. Information which reviewed jurisdictions identify as confidential will not be published in public reports.
- *Partnership and Coordination*: The Forum will work in partnership with TFs to ensure reviews are executed in effective co-ordination.
- *Timely follow up*: The Forum will where appropriate, commit to ensuring timely and comprehensive follow up on the results of reviews.

D. How the Forum will operate

Forum Bodies

“General Assembly”

is made up of COMCEC member states capital market regulators. Convenes annually in person.

Meeting Frequency General Assembly

General Assembly will meet in person once a year to assess its work agenda. International institutions and other suitable stakeholders active in financial co-operation and Islamic finance will be invited to attend General Assembly meetings as observers.

General Assembly and TFs work by consensus.

The first General Assembly will consider and approve appointment of each TF’s Chair, Vice-Chair and members

General Assembly considers and approves TFs Reports on the Reviews undertaken (including recommended road maps) and their publication,

“Chairman”

is elected for every two years. He is responsible for the coordination of Task Forces and Forum itself. He also coordinates the secretariat activities.

“Steering Committee”

shall be constituted for a period of two years at a meeting held at every Biennial Meeting and consist of the Chairman and Chair of 4 Task Forces.

“Task Forces”

4 TFs (“Market Development”, “Islami Finance”, “Capacity Building” and “Financial Literacy”) are established at the “COMCEC Capital Market Regulatory Authorities Conference and Roundtable” on 16 September 2011. Member countries can join Task Forces. New task forces can be established by the decision of General Assembly.

Task Forces will work in the framework of their Statutes with regard to accomplishment of its mandate and reporting purposes.

Meeting Frequency Task Forces

TFs shall conduct meetings in person twice a year. One meeting will be held at the preceeding day to the General assembly. The second meeting will be held at an appropriate date and place decided by the chair/co-chair of the Task Forces and the Forum Secretariat. Working over e-mails, telephone or by video conference should be harnessed.

Task Forces chair/co-chair are expected to exercise their best efforts for executing the mandate, organizing the meetings and reporting to the General Assembly.

Reporting Requirements Task Forces

Task Force Chair/co-chair should report its activities and work plan quarterly to the Forum Secretariat for the Secretariat's annual reporting to the General Assembly.

“Secreteriat” Secreteriat is responsible for day to day activities of the Forum. It also mediates between TFs and Forum. Organizes the co-ordination of Task Force work with the chair and co-chairs, arranges general assembly meetings, manages the website of the Forum.

Capital Markets Board of Turkey is designated as the Secreteriat of the Forum at the “COMCEC Capital Market Regulatory Authorities Conference and Roundtable” on 16 September 2011.

Working with Key Stakeholders

The TFs will have a number of stakeholders with which it will engage both when setting its work program and in delivering the program. Given the activities and competence of IOSCO, Islamic Financial Services Board, Islamic Development Bank, OECD, World Bank and other relevant stakeholders in capital markets, these institutions will be invited as observers to participate in the TFs meetings.