



Current State of COMCEC Member States Capital Markets

**COMCEC
Capital Markets Regulatory Authorities Conference**

**16 September 2011
İstanbul**



Context

- **OIC Member States**
- **Why we are here**
- **Capital Markets Board of Turkey – Turkish Financial Markets**
- **Financial Landscape – OIC Member States**



OIC Member States

- **Middle East -** Iran, Iraq, Syria, Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Yemen
- **Central Asia -** Azerbaijan, Kyrgyzstan, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan,
- **East & South Asia -** Malaysia, Indonesia, Pakistan, Afghanistan, Bangladesh, ...
- **African States -** Algeria, Cameroon, Egypt...



OIC Member States



Republic of AZERBAIJAN
Member Since 1992
National Day 28/5
Ministry of Foreign Affairs



Hashemite Kingdom of JORDAN
Member Since 1969
National Day 25/5
Ministry of Foreign Affairs



Islamic Republic of AFGHANISTAN
Member Since 1969
National Day 19/8
Ministry of Foreign Affairs



Republic of TAJIKISTAN
Member Since 1992
National Day 9/9
Ministry of Foreign Affairs



Republic of TURKEY
Member Since 1969
National Day 29/10
Ministry of Foreign Affairs



Turkmenistan
Member Since 1992
National Day 27/10



Republic of ALBANIA
Member Since 1992
National Day 28/11
Ministry of Foreign Affairs



State of The UNITED ARAB EMIRATES
Member Since 1972
National Day 2/12
Ministry of Foreign Affairs



Republic of INDONESIA
Member Since 1969
National Day 17/8
Ministry of Foreign Affairs



Republic of CHAD
Member Since 1969
National Day 11/8



Republic of TOGO
Member Since 1997
National Day 27/4



Republic of TUNISIA
Member Since 1969
National Day 20/3
Ministry of Foreign Affairs



Republic of UZBEKISTAN
Member Since 1996
National Day 1/9
Ministry of Foreign Affairs



Republic of UGANDA
Member Since 1974
National Day 9/10
Ministry of Foreign Affairs



Islamic Republic of IRAN
Member Since 1969
National Day 11/2
Ministry of Foreign Affairs



People's Democratic Republic of ALGERIA
Member Since 1969
National Day 1/11
Ministry of Foreign Affairs



Republic of DJIBOUTI
Member Since 1978
National Day 27/6



Kingdom of SAUDI ARABIA
Member Since 1969
National Day 23/9
Ministry of Foreign Affairs



Islamic Republic of PAKISTAN
Member Since 1969
National Day 23/3
Ministry of Foreign Affairs



Kingdom of BAHRAIN
Member Since 1972
National Day 16/12
Ministry of Foreign Affairs



BRUNEI-DARUSSALAM
Member Since 1984
National Day 23/2
Ministry of Foreign Affairs



Republic of SENEGAL
Member Since 1969
National Day 4/4
Ministry of Foreign Affairs



Republic of The SUDAN
Member Since 1969
National Day 1/1
Ministry of Foreign Affairs



SYRIAN Arab Republic
Member Since 1972
National Day 17/4



People's Republic of BANGLADESH
Member Since 1974
National Day 26/3
Ministry of Foreign Affairs



Republic of BENIN
Member Since 1983
National Day 1/8
Ministry of Foreign Affairs



BURKINA-FASO (then Upper Volta)
Member Since 1974
National Day 11/12
Ministry of Foreign Affairs



Republic of SURINAME
Member Since 1996
National Day 25/11



Republic of SIERRA LEONE
Member Since 1972
National Day 27/4
Ministry of Foreign Affairs



Republic of SOMALIA
Member Since 1969
National Day 1/7



OIC Member States



Republic of IRAQ
Member Since 1975
National Day ---/
Ministry of Foreign Affairs



Sultanate of OMAN
Member Since 1972
National Day 18/11
Ministry of Foreign Affairs



Republic of GABON
Member Since 1974
National Day 17/8



Republic of CAMEROON
Member Since 1974
National Day 20/5



Republic of COTE D'IVOIRE
Member Since 2001
National Day 7/8



State of KUWAIT
Member Since 1969
National Day 25/2
Ministry of Foreign Affairs



Republic of The GAMBIA
Member Since 1974
National Day 18/2



Republic of GUYANA
Member Since 1968
National Day 23/2
Ministry of Foreign Affairs



Republic of GUINEA
Member Since 1969
National Day 2/10



Republic of LEBANON
Member Since 1969
National Day 22/11
Ministry of Foreign Affairs



Great Socialist People's LIBYAN ARAB JAMAHIRIYA
Member Since 1969
National Day 1/9
Ministry of Foreign Affairs



Republic of MALDIVES
Member Since 1976
National Day 26/7
Ministry of Foreign Affairs



Republic of GUINEA-BISSAU
Member Since 1974
National Day 24/9



State of PALESTINE
Member Since 1969
National Day 1/1
Ministry of Foreign Affairs



Union of The COMOROS
Member Since 1976
National Day 6/7



Republic of MALI
Member Since 1969
National Day 22/9
Ministry of Foreign Affairs



MALAYSIA
Member Since 1969
National Day 31/8
Ministry of Foreign Affairs



Arab Republic of EGYPT
Member Since 1969
National Day 23/7
Ministry of Foreign Affairs



KYRGYZ Republic
Member Since 1992
National Day 31/8
Ministry of Foreign Affairs



State of QATAR
Member Since 1972
National Day 3/9
Ministry of Foreign Affairs



Republic of KAZAKHSTAN
Member Since 1995
National Day 16/12
Ministry of Foreign Affairs



Kingdom of MOROCCO
Member Since 1969
National Day 30/7
Ministry of Foreign Affairs



Islamic Republic of MAURITANIA
Member Since 1969
National Day 28/11



Republic of MOZAMBIQUE
Member Since 1994
National Day 25/6



Republic of CAMEROON
Member Since 1974
National Day 20/5



Republic of COTE D'IVOIRE
Member Since 2001
National Day 7/8



State of KUWAIT
Member Since 1969
National Day 25/2
Ministry of Foreign Affairs



Republic of NIGER
Member Since 1969
National Day 18/12



Federal Republic of NIGERIA
Member Since 1986
National Day 1/10
Ministry of Foreign Affairs



Republic of YEMEN
Member Since 1969
National Day 22/5
Ministry of Foreign Affairs



About COMCEC

- One of the three Standing Committees of Organisation for Islamic Cooperation (OIC),
- Started to function in 1984,
- *Monetary and financial issues*, one of 10 cooperation areas,
- Monitors the decisions on economic and commercial cooperation by the OIC.
- Takes necessary precautions to strengthen the economic and commercial cooperation between the member countries. Prepares plans, recommendations to increase the economic and commercial capacity of the member countries.



About COMCEC

- Convenes in ministerial level annually in İstanbul, in October-November and are presided over by President of Turkey.
- Turkish Minister in charge of economy presides over working sessions of the meetings, at experts level working sessions, preparations are made, reported and draft resolutions to be submitted to the approval of ministers.



Why we are here

- COMCEC meetings Istanbul;
25 th Session 5-9 November 2009
26 th Session 5-8 October 2010

call for establishing a

“COMCEC Capital Markets Regulatory Authorities Forum”

To respond and discuss the challenges and opportunities of establishing a Forum mechanism.



Capital Markets Board of Turkey-CMB

- Founded in 1981
- Sole regulatory and supervisory authority for the capital markets in Turkey.
- Enhances the secure, transparent and stable functioning of the capital markets
- Seeks to protect the rights and benefits of investors.



Turkish Economy – Main Indicators

2010

Population	74 million
GDP	USD 736 billion
GDP Per Capita	\$ 10,079
Inflation Rate	6.4% (CPI - 2010)
GDP Growth Rate	8,9 %
Foreign Direct Investment	USD 7,8 billion
Number of Companies with Foreign Capital	25.500



Turkish Economy – Main Indicators

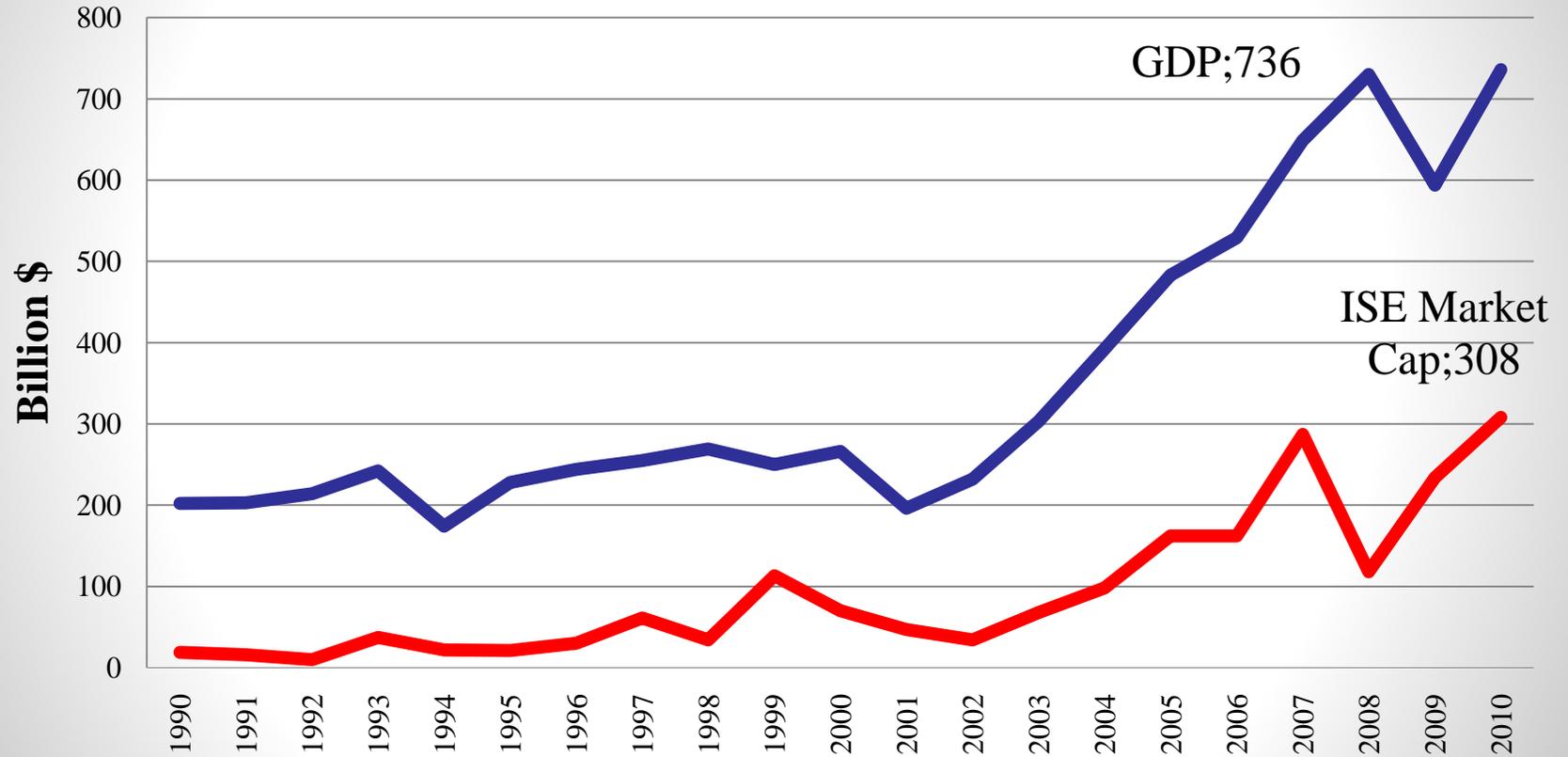
	2011 Q2
GDP	USD 203 billion
GDP growth rate	% 8,8

- 2nd place in the world

1.China	% 9,5
2.Turkey.....	% 8,8
3.Estonia.....	% 8,4
4.India.....	% 7,7
5.Chile.....	% 5,5



Turkish Equity Markets





Indicators for Turkish Capital Markets

	2011
Listed Companies (ISE)	365
ISE Market Capitalization (billion \$)	308(2010)
Number of Investors	3.905.327
Number of Equity Investors	1.100.000
Number of Mutual Fund Investors	2.900.000
Securities Intermediaries	143
Banks	40
Brokerage Houses	103
Number of Brokerage Houses with Foreign Capital	32
Banking vs. Capital Markets	% 76 - % 19

Source : TSPAKB wes site, "Turkish Capital Markets Summary Datas" : <http://www.tspakb.org.tr/tr/DesktopDefault.aspx?tabid=87>



Indicators for Turkish Capital Markets

• Products

- Currency
- Index
- Interest rate
- Commodity

Turkish Derivative Exchange (Mio \$)

	<u>2005</u>	<u>2007</u>	<u>2010</u>
Trading Volume	2.200	93.000	250.000

- Top derivative exchanges ranking 24th

Source: Futures Industry Association (FIA)



CMB – International Cooperation

- **IOSCO (The International Organization of Securities Commissions)**
 - The supervisory and auditing authorities of capital markets for the purposes of providing coordination and cooperation in the relevant areas
- **IOSCO EMC (Emerging Markets Committee)**
 - Promote the development and improvement of efficiency of emerging securities and futures markets
 - Preparing training programs for members' staff
 - Facilitating the exchange of information and transfer of technology and expertise.



CMB – International Cooperation

- **IOSCO** Emerging Markets Committee (EMC) Chair, as of June, 2010, has 83 members. Representation in **FSB**, on behalf of IOSCO
- **IFSB** (The Islamic Financial Services Board) member, as of 2009
- **IFIAR** (The International Forum of Independent Audit Regulators), as of 2010
- **OECD** (Co-operation for corporate governance projects on MENA and Euroasian regions)



CMB – International Cooperation

- 9 of COMCEC members part of multilateral IOSCO MoU
- 10 of COMCEC members are **IFSB** member
- MoU with 6 COMCEC members (Azerbaijan, Kyrgyzstan, Malaysia, United Arab Emirates, Albania, Pakistan)



Why we are here

- Survey

- ✓ Sent to COMCEC Member States
- ✓ Aims to collect data on market and regulatory structure, facts, statistics and topics for future work to be carried
- ✓ Reply 9 Member States



Financial Landscape - OIC Member States

Country	Market Cap. Listed Comp. (USD Mio)	Num of Listed Comp.
Malaysia	410.500	957
Indonesia	360.400	420
Saudi Arabia	353.400	146
Turkey	308.000	365
UAE	104.600	128
Iran	86.600	369
Egypt	82.400	212



Financial Landscape - OIC Member States

Country	Market Cap. Listed Comp. (USD Mio)	Num of Listed Comp.
Kazakhstan	60.700	66
Pakistan	38.100	644
Jordan	29.000	276
Tunisia	10.600	57
Syria*	2.800	20
Iraq*	1.950	85



Financial Landscape OIC Member States

Country	Banking	Capital Markets	Insurance
Cameroon	89,8 %	3,1 %	7,1 %
Pakistan	70,0 %	29,0 %	1 %
Jordan	66 %	26 %	8 %
Iran	87 %	12 %	1 %
Iraq	69,5 %	30 %	0,5 %
Turkey	76 %	19 %	5 %



Survey Responses

Regulatory and Supervisory Structure

Unified	Sectoral
Kazakhstan	Algeria
UAE	Cameroon
Jordan	Pakistan (Non bank + Ins.)
	Iraq
	Iran



Survey Responses

Conventional	Co - Existence	Islamic
Cameroon	UAE	Iran
Algeria	Pakistan	
Kazakhstan	Jordan	
Palestine	Iraq	
Turkey	Syria	



Survey Responses

Derivative Exchange	Commodity Exchange
Kazakhstan	UAE
Turkey	Iran
Malaysia	Turkey



Survey Responses

Co-Operation Areas

Market Development	Islamic Financial Products	Enforcement	Public Disclosure
Algeria	Pakistan	Pakistan	Iraq
Cameroon	UAE	Iraq	Pakistan
Kazakhstan	Jordan	Iran	Iran
UAE	Iran	Kazakhstan	
Pakistan		Syria	
Iran			
Syria			



Survey Responses

Future Work to be Carried

Forum for Sharing Experiences	Committees for Specific Projects	Technical Assistance For Developing Capital Markets
Iran	Iran	Cameroon
Iraq	Jordan	Iran
Jordan	Pakistan	Iraq
Palestina	UAE	Jordan
Syria		Kazakhstan
Pakistan		Palestina
UAE		Syria
		Pakistan
		UAE



Thank You...

Secil SAYIN GUNDUZ
Capital Markets Board of Turkey
Chief Legal Expert
Tel: 00 90 312 292 88 80
E-Mail: secil.gunduz@spk.gov.tr

Mustafa TASDEMIR
Capital Markets Board of Turkey
Expert
Tel: 00 90 312 292 85 65
E-mail: mustafa.tasdemir@spk.gov.tr