

Customized Indices and Exchange Traded Islamic Financial Products Task Force

OIC Member States' Stock Exchanges
5th Forum Meeting
September 17-18, 2011, Istanbul

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The 4th Forum Meeting Decisions (Istanbul, October 2–3, 2010)

- ▶ At the meeting, the following proposals and recommendations were made and decisions were taken regarding Task Force:
 - Having reviewed the proposals of various international index providers, the Forum has chosen **S&P** as the index provider for the OIC Stock Exchanges.
 - The Task Force is mandated to coordinate the work with the index provider; i.e. S&P, and facilitate the signing of the master agreement between the index provider and the participating stock exchanges.
 - S&P will create a benchmark index and tradable indices and will also suggest sectorial, regional and other types of indices for further consideration.

The Letter Agreement

- ▶ In accordance with these decisions and our consultations, S&P prepared the draft letter agreement for the “**Tradable Index**”.
- ▶ The draft letter agreement has been emailed to the officials of exchanges covered by S&P on February 17th and June 16th, 2011. They have been asked to;
 - review the agreement and
 - send their comments and suggestions (also indicating whether or not they are willing to participate in this project).
- ▶ Besides, Mr. Hüseyin ERKAN, Forum Chairman and Chairman & CEO of the Istanbul Stock Exchange, sent a letter dated July 27, 2011 to these exchanges about the latest stance of the Project.

Potential Participants of the Tradable Index

- ▶ As of September 16, 2011, out of 21 Exchanges that are covered by S&P;
 - the ones that expressed their intention to participate:

The Exchanges That Expressed Intention to Participate	
Country	Stock Exchange
JORDAN	Amman Stock Exchange
MOROCCO	Casablanca Stock Exchange
OMAN	Muscat Securities Market
PALESTINE	Palestine Securities Exchange
SAUDI ARABIA	Saudi Arabian Stock Exchange (Tadawul)
TUNISIA	Tunisia Stock Exchange
TURKEY	Istanbul Stock Exchange
U.A. EMIRATES	Dubai Financial Market

Potential Participants of the Tradable Index

- The ones that are interested but did not explicitly express their intention to participate:

Country	Stock Exchange
BANGLADESH	Dhaka Stock Exchange
EGYPT	Egyptian Exchange
INDONESIA	Indonesia Stock Exchange
KAZAKHSTAN	Kazakhstan Stock Exchange
MALAYSIA	Bursa Malaysia Berhad
PAKISTAN	Karachi Stock Exchange
QATAR	Qatar Exchange
U.A. EMIRATES	Abu Dhabi Securities Exchange

Potential Participants of the Tradable Index

- The ones that are not accessible or did not reply:

Country	Stock Exchange
BAHRAIN	Bahrain Stock Exchange
CÔTE D'IVOIRE	La Bourse Régionale des Valeurs Mobilières
KUWAIT	Kuwait Stock Exchange
LEBANON	Beirut Stock Exchange
NIGERIA	Nigerian Stock Exchange

The Latest Stance

- ▶ After a rather long period of discussions, although the draft agreement is seen as a standardized, simplified agreement that circulated globally, some issues have been reconsidered by S&P.
- ▶ The letter agreement is expected to be finalised in the Forum Meeting and the Index will be launched afterwards with the confirmed members.
- ▶ S&P officials kindly agreed to attend the Forum Meeting and clarify the points that will be raised by the participants.

The Latest Stance

- ▶ In line with our goal to have common investable/tradable indices of OIC member countries' stock exchanges that will improve our relationship and cooperation, we expect to receive contributions of all the participating exchanges.
- ▶ In this respect, our members' efforts will contribute to the success of the OIC Forum and accelerate the development of the Islamic Financial Markets.

Actions Could be Taken to Promote the OIC Indices

- ▶ Cooperation with the “Promotion, Awareness and Investor Education about Islamic Financial Markets” Task Force
- ▶ Press releases and announcements by exchanges
- ▶ Press releases and announcements by IDB, IIFM, IFSB, and AAOIFI
- ▶ Announcements by FESE, WFE
- ▶ Links on exchanges’ websites
- ▶ Joint efforts and actions with S&P