

The Activity Report for the Task Force for Post Trade Services

**The Working Committee Meeting
of
The OIC Member States' Stock Exchanges Forum**

**May 6, 2009
Tehran**

Aims of the Task Force

Within the OIC Member States' capital markets;

- Development of post-trade services
- Provide harmonized rules and regulations for post-trade services
- Provide an efficient and productive working platform for the post-trade institutions
- Share the experience and knowledge in the areas of clearing, settlement and custody issues
- Better understanding the needs and goals of the post-trade institutions

Members of the Task Force

Turkey	ISE Settlement and Custody Bank (Takasbank), Coordinator
Egypt	Misr for Central Clearing Depository & Registry – MCDR
Jordan	Securities Depository Center of Jordan
Malaysia	Bursa Malaysia Bhd
Oman	Muscat Depository and Securities Registration Company
Pakistan	Central Depository Company of Pakistan
Qatar	Doha Securities Market
Saudi Arabia	Tadawul Saudi Stock Market
Turkey	Central Registry Agency - CRA
UAE	Dubai Financial Market

Subjects to be studied on - I

- Evaluation of the current structures of the post-trade institutions via questionnaires in OIC member countries
- Establishment of correspondent business relations among post-trade institutions;
 - Mutual opening of securities accounts among post-trade institutions operating in the OIC member countries
 - Agreements for mutual exchange of information, know-how and training activities and powerful linkages among post-trade institutions in the OIC member countries
- Cooperation in efficient disclosure and corporate governance via questionnaires among post-trade institutions
- Adoption of international standards in the individual securities market

Subjects to be studied on - II

- Analysis of possible cross-border securities transactions within OIC region
 - Determination of the barriers causing obstacles to cross-border transactions
 - Determination of the means to remove these barriers
 - Harmonization of the OIC member states' post-trade operations
 - Harmonization of the OIC member states' post-trade regulations
 - Endeavouring to harmonize tax regime for capital market instruments in the OIC member states
- Establishment of exchange traded funds comprising of islamic financial instruments
- Issuance of islamic depository receipts

Actions up to now

- Sent an e-mail message to all members of the task force requesting;
 - the names of representatives who will be work for this task force in order to provide an efficient communication among us (we've got few feedback and we need to complete the remaining names)
 - to review the prospective working subjects stated by the coordinator and to give their comments on them (There were no any comment/feedback on the subjects)
- Prepared a questionnaire inquiring the current structures of the post-trade institutions in the OIC member countries
- Questionnaire sent on March 30, 2009
- 4 answers received:
 - Questionnaire done on the basis of the 10 post-trade institutions who are the members of this Task Force
 - The institutions answered the questionnaire;
 - Misr for Central Clearing Depository & Registry – Egypt
 - Tadawul Saudi Stock Market – Saudi Arabia
 - Central Registry Agency – Turkey
 - Takasbank - Turkey

Topics covered in the Questionnaire

- General information
- Legal framework & supervision activities
- Services offered
- Implication of the international settlement principles
- Compliance to international recommendations for clearing and settlement
- Account structures & record keeping
- Business continuity
- Financial figures
- Numbers

Conclusion

Because of few feedback to the questionnaire, we do not have sufficient information to accurately evaluate the current structures of the post-trade services and to do an analysis within the OIC member states in terms of the degree of harmonization, the barriers for cross border transactions, the obstacles for cooperation among the OIC member states etc.

The Way Forward

- Complete all contact names to be worked for this Task Force
- Request from the members who did not answer the questionnaire to answer it
- After gathering all answers from our members, prepare a report based on these answers summarizing the current structures of the member states, introducing possible barriers to cooperate among the members
- Publish both the answers and also the report on the OIC Website
- Start to work on harmonization of rules and regulations and removing the determined barriers in establishing correspondent business relations among the post-trade institutions

Final Words

- Awareness of the role and the importance of the cooperation among individual markets in raising the level of harmonization, quality and interoperability as well as in increasing the volume of the cross border trades among OIC member states' markets
- Contributions of each member have crucial importance to be able to succeed the aims of the Task Force
- Endeavour to contribute to the mission of the OIC Member States' Stock Exchanges Forum for future development and promotions of both the individual markets and interrelations among these markets in the OIC countries