

# CAPITAL MARKET AUTHORITY NEW REGULATIONS



هيئة الاسواق المالية  
CAPITAL MARKETS AUTHORITY

**Khalil Ghalayini**

Head of the Financial Control Unit

CMA, Beirut Lebanon.

May 2015

# CONTEXT

- Securities business regulated by central bank, supervised by banking commission
- To develop securities business, need dedicated regulator with different objectives and specialist expertise—Law 161
- Balance regulation with development of the market:
  - ensure fair, efficient and transparent markets that protect investors and reduce systemic risk
  - promote markets that serve the economy's needs

# BACKGROUND

- Government passed Law 161 and created the CMA as part of program to expand and increase the effectiveness of capital markets.
- World Bank and FIRST are funding a *Capital Market Regulation and Development* program to support the launch of CMA and improve capital markets.
- FIRST project objectives:
  - Draft CMA Regulations
  - Build capacity of CMA
  - Create “master plan” for capital markets development

# CMA REGULATIONS

1. Licensing & Registrations
2. Business Conduct
3. Market Conduct
4. Securities Offerings and Listing
5. Collective Investment Schemes (Investment funds)
  - Supervision manuals covering CMA's administration of regulations
  - Training on supervision processes
6. Prudential and Capital

# KEY PRINCIPLES FOR REGULATIONS

1. Meet international standards
  - The International Organization of Securities Commissions (IOSCO) principles and developed market standards
  - Streamlined as appropriate for Lebanon markets
2. Balance sound regulation standards and fostering market development.
3. Consistent and competitive with approaches in region (eg. GCC)
4. Reflect Lebanon market structure, characteristics and practices
5. Customized to Lebanese laws and regulatory framework
  - Build on Banque du Liban circulars
6. Plain language
7. Final and Official Regulations in Arabic (certified translations)

# IMPLEMENTATION PROCESS

1. Advance notice to institutions, investors, issuers and others via comment period for each draft Regulation.
2. Publication of Final Regulations with notice to institutions, issuers and others.
3. Ongoing transparency and communication via CMA website, meetings with industry associations and others.
4. Transition periods to enable institutions and other regulated persons to comply and to revise policies and procedures (as needed).
5. CMA will provide ongoing guidance to regulated persons through the implementation process.

# LAW 161 – INSURANCE COMPANIES

## Article 56, close 3

“This Law shall not apply to insurance companies, and to intermediaries and brokers working in the insurance sector, in insurance contracts and in all that falls under the Law regulating insurance companies and decrees and decisions related thereto. However, the Control Commission of Insurance Companies must refer to the Board for prior approval, all Financial Instruments included in insurance contracts, whenever offered by these companies to the public”.

**Thank you**