- Agenda -

OECD Technical Mission to

Support the Development of the

Capital Markets Authority of Lebanon

3-4 April 2013

Beirut, Lebanon

At the premises of the Beirut Stock Exchange
**Background**

Lebanon is currently in the midst of a significant reform of its capital market. The introduction of Law 161 on Financial Markets is a major source of this reform, which has not only resulted in the creation of a securities regulator in Lebanon, but also previews the establishment of a Financial Market Court to adjudicate commercial and financial matters, and the restructuring the Beirut Stock Exchange with a view to transfer its ownership to the private sector.

The Lebanese legal and regulatory framework in the area of commercial and securities law has been subject to change in recent years, mostly on the initiative of the Banque du Liban, which has introduced a number of relevant laws and circulars establishing rules and requirements in a diverse number of areas bearing on capital markets such as for example standards on governance for banks and prohibition of insider trading. The establishment of the CMA and the transfer of regulatory responsibilities in the area of securities regulation to it necessitates the review of existing regulations with a view to upgrade the legal and regulatory framework.

The initiatives previewed under Law 161 are ambitious both in terms of their scope and envisioned timelines by which the newly established Capital Markets Authority is legally bound to abide by. It is envisioned that this initial technical mission will lead to a better understanding of the regulatory initiatives that need to be undertaken by the CMA, which the OECD and its partners could support. Contributing to the success of this initiative will be experts from securities regulators, stock exchanges and other relevant entities from OECD and MENA countries.

**Objectives**

The objective of this initial technical mission is to deepen the collaboration between the Lebanese Capital Markets Authority and the OECD as well as other regulators from the MENA region and beyond. This technical mission is being organised by the OECD in the context of a proposal for long-term support to be provided by the OECD to the Lebanese CMA with the input of partners and experts from the securities regulators, stock exchanges and other relevant entities from the region.

The specific topics selected for discussion reflect the current priorities of the Lebanese CMA and include the following themes:

- The institutional structure of the CMA;
- Prospectus and listing requirements;
- Mechanisms to prevent market abuse;
- Disclosure requirements for public companies;
- Licensing brokers and intermediaries.

The last part of the workshop will be designated for discussing the potential timetable, immediate and long term deliverables and methods of collaboration between the Lebanese CMA and its partners in the region and beyond. The workshop will be structured as an informal exchange between experts, whereby each of the topics will be presented by a nominated Lebanese expert and will be commented on by a designated lead speaker, after which the discussion will be open to all participants.
April 3, 2013

9.00-9.15  Welcome Remarks

H.E. Mr. Riad Salamé, Governor of the Banque du Liban; Chairman, Capital Markets Authority, Lebanon

9.15-9.30  Introductions and objectives

Ms. Alissa Amico, Manager, Middle East and North Africa, Corporate Affairs Division, OECD

9.30-11.30  The institutional structure of the CMA

Overview by Mr. Firas Safieddine, Vice Chairman, and Mr. Fadi Fakih, Executive Board Member, Capital Market Authority, Lebanon

Comments by Mr. Ryan Lemand, Head of Risk Management and Senior Advisor, Emirates Securities Authority, UAE

Objectives:
- review the objectives and KPIs for the CMA
- discuss the organizational structure and internal rules of the CMA
- consider how to establish effective coordination between the CMA and other regulatory bodies
- reflect on the funding structure of the CMA relative to its regulatory and enforcement responsibilities

Background documents:
- Financial Markets Law 161
- Draft organisation structure of the CMA

11.30-11.45  Coffee break

11.45-13.30  Prospectus and listing requirements

Overview by Mr. Chadi Salamé, Legal Council, Beirut Stock Exchange

Comments by Ms. Aysegul Eksit, Head of Strategy Development Department, Capital Markets Board of Turkey

Objectives:
- review the existing prospectus and approval requirements for equity and bond issues
- discuss ongoing disclosure and ad-hoc requirements for equity and bond issues
- consider how prospectus will complement listing and other disclosure requirements
- consider enforcement of listing and prospectus requirements
Background documents:

- Listing requirements of the Beirut Stock Exchange
- Response to OECD questionnaire on listing requirements

13.30-14.30 Lunch

14.30-16.00 Disclosure requirements for listed companies

Overview by Ms. Gina Chammas, CEO, Tomorrow's Advice Global Consulting, former President, Lebanese Association of Certified Public Accountants

Mr. Hanifi Koroglu, Expert, Corporate Finance Department, Capital Markets Board of Turkey

Objectives:

- Review the current financial and non-financial disclosure requirements for public companies
- Consider the gap between company disclosure practices and international standards
- Discuss accounting and auditing standards for listed companies
- Discuss ongoing disclosure and immediate disclosure requirements and mechanisms

Background documents:

- BDL Circular on Setting of Accounting Standards
- Listing and prospectus requirements

April 4, 2013

9.00-11.00 Mechanisms to prevent market abuse

Overview by Mr. Khalil Ghalayini, Head of Control Unit, Capital Market Authority, Lebanon

Comments by Mr. Harilaos Mertzanis, Director of the Research Department, Hellenic Capital Markets Authority

Objectives:

- Review the existing insider trading regulations and definitions of insider
- Discuss duties of issuers, intermediaries and market participants
- Address the risk of abusive related party transactions
- Consider enforcement mechanisms and fines

Background documents:

- Insider trading legislation
- Companies Law

11.00-11.15 Coffee break
11.15-12.30 Licensing of brokers and market intermediaries

Overview by Ms. Caline Aoun, Head of Legal, Capital Markets Authority, Lebanon

Comments by Mr. Ryan Le mand, Head of Risk and Advisor to the Chairman, Emirates Securities Authority, UAE

Objectives:

- Review the nature of the broker licensing regime in Lebanon
- Consider international best practices in terms of certification of brokers
- Consider conditions for foreign brokers to operate in Lebanon
- Discuss supervising the operation of other capital markets intermediaries

Background documents:

- BDL Circular on Brokerage Firms and Conditions of the Establishment of Financial Institutions in Lebanon
- BSE brokers regulation (Section IV of the BSE regulations)

12.30-13.30 Conclusions and next steps

Ms. Alissa Amico, Manager, Corporate Affairs Division, OECD

Mr. Yasser Akkaoui, Chairman, Capital Concept

13.30-14.30 Lunch
List of Participants

Lebanese participants

H. E. Mr. Riad Salamé, Governor, Central Bank of Lebanon and Chairman of the CMA
Mr. Firas Safieddine, Vice Chairman, Capital Market Authority
Mr. Sami Saliba, Executive Board Member, Capital Markets Authority
Mr. Fadi Fakih, Executive Board Member, Capital Markets Authority
Mr. Khalil Ghalayini, Head of Control Unit, Capital Markets Authority
Ms. Caline Aoun, Head of Legal, Capital Markets Authority
Mr. Raja Abu Asli, Executive Director, Organisation and Development Department, Central Bank
Mr. Ghaleb Mahmassani, Vice President, Beirut Stock Exchange
Mr. Chadi Salameh, Legal Consultant, Beirut Stock Exchange
Mr. Mohammed Alem, Founder and Partner, Alem and Associates
Mr. Omar El Assir, Head of our Corporate/ Banking & Finance and Partner, Alem and Associates
Mr. Shadi Karam, Advisor to the President of the Republic
Mr. Yassar Akkaoui, Chairman, Capital Concept
Mr. Gina Chammas, CEO, Tomorrow's Company; former President, Lebanese Association of Certified Public Accountants

International participants

Ms. Alissa Amico, Programme Manager, MENA, Corporate Affairs Division, OECD
Mr. Harilaos Mertzanis, Director of Research Department, Hellenic Capital Markets Authority
Mr. Ryan Lemand, Head of Risk and Senior Advisor, Emirates Securities Authority
Ms. Aysegul Eksit, Head of Strategy Development Department, Capital Markets Board of Turkey
Mr. Hanifi Koroglu, Expert, Corporate Finance Department, Capital Markets Board of Turkey