



South Asian Federation of Exchanges

S Asian capital markets conference begins

Exchanging money-laundering info among regional stock exchanges stressed

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Finance Adviser Dr Mirza Azizul Islam yesterday called upon the stock exchanges in the South Asia region to make an arrangement for exchanging information, even sensitive information like money laundering. He also urged immediate progress in automatic listing of companies in the regional exchanges, development of human resources for the capital markets, cooperation in ICT and convergence of mutual cooperation in the event of international shocks.

Dr Aziz, who ended his civil service career as the chairman of Securities and Exchange Commission (SEC), invited suggestions from the stock exchanges in these regards, as the stakeholders and regulators of regional capital markets began a two-day conference at Hotel Sheraton in the morning. "I'll not hesitate to take such action," he said, inaugurating the second South Asian Capital Markets Conference-2008.

South Asian Federation of Exchanges (SAFE) and Dhaka Stock Exchange (DSE) jointly organised the conference, with more than 150 participants, aimed at discussing the prospect of integrating the regional stock exchanges. SEC chairman Faruq Ahmad Siddiqi, CSE president Nasir Ahmed Chowdhury, DSE CEO Dr Salahuddin Ahmed Khan, SAFE chairman Rajanikant Patel and SAFE secretary general Aftab Ahmad also spoke at the inaugural function. They sought regulatory cooperation to integrate the stock markets of the region and introduce cross border trade.

The Finance Adviser stressed the need for convergence of the South Asian stock exchanges to act against the "virus" of developed markets in the USA and the EU. He said debacles in those markets affect the markets in other regions and South Asia cannot be immune of the viruses. "Regional cooperation through SAFE has to be viewed against this virus," he said. He emphasised on regional cooperation among the stock exchanges considering the contribution of trade, foreign direct investment and cross border movement of equity capital to GDP. In the present day, globalised regime, cross border movement of equity capital is much faster, Dr Aziz said.

He also stressed the need for considering how soon the capital market stakeholders could progress towards introducing automatic listing, means if one company is listed in one stock exchange, it will be automatically listed simultaneously with other member exchanges too. He said the capital markets are going beyond the stock exchanges, so there is a felt need of developing human resources through cooperation among the exchanges. To face the external shocks, the Finance Adviser stressed the need for forging mutual cooperation so that the member stock exchanges could come forward in case of debacle in any one of their members. There are instances of such intervention in the banking sector during the 1996-97 Asian economic slowdown, he said.

SAFE chairman Rajanikant Patel explained that introduction of cross-border trading system would facilitate Indian companies, for example, to be listed and traded in DSE or other member stock exchanges. This is to bring new products and broaden choices for the investors.