



## South Asian Federation of Exchanges

# SAFE members 'should strengthen cross-border trading of securities'

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### FE Report

Finance Adviser Mirza Azizul Islam Thursday urged the South Asian regional stock exchanges to share information, even the sensitive one like money laundering, to strengthen Cross-border trading of securities among the member countries. He said immediate progress in automatic listing of companies beyond the border, ensuring accounting standards of the listed companies, development of human resources for the stock markets, cooperation in exchange of information and communication technology (ICT) and mutual assistance to tackle external shocks are pre-requisite for integration of the regional stock markets.

"The members of the South Asian Federation of Exchanges (SAFE) should set the targets for development of the regional stock markets, creation of cross-border business opportunities and achievement of closer regional integration," Aziz said while inaugurating a two-day Second South Asian Capital Markets Conference-2008 at the Dhaka Sheraton Hotel. The conference arranged jointly by South Asian Federation of Exchanges (SAFE) and Dhaka Stock Exchange (DSE) at Dhaka Sheraton Hotel was attended by a wide range of professionals from India, Pakistan, Sri Lanka, the Maldives, Nepal, Bhutan, Mauritius and host Bangladesh. Securities and Exchange Commission (SEC) chairman Faruq Ahmad Siddiqi, Chittagong Stock Exchange (CSE) president Nasir Ahmed Chowdhury, DSE chief executive officer Salahuddin Ahmed Khan, SAFE chairman Rajanikant Patel and SAFE secretary General Aftab Ahrnad Chaudhry also spoke at the inaugural function. The finance adviser said characteristic of present day world is the greater integration in political arena and cultural values. He said regional cooperation among the stock exchanges is essential considering the contribution of trade, foreign direct investment and cross-border movement of equity capital to GDP (gross domestic product). He also called upon the stock exchanges to act against the "virus" of developed markets. South Asian stock markets cannot be immune from the attack of the virus that could stifle the development of the market. Aziz also said the capital market stakeholders should move forward towards introducing automatic listing, meaning if one company is listed on one stock exchange it will be automatically listed simultaneously with other member exchanges too. He said the stock trading is going beyond the border, so there is a need for development of human resources through cooperation among the exchanges.

To survive the external shocks, the finance adviser urged the regional stock exchanges to come forward in aid of the fellow members in the event of crisis. Regarding this, he said there are evidences of such cooperation in the banking arena during the 1996-97 Asian economic slowdown, He pointed out. Speaking at the conference SEC chairman Faruq Ahmed Siddiqi said in the age of globalisation the capital markets can no longer remain isolated from each other or from the rest of the world as the imperatives of globalisation necessitate increasing interdependence among nations in terms of cross-border business, politics and cultural activities. He said sharing views is vital to strengthen cross-border cooperation to ensure consistency in rules and regulations in member countries to tackle common issues. Appreciating the SAFE move to introduce regional index for collective movement, direction and trend of the regional stock markets Faruq said the move will help increase cooperation. CEO of the DSE Salahuddin Ahmed Khan stressed the need for harmonisation of regulatory framework to strengthen cross-border cooperation among member countries. SAFE chairman Rajanikant Patel explained that introduction of cross-border trading system would facilitate the traders of the regional bloc to raise capital from the member stock exchanges and help broaden the field of investment for the investors. CSE president Nasir Ahmed Chowdhury underscored the need for harmonisation of code of conducts of the regional regulatory bodies for making listing requirements of the regional companies.

The SAFE will be concluded today (Friday).