

**South Asian Federation of exchanges
PRESS Room**

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SAFE plans SAARC Mutual Fund

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The executive meeting of South Asian Federation of Exchanges (SAFE) has planned to introduce SAARC Mutual Fund.

"SAARC Mutual Fund will be issued in South Asian nations and citizens of the member countries can purchase the units," informed chief executive officer of Nepal Stock Exchange (Nepse) Shanker Man Singh. "Though this is only being discussed right now, but if realised, will be very beneficial in mobilising savings and generating lump sum capital that can be invested in infrastructure projects," he added.

The three-day conference of SAFE also discussed the possibility of integration of the member stock exchanges and cross border listing of the companies.

"Though there are regulatory issues but cross border listing will facilitate the companies to raise capital from others countries as well," said chairman of SAFE Joseph Massey. He

also expressed the need of capital generation that is essential to propel economic activities and infrastructure development. "To accelerate the economic activities more participation of private sector is required that can be supplied by stock exchanges as they mobilise small savings into large capital," he informed.

However, he pointed out that integration is gradual process that needs to be undertaken on phase-wise basis. "Securities sector being highly regulated, integration of stock exchanges can not be achieved until and unless all the members are following the same regulatory standard," secretary-general of SAFE Aftab Ahmad Chaudhary, said, adding that integration of stock exchanges will help the free movement of the capital within South Asian region.

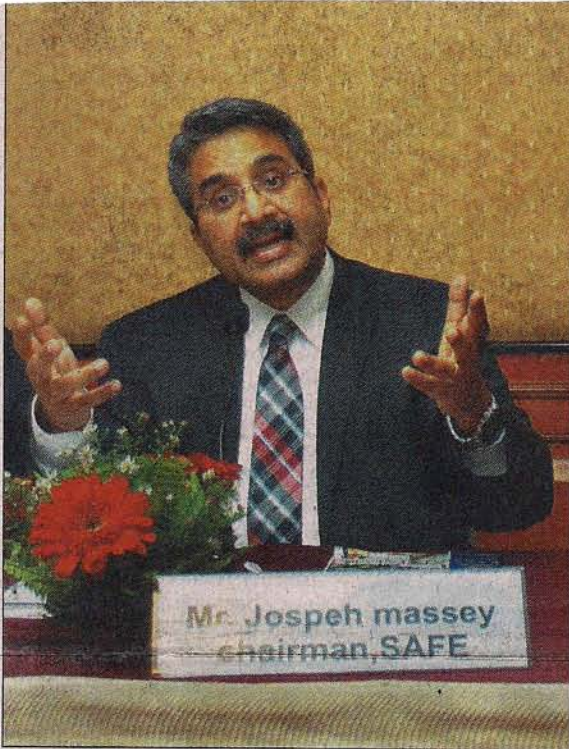
"The surplus investment in one stock exchange can be transferred to the one that with scarcity," he said. "The agenda is standardising regulatory principles so that unified regulation can

be applied on the member exchanges.

Foreign investment can enter the capital market only if it is vibrant and provide the protection of the investment that the international investors seek, according to him.

SAFE is attempting at replicating the EU where all the EU member countries follow free movement of capital in financial services as well. The executive committee of South Asian Federation of Exchanges (SAFE) is holding its meeting in Kathmandu on July 6-8 to move forward on the agenda of regional financial integration within the South Asian region. It is a cooperative platform launched by the bourses in South Asia with a purpose to promote the development and harmonisation of securities markets in the region.

The SAFE stands to prepare and position. Its member markets for their orderly integration into the global financial system by enhancing depth, inter-connectivity, integrity and transparency of its member markets.



Chairman of SAFE Joseph Massey addressing media in Kathmandu on Thursday.