

Commission's achievement of IOSCO 'A' category membership

On 20 December 2013, International Organization of Securities Commissions (IOSCO) approved Bangladesh Securities and Exchange Commission's application regarding full signatory to the MMoU. IOSCO head office in Madrid, Spain officially informed BSEC about the matter. The Chairman of the Commission Dr. M. Khairul Hossain signed the MMoU on 22 December 2013. Thus, BSEC elevated to 'A' category from 'B' category.

Signing of MMoU with IOSCO has uplifted Bangladesh and its capital market to a different height. Achievement of this recognition has become possible due to reforms carried out over the last couple of years with active support of the government. Bangladesh as well as BSEC has earned the following in international arena through this achievement besides respect:

- a) BSEC has earned the capacity to get greater international cooperation and to provide the same in respect of enforcement;
- b) BSEC has achieved eligibility for appointment/election in the leading posts of IOSCO;
- c) BSEC has achieved eligibility for inclusion in policy making committee of IOSCO;
- d) Reform activities that carried out in last two years specially demutualization and elevation to IOSCO 'A' category have contributed towards significant qualitative improvement of Bangladesh capital market. As a result' Bangladesh capital market has become capable to draw attention in the international arena.

In 1995, BSEC joined the International Organization of Securities Commissions (IOSCO), the apex global body of capital market regulators as an ordinary member. IOSCO plays a significant role at establishing relationship, sharing information and cooperation among various capital market regulators of different countries.

The Chairman of the Commission, Dr. M. Khairul Hossain made discussion with IOSCO policy makers in 2012 regarding upgradation from 'B' category while visiting its head quarter in Madrid and took initiative after getting back in the country. IOSCO advised to take a foreign consultant in this regard, as it was taken during first application made in 2009. But the Commission furnished this utilizing its own expertise without the help of any foreign consultant.

After re-application of BSEC, IOSCO send it to Verification Team (VT3) for next of course activities. VT3 consists of the capital market regulators of CVM-Brazil, BaFin-Germany and SFC-Hong Kong. VT3 not only reviewed the laws of Bangladesh capital market, it also judged ability of BSEC in respect of international slandered. VT3 declared Bangladesh as a qualified to become signatory to the MMoU on June 2013. Subsequently, on recommendation of VT3, the Screening Group (SG) considered the matter in the meeting held on 9-13 July 2013 at Tel-Abib. However, BSEC had to explain its position on various matters raised by the Screening Group in the meeting. Application of BSEC got approval in the meeting of Screening Group at Istanbul held on November 2013. Later, the Decision Making Group of IOSCO approved it and granted the application of Bangladesh.

IOSCO requirements in respect of category elevation were strengthening of legal capacity, capacity setting and legal basis on issue. Besides, IOSCO considered the existence of legal

provision, if any, for leaking confidential information by the former up of Chairman, Commissioner and employees of BSEC. To meet the requirement of the organization, BSEC brought amendment in Act incorporating penalty for former employees for leaking information.

Hon'ble Prime Minister, Finance Minister and the Government extended full support and cooperating at this activity of the Commission. This would not be in short time possible if the Hon'ble Prime Minister would not take initiative personally to amend the securities law to meet the requirement of IOSCO. Amendment of the law in National Parliament in short time has made this achievement for the Commission as well as the country possible. On this achievement, we express heartily gratitude and congratulation to all concerned.

Regulation and Supervision
of Securities Markets

International Association
of Securities Commissions

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**Resolution of the Decision Making Group
on an application to become a signatory of the
IOSCO MMOU**

The Decision Making Group has, after consultation with the Chairman of
the relevant Regional Committee, resolved to accept the application of

Bangladesh Securities and Exchange Commission

to become an MMOU signatory, based on the Screening Group's recommendations.

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Chair, IOSCO Board

A handwritten signature in black ink, appearing to be "R. J.", written over a horizontal line.

Chair, MMOU Monitoring Group

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Chair, GEM Committee

Date: 20 Dec 2013

BSEC achieved IOSCO 'A' category status



OICJ-IOSCO

International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organizaçào Internacional dos Comissòes de Valores
Organizaciòn Internacional de Comisiòes de Valores

IOSCO MOU

APPENDIX A

Name of the Signatory:

Bangladesh Securities and Exchange Commission

Name and Signature of the Authorized Representative:

Dr. M. Khairul Hossain, Chairman

Date of Signature:

22 December 2013

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The chairman of BSEC Dr. M. Khairul Hossain has sign the IOSCO MoU