

An Interview with Firas Safieddine, CMA Vice Chairman

September 18, 2014



After giving the opening remarks for the technical sessions at the CMA Seminar, Mr. Safieddine, Vice Chairman of the CMA, discussed the importance of such a consultation seminar, indicating his exuberance to see the market react positively to the introduced regulations and the growing role of the CMA. Check the full interview below.

CMA: How would the three draft regulations help in achieving the objectives of the CMA in terms of protecting investors and developing the market?

VC: One should consider the mandate of the CMA when addressing this question. Yes, these are very important regulations which fall exactly within the wider scope of the CMA's mandate. There are many regulations to come, however we have identified priorities, and these three that we are launching are at the core of the regulatory framework. This is the base. Consider the Licensing and Registration regulation; it covers institutions and the persons working in the market. It lays the basic rules needed by those involved to be approved. On the other hand, the Business Conduct and Market Conduct regulations define how these two entities, the institutions and persons, should be working. Once these regulations are out, it will pave the way to the others such as collective investment schemes regulations and the many more in the pipeline.

CMA: How do you assess the level of expertise available in the market in light of the discussions held, and how do you assess the meetings (that followed the consultation conference) with major stakeholders regarding the regulations?

VC: It is not my opinion only. It was obvious from the dynamics of the consultation process and the level of details and audience raised are but a testimony of the level of expertise we have in the market, and the commitment and acceptance to work within a proper clear regulatory framework. I am optimistic on the growing role of the CMA and the continuous commitment the market had showed to the fact that there is a new serious regulator in town. This is the winning formula to creating a healthy environment for both, the institution and the investor.

CMA: What are the remaining regulations that the CMA needs issue in the short and the long term in your opinion?

VC: The role of the CMA is not only regulatory, but also one which focuses on the development of the capital markets. Two things I can discuss here. First, we are addressing the issue of an independent Beirut Stock Exchange with the Government, a stock exchange which is privatized and with a functional governing body headed by an independent CEO. This shall create more dynamic in the market. Second, we will be ensuing on a national scale educational campaign to create awareness on capital markets and actually expose the advantages of investments. This educational campaign has two purposes: Increasing the number of potential investors by explaining investment in very basic laymen terms to citizens, and to increase the awareness around the underlying risks when engaging in any form of securities investment.