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**Panel 4: Challenges Related to the Implementation of the IOSCO
Principles and of the IOSCO MOU in Emerging Securities Markets**

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Challenges related to the implementation of the IOSCO principles and of the IOSCO MOU in Morocco

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Why is Morocco an interesting case ?

- A young market and recent legislation, easier to make changes
- A self assessment program to know where we stand
- A small and closed market, easier to drive towards international principles
- But a strong feeling of national sovereignty

Legislative Moroccan Background

- September 1993 : a comprehensive body of new legislation on stock market, intermediaries, regulator, collective investment schemes and public issues
- December 2004 : amendements to the law enabling the authority to supervise new activities and strenghtening its enforcement powers
- A new possibility to edict soft rules, already accepted by the operators
- Never had any action on justice on capital market matters

The self assessment program

Phase 1 : Internal Self assessment

- October 2004 : project launch
- One internal coordinator, a staff of 9 people, and 2 IOSCO experts (France/Canada)
- Internal review of all our legislative framework
- Draft of an initial self assessment report

The self assessment program (2)

Phase 2 : Experts review

- Review of the report by the external experts
- Questions and answers
- Visit of the experts to CDVM
- Assessment report by the experts, + proposed action plan
- Internal review of the experts assessment report
- Discussions
- Final report + action plan

Results

Principles	OK	Largely applied	Partially applied	Non applied	NA
The regulator (5)	3	1	1	-	-
Self Regulation (2)	-	-	-	-	2
Enforcement (3)	-	-	1	2	-
Cooperation (3)	1	-	1	1	-
Issuers (3)	1			2	
Collective investment schemes (4)	1	2	-	1	-
Intermediaries (4)	1	-	-	3	
Secondary markets (5)	5	-	-	-	-
Clearing and settlement (1)	-	1	-	-	-
Total	12	4	3	9	2

L'autorité qui veille sur votre épargne

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Hidden benefits (and costs)

- An internal review process to discuss the principles
- Helps the staff to understand the principles and the way they are implemented elsewhere
- Take a longer time than expected (18 months instead of 6)
- Give a good appraisal of where we stand
- Give strong arguments to negotiate for new changes

Next steps

- An action plan to address the issues raised, mostly in enforcement and cooperation
- New laws are to be drafted and implemented over two years
- Moroccan will apply to be signatory of MMOU

Enforcement

- Anti- laundering law is behind the Parliament
- A formal cooperation with the central bank is being discussed
- Other types of cooperation with local authorities ?

Cooperation

- Need to have a prior agreement with the country (selection of countries)
- Need to have a similar qualification of the offence
- MMOU vs National Sovereignty ?

Conclusion

- Self assessment program was a very useful learning process
- Market still small and domestic, not easy to convince of the need to change laws for MMOU
- Market globalization forces will drive progressive convergence towards MMOU

Thank you for your attention

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