

**South Asian Federation of Exchange
Minutes of the Meeting of the 5th Annual General Meeting
Held in Islamabad, on 14th May 2005**

The 5th Annual General Meeting and the 8th Conference of the South Asian Federation of Exchanges (SAFE) was held in Islamabad, Pakistan hosted by the Islamabad Stock exchange on 13th & 14th May 2005.

Following members were present in the meeting:

<u>Stock Exchanges</u>	<u>Represented by</u>
1. Chittagong Stock Exchange	Mr. Habibullah Khan
2. Dhaka Stock Exchange	Mr. Ahmad Rashid
3. Islamabad Stock Exchange	Mr. Abdul Waheed Jan Mr. Aftab Ahmad Ch.
4. Karachi Stock Exchange	Mr. Muhammad Yasin Lakhani
5. Lahore Stock Exchange	Syed Asim Zafar Mr. Hamid Imtiaz
6. Maldives Stock exchange	Ms. Fatimath Shafeega
7. Nepal Stock Exchange	Mr. Pramod K. Battarai
8. Royal Securities Exchange, Bhutan	Mr. Tashi Yezer
9. Bombay Stock Exchange (BSE)	Mr. Rajnikant Patel

Apology received from:

1. Colombo Stock Exchange, Sri Lanka
2. Stock Exchange of Mauritius, Mauritius
3. OTC Exchange of India

Secretariat:

Mr. Wali-ul-Marooof Matin, the Secretary general of the Federation was present.

The Chairman of the Federation, Syed Asim Zafar (Chairman, Lahore Stock Exchange) presided over the meeting.

At the beginning of the meeting, the Secretary General placed an activity report for the year 2004 and tasks in progress of the Federation before the assembly.

The following agenda were discussed:

1. Confirmation of the minutes of last AGM held in Mumbai on 19th August 2004

The assembly approved the draft proceedings of the Mumbai Conference as attached.

2. Adopt Maldives Stock Exchange as a new member of SAFE

The assembly reviewed the application of the Maldives Stock Exchange (MSE) for SAFE membership. A detailed presentation was made by Ms. Fatimath Shafeega, Deputy Managing Director of MSE in the meeting, explaining current activities, progress, future plans of the exchange and their willingness to join the Federation.

The Secretary General informed the meeting that according to the size, MSE is the smallest exchange in the region with only three companies listed on it but has all the potentialities to grow in future. MSE has requested the SAFE Secretariat for a discount in fixing their membership fee, considering relatively small size of the exchange compared to other member exchanges of SAFE. On the other hand, OTC Exchange of India has requested the SAFE Secretariat to cease their membership temporarily due to “operations constraint”.

The assembly discussed both the issues at large in the light of clauses appeared in the SAFE Charter. Mr. Ahmad Rashid of Dhaka Stock Exchange proposed inclusion of MSE in the Federation and Mr. Pramod Kumar Bhattarai of Nepal Stock Exchange seconded the proposal. The proposal was passed unanimously. The assembly decided to fix the membership fee of the new member MSE as per prescribed membership format of the Federation, i.e. US\$ 2000 per annum (according to the size of member exchanges i.e. small, medium and large and as approved ion the last AGM of SAFE in Mumbai).

After thorough discussion the members also decided to accept the voluntary membership withdrawal request of the OTC Exchange of India.

3. Adopt the report on audited accounts for the year ended 2004

The audited accounts for the year 2004 were placed before the Assembly. After a through discussion on the report, the audited accounts for the year 2004 were approved.

4. Election of the new Executive Committee for the year 2005

The general body elected the new members of the executive committee for the current year, until the next AGM is as follows:

- 1) Mr. Rajnikant Patel - Chairman
Executive Director & CEO
Bombay Stock exchange
- 2) Mr. Abdual Waheed Jan - Vice-chairman
Chairman
Islamabad Stock exchange
- 3) Mr. Hiran Mendis - Member
Director General
Colombo Stock Exchange
- 4) Mr. Ahmad Rashid - Member
Vice President
Dhaka Stock exchange
- 5) Mr. Tashi Yezer - Member
Chief executive Officer
Royal Securities Exchange of Bhutan

The outgoing Chairman Syed Asim Zafar congratulated the newly elected Chairman Mr. Rajnikant and welcomed him to preside over rest of the meeting. The meeting continued with Mr. Rajnikant Patel in the Chair.

5. Proposed Technical Assistance (TA) to First for Regional Markets Committee (RMC) as formed in last AGM & Listing standards

The Secretary General appraised the meeting that in persuasion to the decision taken in the last AGM in Mumbai in August 2004 and considering the limited resources of SAFE to undertake huge studies needed to initiate cross border listings, a TA agreement has been signed between the donor FIRST Initiative and the SAFE on 22 April 2005 to undertake a project titled “Developing Model Listing Regulations (for SAFE)”. In brief, as per the Project memorandum, the donor will provide a consultant to assist the SAFE Regional Markets Committee to prepare and agreed SAFE listing harmonization principles and model listing regulations (which will be added as an annex to each member exchange’s listing regulations and observed by cross border companies only). As per the contract, the project has to be completed by no later that 30th June 2005 in 3 (three) prescribed phases.

6. Report of the 1st RMC Meeting

The Secretary General informed the assembly that the 1st meeting of the RMC of SAFE was held on 25th and 26th March 2005 in SAFE Secretariat at the Chittagong Stock Exchange, Bangladesh. The RMC members from six member countries (except Sri Lankan representative who had some last minute familial issue) attended the meeting and had the TOR prepared. The RMC is now working to prepare a comparative report on the penal provisions for violation of listing regulations in the member countries to avoid “double jeopardy” for the cross border companies. The drafting of principles of listing harmonization is also under way. It is expected that RMC will submit the report by end May 2005.

7. Permanent Secretariat

The members took a long and detailed discussion on the issue of establishing a “Permanent Secretariat”. The assembly finally decided to establish the permanent SAFE Secretariat in Islamabad.

8. Approve Budget for the Year 2005 – 2006

Due to shortage of time, the assembly delegated the issue to be discussed and finalized in the new Executive Committee meeting.

9. Appoint Auditors for the year 2005 and Fix their Remuneration

Due to shortage of time, the assembly delegated the issue to be discussed and finalized in the new Executive Committee Meeting.

There being no other matter for discussion, the meeting ended with a vote of thanks to the Chairman. The delegates expressed gratitude to Islamabad Stock exchange, the host of Conference for their very kind hospitality and well-arranged event during the Conference.

Chairman