

## **FMAP ACHIEVEMENTS 2009-2011**

**By Shah Miftah ul Azim Azmi,**

The current executive committee took office in August 2009, being elected unopposed by the financial markets fraternity. Accomplishments of this committee during the abovementioned period include:

### **Establishment of the Terms of Reference of the Technical Committee**

The technical committee composition was revamped, increasing the membership strength to 12 members, comprising not only the President and General Secretary, but: 5 permanent members comprising NBP, HBL, UBL, SCB, and Citibank and 5 rotating members comprising 3 from local banks, 1 from foreign banks, and 1 from the Islamic banks

Major issues deliberated by the technical committee during this period include:

- Master communiqué on Karachi Interbank Offer Rate (KIBOR) and Karachi Overnight Index Average (KONIA)
- Approval of accreditation of 5 new brokerage houses
- Approval of revised interbank brokerage accreditation criteria prepared by sub-committee before presentation to State Bank of Pakistan (SBP).
- Revision of code of conduct draft document before submission to SBP
- Approval of Overnight Index Swaps (OIS) paper prepared by sub-committee before submission to SBP

### **Education**

FMAP teamed up with Examready International to hold three ACI dealing certificate workshops during this period. The ACI Dealing Certificate is a foundation program that allows candidates to acquire a working knowledge of the structure and operation of the major foreign exchange and money markets, including the ability to apply the fundamental mathematics used in these markets, and their core products (cash, forwards and derivatives), and the basic skills required for competent participation, including the ability to apply the fundamental mathematics used in these markets. This examination is administered by Association Cambiste Internationale-Paris, France, the apex body of dealers in money and foreign exchange markets globally. The last workshop held by FMAP this year was significant in the sense that 50% of the attendees were representatives from the brokerage houses.

Besides this, an open panel discussion was held by FMAP on “Global Trade Imbalance-Impact on Emerging Market Economies” in December 2010. The chief guest was Mr. Asad Qureshi, Executive Director, Financial Markets & Reserve Management, SBP. Panelists included: Mr. Sakeb Sherani, Principal Economic Advisor to the Government of Pakistan and Mr. Fahim Ahmed, Head of Global Markets, Deutsche Bank.

Moreover, a market awareness workshop was conducted on the topic of “Overnight Index Swaps” in collaboration with SBP at SBP’s Learning Resource Centre.

### **Brokerage and Broker Issues**

FMAP’s major accomplishment during this period has been to bring all forms of money markets (MM), securities, and foreign exchange (FX) brokerage rates under one umbrella master circular.

To enhance market ethics and professionalism, two separate lists, one comprising list of close relatives of bankers in brokerage houses and one comprising list of close relatives of brokers in banks’ dealing rooms were published and publicly disseminated to the market.

Existing brokerage houses were revalidated under the new brokerage accreditation criteria, and those brokerage houses which were found to be inactive; their accreditation was revoked.

To build a spirit of competitiveness amongst the existing brokerage houses, for the first time, best FX broker and best MM broker awards were constituted.

### **Compilation and Dissemination of Real-time Data to Multiple Service Providers**

Fairly recently, FMAP has selected National Institutional Facilitation Technologies (NIFT) for the compilation and dissemination of KIBOR, KONIA, and PKRV information to multiple service providers. This way, transparency will be ensured in the dissemination of information in real-time to each vendor, besides transferring complete ownership of this data to FMAP.

### **Website Development**

The website of FMAP, [www.fma.com.pk](http://www.fma.com.pk), has been revamped with a new look. Circulars and other documents are posted on a regular basis.

### **Entertainment**

*All work and no play makes Jack a dull boy.*

In line with this axiom, to bring the market participants closer, FMAP hosted a variety of entertainment events, which included tambola, qawwali night with Amjad Sabri Qawwal, cricket tournament, and screening of 3D movie at the Atrium Cineplex.