

# Привлечение международных инвесторов на ваш рынок

## Attracting International Investors to your Market

John Falk, Partner - Bourse Consult

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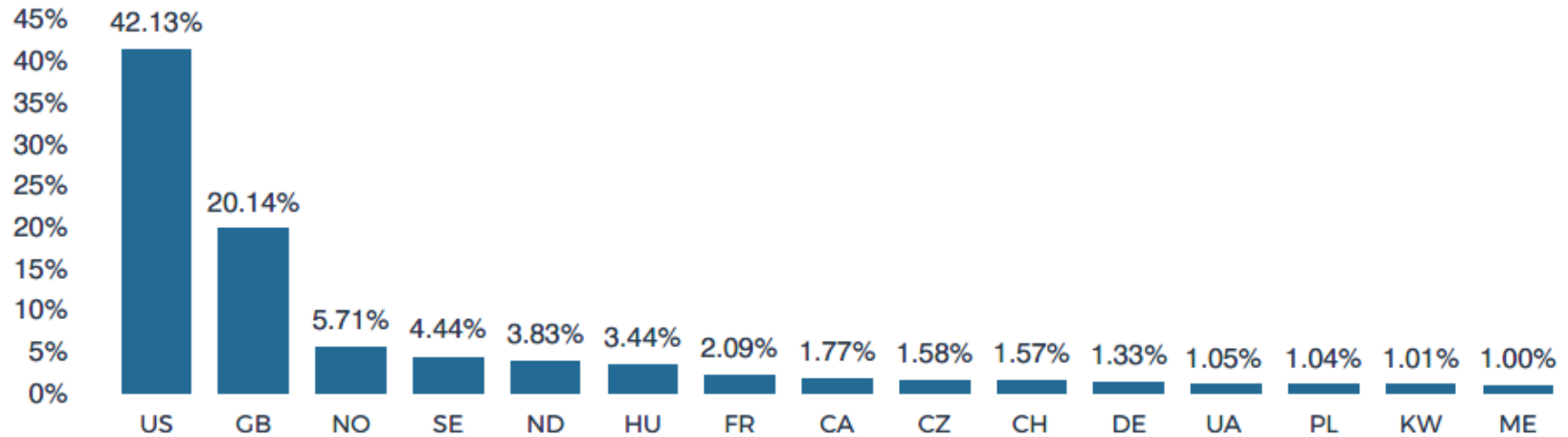
# Opportunity



The World Bank estimated that net international portfolio equity inflows into emerging markets between 2000-2017 was more than \$955bn

The World Federation of Exchanges estimates that a 1% increase in domestic returns for an average market is associated with a \$24.4m increase in monthly inflows

# Top 15 source countries by Investment size



Source: WFE analysis of IPREO data

Paper Source: WFE – Investing in Emerging and Frontier Markets, an Investor Viewpoint

# Barriers for Investors

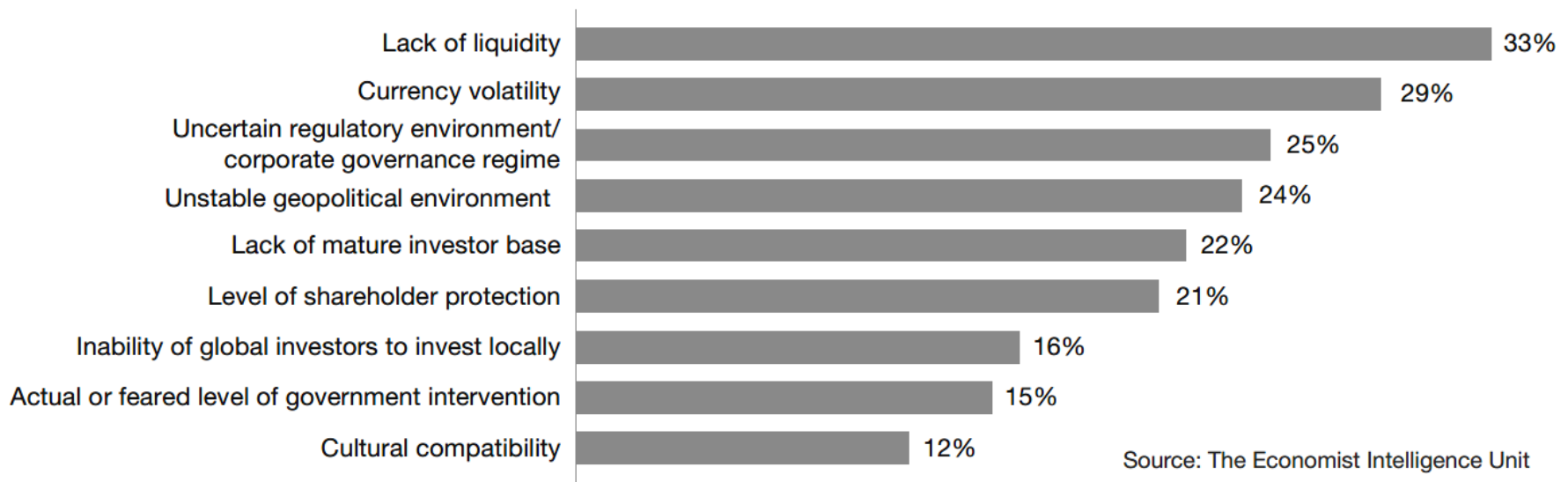


- Liquidity
- Corporate Governance
- Questions on Certainty of Ownership
- Complex or risky post-trade arrangements
- Absence of Global Custodians
- Poor Environmental, Social and Governance (ESG) factors

# Barriers to Listing



## Main concerns with listing on an emerging market stock exchange



Paper Source: PWC Capital Markets in 2030 – The future of equity capital markets

# Improvements Needed



- Introduction of Market Infrastructure enhancements
  - Short Selling
  - Securities Lending and Borrowing
- Presence of an Electronic Trading Platform (ETP)
- Improve Settlement: Remove prefunding; Introduce DVP; Move to T+2; ....
- Reduced trading fees
- Remove barriers to investment such as restrictions on capital inflows
- Market announcements in English
- Reduce direct and indirect costs of investment
- Use of IFRS reporting by local companies
- Develop local investor base, including strong local asset managers
- Removal of barriers in the previous slides!

# Success stories – MOEX



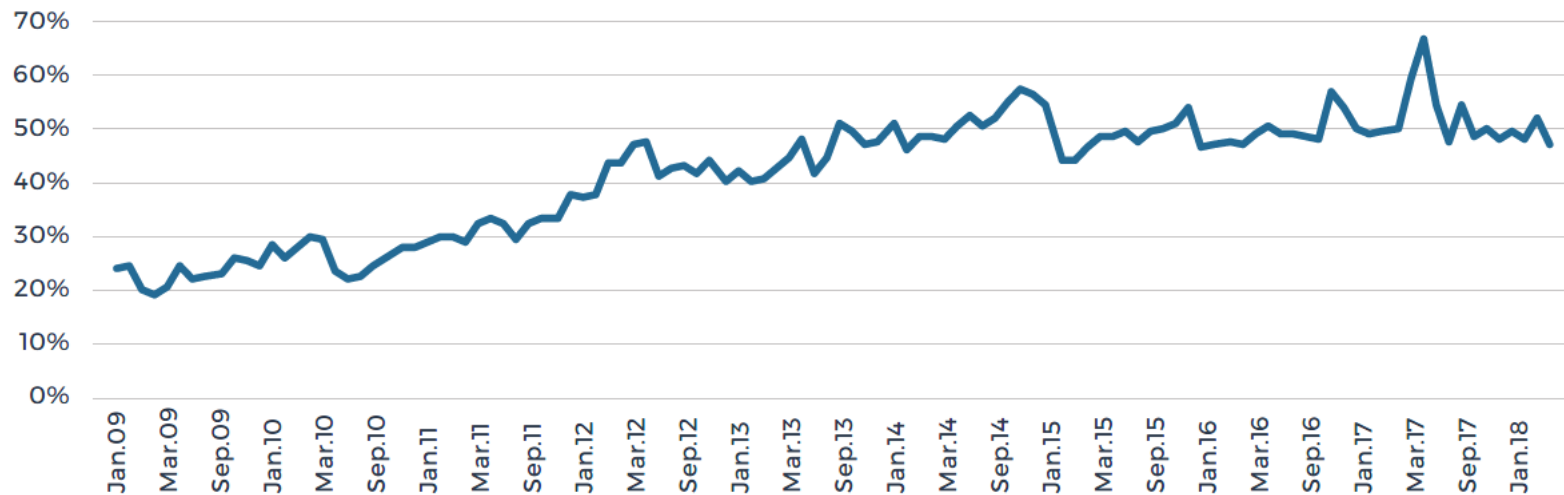
MOEX has delivered to the market in the last 10-15 years

- Aligned its trade and post-trade infrastructures with international standards
- One Central Securities Depository (NSD)
- A Central Counterparty (NCC)
- T+2 settlement cycle
- Direct and Sponsored Market Access [DMA & SMA]
- Competitive fee structure
- Closing and opening auction processes aligned with international standards
- Single disclosure window for corporate actions
- And many more improvements!

# Success stories – MOEX



## Foreign trading activity (as a share of value traded) on MOEX



Source: MOEX

Paper Source: WFE - What attracts international investors to emerging markets



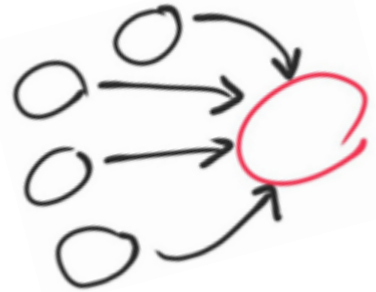
# Reforms Underway



Mongolia, for example:

- Remove prefunding / prepositioning requirements
- Move to T+2 DVP settlement
- Risk-based collateral to guarantee settlement
- Strengthen legal framework

# Conclusions



Multiple options to make your market attractive for foreign investors

Focussed improvements

- Introduce international standards
- Provide T+2 DVP settlement
- Ensure ease of access and legal certainty

# Спасибо - Thank you

John Falk  
Partner  
Bourse Consult  
+44 777 151 2952  
[jf@bourse-consult.com](mailto:jf@bourse-consult.com)