

**Welcome remarks by**

**YBhg Dato' Zarinah Anwar,**

**Chairman, Securities Commission of Malaysia**

**On the occasion of the signing of the  
Memorandum of Understanding with the  
Dubai Financial Services Authority**

**Tuesday, 15 August 2006**

**Putrajaya**

Yang Berhormat Tan Sri Nor Mohamed Yakcop, Minister of Finance 2, Mr. David Knott, Chief Executive of the Dubai Financial Services Authority; Distinguished guests, ladies and gentlemen.

A very good morning and warm welcome to the signing ceremony of the Memorandum of Understanding between the Securities Commission Malaysia and the Dubai Financial Services Authority.

Let me begin by thanking Yang Berhormat Tan Sri Nor for taking time from his busy schedule to represent the government and to witness this important initiative and for so graciously hosting this event. Tan Sri, we are indeed extremely honoured to be here.

We are also very pleased that Mr. David Knott has made this effort to travel to Kuala Lumpur to sign this Memorandum of Understanding, which we have no doubt will further strengthen the relationship between our two authorities.

David, you may be aware that the Honourable Minister has been instrumental in the development of Islamic Finance in Malaysia. In fact, the SC's efforts in developing the Islamic capital market began when YB Tan Sri Nor was a founder member of our Commission. Tan Sri was also a pioneer member of the SC's Syariah Advisory Council when it was established just over a decade ago. Tan Sri's presence here today and his gracious hosting of this event demonstrates in no uncertain terms his continuing interest and commitment to the development of Islamic Finance in Malaysia.

The Dubai International Financial Centre (DIFC) has grown significantly since its establishment just a few years ago and established a strong presence in the Middle East with a unique financial landscape covering a wide range of financial activities from banking, insurance and capital market services through to Islamic Finance. As a new global jurisdiction for financial institutions, the DIFC offers a highly attractive investment destination with a regulatory environment of international standards, overseen by the Dubai Financial Services Authority. The DIFC is therefore well placed as a gateway to the vast growth potential of the Middle East region.

Malaysia's capital market has also witnessed strong growth over the last decade with a size of over RM 1.2 trillion (USD 319.7 billion) as at end July 2006. With its leadership position in Islamic finance, we feel that Malaysia is uniquely positioned to developed a significant international presence and offers, like the DIFC, a regional gateway for Islamic finance for the South and East Asian markets.

This memorandum of understanding that we will be signing today will ensure that we have strong cooperation with respect to our primary role as regulators and supervisors of the marketplace and will allow us to establish a mechanism to ensure effective cross border regulation and exchange of information in order to maintain well-supervised markets that remain attractive to investors and issuers.

We also feel that for both our jurisdictions to realize the full potential that our respective markets have to offer, we should provide a seamless and facilitative regulatory environment.

I am really pleased that the SC and the DFSA will be embarking on this very important initiative on regulatory alignment designed to remove regulatory barriers to Islamic finance transactions between the DIFC and Malaysia. This joint project will identify ways to streamline regulatory standards between our jurisdictions so that cross border transactions can be implemented with a high degree of efficiency and minimum regulatory cost. In addition, the Dubai FSA will also consider the eligibility of Malaysia as a "Recognised Jurisdiction" under its fund management laws, which will allow Malaysian unit trust funds to be marketed and distributed in Dubai. This is an important initiative that will further spur the growth of the Malaysian investment management industry and provide investors with an alternative investment destination.

I am optimistic that with these initiatives in place, we will have a greater understanding of our respective regimes, be able to further develop a stronger regulatory relationship and create a more facilitative cross border regulatory environment that would translate into greater strength and growth of our respective capital markets.

In conclusion, let me once again express our grateful thanks and deepest appreciation to YB Tan Sri Nor for graciously hosting this event and for your hospitality. Thank you also to Mr. David Knott and his team from the Dubai Financial Services Authority for your presence in Malaysia and to all our guests for being here at this very significant event.

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