

PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION  
**PABSEC**

DOC: GA 3965/98

Bucharest, 24 June 1998

**THE ELEVENTH PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY**

**RECOMMENDATION 25/1998<sup>1</sup>**

**on**

**“THE BSEC STOCK- AND COMMODITIES EXCHANGES”**

1. The Parliamentary Assembly of the Black Sea Economic Cooperation reiterates its support to the Declaration of Intent for the Establishment of the BSEC Free Trade Area as part of the new European architecture, that will boost multilateral economic cooperation and integration in the Black Sea region, fostering peace, stability and prosperity.
2. The PABSEC therefore stresses its determination to work closely with the BSEC in adopting proper policies and measures that will liberalise the members countries' economies and integrate them into the global free market system, in accordance with their obligations vis-à-vis the European Union and the World Trade Organisation.
3. In this context the Assembly expresses its belief that the efficient operation of stock exchanges and commodities exchanges is an essential prerequisite for functioning market economies in the countries of the region, able to attract foreign direct investment and to forge increased collaboration between the business communities.
4. Furthermore the Assembly considers that a meeting of the officials of the stock- and commodities exchanges of the region, taking into account the PABSEC Recommendations and the relevant BSEC decisions, will result to a concrete multilateral project of cooperation.

**The Assembly therefore:**

**A. Calls on** the National Parliaments and the Governments of the BSEC Participating States:

- i. To adopt legislations in order to set-up a harmonised regulatory framework, pertaining to the operation of financial markets, in accordance with internationally accepted norms and standards.
- ii. To introduce special regulations protecting foreign investors in the region, as well as to develop common marketing strategies in order to boost foreign direct investment.

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<sup>1</sup>Assembly debate on 24 June 1998 (see Doc. GA 3964/98, Report of the Economic, Commercial, Technological and Environmental Affairs Committee on “THE BSEC STOCK- AND COMMODITIES EXCHANGES”, discussed in Baku on 18 March 1998; Rapporteur Mr. Viorel Marian Pana -Romania).

*Text adopted by the Assembly in Bucharest on 24 June 1998*

- iii. To support any actions undertaken by the Black Sea Trade and Development Bank in supporting the exchanges in the Black Sea region.
- iv. To assist the deepening of any current projects of cooperation, such as the collaboration between the stock markets of Bulgaria, Greece and Romania, as well as to create further interfaces between the BSEC national markets by signing bilateral and multilateral protocols.
- v. To encourage and support the authorities of the stock exchanges and the commodity exchanges of the BSEC member countries in their effort:
  - a. to promote regular direct contacts aiming at the exchange of information, experience and know-how;
  - b. to harmonise accounting, listing and reporting requirements by speeding up the adoption of international accounting standards;
  - c. to take all necessary measures in order to promote cross-listings of securities in the stock exchanges of the BSEC countries;
  - d. to promote disclosure through company prospectuses in order to build the confidence of investors towards stock markets and help them selecting promising investment options contributing to the growth of stock exchanges;
  - e. to establish transparent indices on the securities traded in the region;
  - f. to initiate a programme of electronic interconnection between the bourses of the BSEC countries in order to disseminate valuable information on stock and commodity prices and market developments;
  - g. to develop a number of functional joint components between the exchanges of the region (clearing houses, computerised transaction systems, specialised markets);
  - h. to gain from the expertise of the two full members of the International Federation of Stock Exchanges (FIBV) in the Black Sea region, the Athens Stock Exchange and the Istanbul Stock Exchange;
  - i. to become members (those who have not yet done so) of the Federation of the Euro-Asian Stock Exchanges and to forge closer cooperation with the federation of European stock exchanges.
- vi. To harmonise standards for the operation of a joint market regarding commodities and to adopt appropriate measures in order to expand an organised physical market (spot) and a futures market.
- vii. To provide full support to the establishment of the “Regional Commodities Exchange for Grains and Oil” in the Constanța free trade zone, which will include components both for spot market and futures market, as well as other regional Stock- and Commodities Exchanges in the BSEC member-countries.

**B. Invites** the BSEC Meeting of the Ministers of Foreign Affairs to consider this Recommendation.