

Business plan

IASD 2012



Address Al-Karada.905. Street 9.Building

Mobile 07904302828, 07904302825

Email : info@iasd-iq.org

mohammedsuri@iasd-iq.org -

www.iasd-iq.org

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1.0 Background and Organizational Summary

The Iraqi Association of Securities Dealers (IASD) is a Non-Government Organization (NGO) founded in 2004. It quickly developed to become a platform for, Information, Advocacy, Services and Development, has a huge role to play in the Iraqi capital market, by advocating for reform and change, consistent with the transformation of the country's economy towards development of independent, transparent and trustworthy institutions for a sustainable development. The Association has marked a turning point in public awareness by raising expectations, through building a vibrant and robust economy driven by hope.

To better prepare Iraqis to expand existing local businesses and to link businesses with microfinance institutions (MFIs) and banks, the Business Development Services component of (USAID- IZDIHAR/Tijara Now), identified 14 regional locations to act as Small Business Development Centers (SBDCs). IASD one of them is located in Baghdad,. The SBDC concept builds on the experience of existing business associations and business centers, particularly those which have excellent links in their communities with MFIs and local banks.

The SBDCs offer business consulting, specialized courses on how to start up or improve a business, How to manage association ,How to manage agricultural coop, cost accounting course, computer courses, links to MFIs and banks and related business services, including the first Iraq voucher-based system for business development services.

Many donors report success leveraging economic growth by targeting specific assistance to individual firms, based on their potential for growth, ability to minimize business risk and vision for market opportunities. A widespread economic best practice that has had repeated success is the voucher program. This one demand tool appears to offer real traction in stimulating local economies. Vouchers provide inducements to business service providers like the SBDC through partial subsidies, an improved flow of information and effective market outreach. The existing SBDC voucher program was hugely used by PRT and many business associations to access training facilities at IASD utilized as a mechanism to invite targeted firms to participate in business training.

Vision:

Serving and developing Business and Securities Dealers

Mission:

- a. Publishing the culture of business and Securities Dealers
- b. Developing the business and Securities Dealers' skills
- c. Creating a clear work environment
- d. Developing the private business sector through opening small business projects and finding new job opportunities.
- e. Serving the Brokerage companies in Iraq Stock Exchange

Values:

- a. Advocacy
- b. Professionalism
- c. Competency
- d. Integrity
- e. Leadership/Pioneering

2.0 Industry and Market Analysis

IASD/SBDC Industrial Analysis

IASD Development as the general and only representative of the Iraqi Stock Brokers. There are a total of 48 brokerage firm members in Iraq that are licensed to trade on the ISX (Iraqi Stock Exchange market) and 4 brokerage we expect 2-3 new 4 brokerage companies each year to work in ISX. The Baghdad Stock Exchange was formed in 1991 and was active until March 2003. Under the CPA order number 74, the stock market was restructured and was made independent and given a new identity under a free capital market, called ISX. The ISX and the IASD are closely monitored by the Iraqi Securities Commission. IASD being a member of the capital market has always supported the ISX and in turn the market has always supported IASD. The Association has a seven member board of directors elected by the General Assembly one of those members is also a member on the board of governors at the ISX, the 51 brokerage companies have voting rights at the ISX. The brokerage companies by law should be member of IASD before they can acquire the full trading license of the ISX. So this showing that the IASD it's the only one which is working in the stock market in Iraq.

Market assessment appear that the trade sector has the largest number of business ventures in the Baghdad province, a rate of 34% when compared to the economic sectors in the Baghdad province with the rest of Iraq shows that the trade sector in Baghdad are more widespread with an average of 31% This is due to its position as an economic and trade of Iraq as well as Baghdad province's largest concentration of SMEs in the area of professional services than is the case in the rest of Iraq (20% against 13%).

3.0 IASD Services

✚ Product/service description

- Monthly newsletter
- Printing IASD Newsletter on behalf of Iraq Stock Exchange
- conference
- Consultations

❖ Training

- How to start up or improve Small Business:
- Poultry Training
- Bee keeping training
- Irrigation training
- agricultural cooperatives management
- How to manage association
- Specialized courses in accounting (Internal Auditing)
- HR training:
- Electronic trading courses
- Brokerage Company Training
- Computer courses
- English course

✚ More Training for Brokerage Company

- financial analysis of stocks and bonds
- technical analysis of stocks and bonds
- Feasibility Study
- Rehabilitation of employees
- qualifications in brokerage company
- The financial accounts of brokerage company
- The security commission rule and 47 law of the Security

✚ Future products/services

1. Website designing
2. Job opportunity center
3. Workshops for investors

4.0 Strategy and Implementation Summary

Goal (1): Developing Brokerage companies Skills

Strategic objective: develop the securities companies Iraq

Implementation strategy:

Program (1): Trainings program

design and implement training programs aimed to develop professional brokerage companies because IASD is the only organization which is characterized by work in the field of service brokerage companies and being noticed an urgent need for the development of brokerage companies at the request of the Securities Commission to begin the process of develop these companies working in Iraq had been reached to implement a number of training programs which aim to get to the develop brokerage companies and professional advancement to the level of their best.

- Train 48 a brokerage firm (members of IASD)
- Session of the technical analysis of stocks and bonds (2 Course)
- Session of financial analysis of stocks and bonds (2 Course)
- Feasibility study (2 course)
- Training courses for the staff authorized to trade (2 course)
- 15 Persons in each course
- Contribute to the preparation of some training materials professors from the high institute of Accounting and Finance also experts from the security commission as supervisors in the preparation of some other training curricula.

These training sessions will be implementing during a period of 7 months starting from June 2011 up to December 2011 These training courses funded by the brokerage companies (self paid).

Program objective:

- Provide services to associate members of IASD
- develop the profession of brokerage
- develop performance of employees in brokerage companies
- Open new prospects for tactics of work in brokerage companies
- Recognition new methods in the work on a international brokerage companies
- Getting revenues of the IASD

Impact

- develop performance of employees in brokerage companies
- New approaches working
- Financial income for IASD

Project Work Plan –Milestones & Deliverables	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Prepare training curricula	X	X					
Compiling a database prospective participants in training courses	X						

Implementing the training courses		X	X	X	X	XX	XX
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Program (2) Code of ethics (ISX sector)

Preparing code ethics of brokerage companies, and implement educational courses specific to this aspect for brokerage companies in Iraq.

For absence of code of ethics in brokerage companies in Iraq, the need arises that there should be code of ethics followed by brokerage companies working in Iraq, like all other brokerage companies in work in the stock markets in all word . Here comes the role of IASD, which is one of responsibilities of preparing the code of ethics to suit the work of the brokerage companies in Iraq. The code of ethics was prepared and IASD get the assistance from USIAD-Tijara by researches.IASD work on select which is commensurate with the work of brokerage companies in Iraq, code of ethics draft Introduction to the Securities Commission waiting for revision and approval to start working on it. After taking the approval of the draft will begin educative working to the brokerage companies and will continue to provide this service as one of the activities provided to members . this services are offered free of charge by IASD to the brokerage companies working in Iraq.

Goal (2): increasing the awareness in stock markets in Iraq

Strategic objective: develop the stock market sector in Iraq

Implementation strategy:

Program1:

The program increasing the awareness in stock markets in Iraq and expansion process of the electronic trading

Iraq Stock Exchange an emerging market needs to strengthen and to the confidence and investor interest, and Work on develop this sector will be encouraged to create job opportunities and more investment opportunities.

There is a law issued recently by the Securities Commission allows brokerage companies to open new branches in all Iraqi provinces and this will require people trained and qualified to work in these companies, and also needs to encourage the creation of a large and interested in investing their money in this sector. IASD focused since 2004 to seek in provision of services and the development of sector securities, the current orientation is to work to increase public awareness and hold workshops, seminars and training the next generation of brokers and investors to work in Iraq Stock Exchange (ISX). As characterized its only institution of this unique service sector and regulation and implementation of this project is one of the priorities. And IASD will be first initiators of this work

- Marketing campaign in all Iraq
- hold seminars For one day in all Iraq For educate the businessmen and investors on business in Iraqi Stock Exchange and the opportunities and potential risks in Iraq Stock Exchange (ISX)
- 15 seminars all over Iraq
- 25 persons each training workshop
- Duration of work for 6 months From the date of project approval
- The project funded by USAID-Tijara and the Securities Commission

- The results of work in this The project allows IASD to create database with new evidence who willing to attend theses training courses and from the managers in sub-brokerage companies in all Iraqi provinces and is complementary to be a second phase of the project
- Provide working on a program of the electronic trading system
- Hold training courses

Objective:

- Increased public awareness across Iraq on the workings of the Iraqi stock exchange and the potential opportunities and risks of investing in publicly traded securities.
- Launching a training program for new securities brokers on a state-of-the-art electronic trading system module compatible with the system used in the (ISX). Ultimately becoming the sole provider for new broker training for the ISX.
- Creating a steady flow of fee income to not only cover the direct program expenses but also contribute to the sustainability of IASD.

Impact:

- Increase the number of retail and institutional investors across Iraq
- Add to the number of qualified securities brokers
- Directing savings towards the security sector
- Increase the sustainability of the IASD
- Strengthen IASD’s niche as a provider of services to the securities industry
- Grow with the Iraqi securities market, helping to be a safe and transparent market place

. Project Work Plan and Benchmark/Milestones

Project Work Plan –Milestones & Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Hire Project Coordinator	X						
Hire Project Trainers	X						
Marketing - Expense Receipts	X						
Conduct 7 Information Seminars		X					
Attendance list delivered (goal=50/		X					
Conduct 8 Information Seminars			X				
Attendance list delivered			X				
Conduct 2 Broker Trainings				X			
Attendance list delivered				X			
Revenue journal delivered				X			
Conduct 2 Broker Trainings					X		
Attendance list delivered					X		
Revenue journal delivered					X		
Final Reports						X	

Goal (3): increase the number of business (start-up projects) and provide job opportunities

Strategic Objective: Serving Business (Private Sector)

Implementation Strategy:

The program (1): implementing the Youth Initiative project in two phases

IASD partners with Al Bashear Microfinance on the new Iraqi Youth Initiative project.

Demand for this program is high: we have over 300 vetted applicants waiting to start. So far only 58 have gone through the business training and business plan consulting , This program targets youths not having a business, so that means that each new loan starts a new business and employs at least one person. This linkage from SBDC client to MFI client has been difficult so we are excited about working closely with our MFI colleagues.

Phase I:

-Vetting program applicants

List of applicants will be submitted to the microfinance institutions (MFIs) from small business development centers (SBDCs).

_ MFI Youth Check up

MFI checking up youth client credit history, reputation and guarantor collateral coverage

-Youth candidates' clearance (MFI will send cleared list of accepted potential youth).

- Orientation session

MFI and SBDC will present the program and loan product to the youth and accept willing candidates into training

. Five-days training workshop

- On the 5th and final day of training a MFI representative will answer questions related to youth loan product and impress upon youth participants the importance of a completed business plan

.-Preparation for the Business Review Panel

Each Panel member will review business plans for each candidate at least 3 days before the panel convenes.

- Completing the Business Review Panel

The Panel's decision for acceptance or refusal of applications occurs when the panel convenes; the final decision is documented in meeting minutes which includes the applicant's name, type of business, and amount of initially approved loan amount.

- Preparation for loan disbursement

Youth participants prepare documentation required by MFIs such as providing guarantors and submitting to a comprehensive investigation that will be reviewed by MFI internal credit committee

-Loan disbursement

MFI communicates actual disbursed loan amounts to the Panel; if actual disbursed loan amounts differ to those initially approved, the MFI must explain its decision

-Loan recipient follow-up

USAID-Tijara staff meets with MFIs on a weekly basis to follow up on initially approved loans disbursement status

- Installment repayment & Monitoring

MFIs are responsible for following up on installment repayments from youth who received loans while the SBDCs only follow up on the implementation of the business plan

Phase II: create job opportunities

-Training for unemployed youth on how hold CV's and resumes

- Coordinating between the employers and the unemployed for provide job Opportunities

- Youth Employment

Program (2): TOT for ministry of youth

New step of cooperation with Ministry of youth and sports, by setting Training of trainer for Ministry employee. Program will encourage a culture of entrepreneurship and prepare qualified instructors for publishing the culture of the working environment and to start small projects that serve youths in all Iraqi provinces through the Ministry of Youth and Sports.

The material will be introduce by IASD professional lecturer has experience in business sector and they use the modern methodology in Training and they are certified by USAID –Tijar.

Training Contains:

-Material will be provide by ministry of youth contains basic of (Financial, marketing, business plan basic)

- TOT methodology will be setting by IASD

- Group work through the training

- Final exam and evaluate the participants

- 4 days training

- In Najaf province

- 32hours (8 hour daily)

-No. of participants 20

Objective:

- Learning new training methods

- Develop training skills.

- Create a group of trainers accredited to the Ministry of Youth in all governorates of Iraq

- Update the business information such as the huge marketing development , accounts and association management and setting business plan and feasibility studies ..

- Improve the level of the trainers during the training through guidance and advice provided by the training.

-learning how to run the workshops in the regions and how to deal with the participants in these training courses

- learning the new concept of start small business

Note: IASD looking for implement 3 TOT for ministry of youth the first one will be in najaf.

Impact:

- Build good base of trainers from the Ministry of Youth in the whole of Iraq
- create qualified staff that work in government to manage training
- Enhancing cooperation with relevant ministries and government
- This Training will have a significant impact where the training will provide the good type of the knowledge for the trainees, which will enable them to raise their scientific and thus raise the level of young people who attend the training in the future.
- Rehabilitation leadership staff will be able to improve the business environment and the promotion of the economic reality of the country
- Aware the participant's of the need to update the information they hold .
- Courage the government to invest on the ministry staff
- Promote a culture of rehabilitation and training in the public sector and who its importance in the present stage

Program (3): IRD project

Marla Ruziqa program target in this project the victims war or their family to assist them to start new business (income generation) by give them grant to start this work. IASD partner to implement this project , IASD it's already work on this project in 2010 for 7 month till end of February 2011 and target more than 50 cases and they are open new business. IASD expect and look for new extension for this project on 2011.

IASD role:

- select cases eligible of Marlae project
- Checking all the formal document for all the cases
- Get approval from (CAG-IRD side)
- Introduce consulting as the first step for selected cases
- Introduce training for selected cases on (how to start business)
- Write POQ for projects submitted to IRD
- Field visit to check the contribution
- Follow tendering process with IRD
- Supplies all project
- Follow up
- All coordination between victims and contractor IASD deal with it

IRD work closely and support IASD in each step. IRD ACVIII work step by step with IASD staff to implement the project.

Objective:

- Serve victims war

- Increase the number of new business
- Help to start open new business's
- Introduce business consulting and training
- Create data base for victims war

Impact:

- Open new business
- Create new job
- Enhancing IASD relation with important donors.

5.0 Management Summary

Ownership, Governance and Operations

Participation in the Association continues to be open to all broker dealers and other interested entities in accordance with membership application requirements that are presently being reviewed. The By-Laws of the Association have been developed and are in compliance with the existing legislation for NGO's as well as the proposed Permanent Securities Law. The governance structure includes a seven member Board that is responsible for providing oversight is elected every two years does not receive salary or compensation for their seat on the Board of Directors.

- 1 . Ali Jamal ., Chairman
2. Mr. Luay Al Qaisey , Deputy Chairman
3. Mr Emad Al Baghdadi , member
4. Ms. Lubnna Al attar Financial Secretary
5. Mr. Raaq Muner , Member

6. Firas Nasaif, member
7. Ammar Akram , member

A joined committee from the ISX and the Board of Governors was set up to provide an independent monitor of the whole electoral process.

As part of its efforts to build its image and outreach, the Association has developed its own website. Display information and Association activity (www.iasd-iq.org).

IASD Capital Market, Newsletter is a manifestation of the monthly activities at the IASD/SBDC

Publishing news, success stories and training schedules to members and Public at large.

IASD Staff.

The key personnel that have been running the Association since December 2005, Executive manager, Executive Secretary, Training Program Coordinator and Accountant: (further staff would be recruited as more funds are available).

- Executive Manager
- Secretary
- Training Program Coordinator
- Lawyer (part-time/retainer basis)
- Trainers (Part Time)
- Field coordinators (full time)

Executive Manager

The Executive Manager of the Association directs the activities of the Association including training, advocacy, and outreach efforts aimed at promoting the overall interest of the organization. Some basic functions of this position are to:

1. manage the overall operation of the Association;
2. report to the Board of the Association on all matters on the daily functions of the Association, including the hiring of staff;
3. serve as the primary interface with the regulator, the Stock Exchange, and the investor community to actively promote the interest of the IASD members;
4. engage in advocacy programs on behalf of the IASD as approved by the IASD Board;
5. oversee the design and implementation of the training programs with support from IASD staff;
6. organize conferences/seminars with market institutions and counterparts in other countries;
7. develop and implements the Business Plan as approved by the Association Board of Directors;
8. .conform to the reporting requirements of entities established for associations by the relevant Ministry and the Iraq Securities Commission;

9. serve as the spokesperson for the Association and interfaces with all media and other interested parties, and
10. promote awareness of the Iraq Securities Market to both foreign and domestic interests.

Secretary

The Secretary of the Association maintains the event calendar and provides support to the Association as needed. Some basic functions of this position are to:

1. provide secretarial support to the Executive Manager as well as other staff members of the Association;
2. serve as the note taking at Board Meetings of the Association;
3. arrange travel schedule for Association;
4. maintain event calendar for the Association; and
5. provide support to the Training Program Coordinator with training events.

Training Program Coordinator

The Training Program Coordinator is responsible for the designing and coordinating of training programs for the community. Some basic functions of this position are to:

1. design training programs to prepare Registered Representatives for licensing by the Commission;
2. design training programs to prepare Principals for licensing by the Commission;
3. work in collaboration with the securities market participants to design joint programs for educating the member community;
4. design Back-Office Accounting Programs for intermediaries;
5. design Front-Office Sales Programs for intermediaries;
6. design any other training programs for the benefit of the financial services community; and
7. Organize conferences/seminars at promoting the Iraq Securities Market.

Lawyer

The Lawyer of the Association will be responsible for representing the Association in all legal matters including the development of By-Laws, Code of Conduct, and Rules. Some basic functions of this position are to:

1. represent the Association in all legal matters;
2. develop and modify the By-Laws of the Association as needed;
3. develop and modify the Code of Conduct of the Association;
4. develop and modify the rules of the Association; and
5. review and update their members of new market laws, regulations, and rules and their impact on their membership.

Accountant

The Accountant of the Association is responsible to maintain the financial records of the organization. Some basic functions of this position are to:

1. draft procedures as they relate to financial bookkeeping records of the Association;
2. recommend to the Executive Manager that payments be made for bills as received and reviewed by the Accountant;

3. Prepare and file annual audit statements with the regulatory authority regarding the Association.
4. assists the Executive Manager in developing the annual business plan; and
5. Interfaces with the external auditor of the Association.

Communications, Public Relations and Advocacy Relations with Government

- The IASD is a representative of the Broker / Dealer community, well associated with the ISX and the Securities Commission, according to law number 74 in 2004 issued by the CPA.
- IASD is developing active advocacy programs, by promoting investor interest in Iraq's securities markets and actively represent the interests of its members before the regulators and other agencies
- IASD/SBDC is promoting better practices in businesses, by articulating training in capacity building , upgrading skills and public awareness courses.
- IASD has been actively supported by Tijara/ USAID for the developments of its - Programs.
- Through the SBDC, IASD works closely with Microfinance Institutions and the Iraqi Company for Bank Guarantees.
- IASD work closely as partner with IRD /USAID (international relief development)

- IASD work closely with EPRT/PRT to implement projects

- _ IASD work with Ministry of youth to implement Training.

- _ IASD have relation with Iraqi media

- IASD has relation with local NGO s