

**Achievement of Market-Friendly Initiatives and Results  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

**Capital Markets Training Needs Assessment  
and Training Plan**

Final Report

**Deliverable for Capital Market Development Component  
Task No. 645 “General Capital markets Training Program”  
Contract No. 278-C-00-02-00201-00.**

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*This report was prepared by Howard Schuman, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

## Introduction

The Jordan terms of reference call for a training needs assessment to determine priority training needs for development of skills of capital market professionals, consistent with international standards and practices. Results of the report are used as the foundation for design of a Jordan Capital Market Training Plan, the second key deliverable under the AMIR Capital Market component.

The training needs assessment included the following methodologies to gather appropriate information regarding training needs:

- A review of the legislation establishing capital market institutions in Jordan
- Review of training course outlines from domestic and international programs previously attended by capital market participants
- Meetings with organizations which have organized previous training including the Institute of Banking Studies, and Capital Markets Partners (CMP)
- Individual and small group interviews with representatives of Jordan Securities Commission (JSE), Amman Stock Exchange (ASE), Securities Depository Center (SDC), brokers, bankers, business consultants and university faculty, and others having a direct or indirect role in capital market development
- Meetings with USAID project personnel involved in financial market development in Jordan

*See Appendix 1: List of Meetings with Relevant Counterparts*

- A Training Needs Assessment Survey including questions on previous training attended; ranking of knowledge and skill areas by importance on the job and self-assessed skill levels; preferred training methodologies; preferred length of training; and general comments regarding training needs

*See Appendix 2: Training Needs Assessment Survey*

- A “gap” analysis that identifies and prioritizes gaps in the skill levels of staff
- An internal AMIR project team review of training needs

**Part One** of this report reviews general findings of the Training Needs Assessment, presents conclusions regarding Jordan’s training needs and how best to organize the training. **Part Two** contains a proposed Jordan Capital Markets Training Plan.

## **PART ONE**

### **General Findings of the Training Needs Assessment**

These findings include data, comments and recommendations compiled from the training needs assessment survey, as well as document reviews, meetings and interviews.

#### **Previous Training Programs Attended by Jordan Participants**

The most frequently attended training programs for Jordan capital market participants have been:

- Brokers Training and Certification Program at the Institute for Banking Studies (IBS)
- AMIR sponsored programs in Microsoft Office, Excel, Outlook, Windows and other computer software and hardware
- English Language training from the American Language Center (ALC)
- Various capital market seminars, workshops and study tours sponsored by Capital Markets Partners (CMP) including trips to Norway, Lithuania and Slovenia and France
- US Securities and Exchange Commission International Institute for Securities Market Development

Other related training attended by few participants includes:

- Attendance at IOSCO meetings and seminars
- Euromoney seminar in Amman
- Capital Market Development Program, Center for Financial Engineering and Development (CFED) in Washington, DC
- Certified Financial Analyst (CFA) Program
- Securities Analysis course, University of Jordan

## **Conclusions:**

- 1. Market participants have attended numerous training programs both domestically and internationally. However, an overall training plan is proposed to provide future training in detail.**
- 2. Training in Jordan depends primarily on outside funding sources or individuals covering their own costs.**
- 3. On-the-job training does take place in the various market institutions. But a formal internal training function to manage design and implementation of a training plan will help.**
- 4. “Outreach” activities have taken place to explain the institutions’ role in market development. These include newspaper campaigns, TV shows, meetings with publicly held companies, etc. However, continued expansion of these efforts needs to occur to better educate current and potential domestic and international investors and capitalization on current interest in the market.**
- 5. Capital market institutions often have individuals capable of delivering training on a basic level for others with little or no knowledge of the capital market, or for “outreach” to corporate entities, the potential investing community, media, legal and academic communities, etc. Assistance is required to conduct train-the-trainer programs, produce training materials, presentation formats and logistical support to encourage such outreach and ensure sustainability of AMIR efforts.**

## **Knowledge and Skill Areas**

The Training Needs Assessment Survey asked capital market participants to rank on a scale of one to five (5=highest, 1=lowest) a list of 26 knowledge and skill areas considered important for carrying out key capital market functions. Participants in the survey ranked the areas both in terms of importance to doing their current or future job well, and their self-assessed level of knowledge or skill in that area.

The following charts summarize the highest and lowest rankings for importance and self-assessment:

### **Knowledge/Skill Importance**

### **Self-Assessment**

#### **Highest**

#### **Highest**

Types of Securities	General Knowledge of Capital Market
Investor Rights and Protection	Issuing Securities to the Public
General Knowledge of Capital Market	Investment Climate
Investment Climate	Sources of Finance
Organization and Functions of Stock Exchange	Types of Securities
Disclosure	Trading Practices
Market Participants	Investment Companies and Investment Funds
Securities Depository	Market Participants

#### **Lowest**

#### **Lowest**

Taxation in Jordan	Securities Market Development
Securities Market Regulation	Securities Market Regulation
International Accounting Standards	Securities Depository
Privatization Process in Jordan	Financial English
Source of Finance	Foundations of Accounting
Stock Market Information and Technology	Legislation and Regulation in Jordan
Issuing Securities to the Public	Clearing and Settlement

The following tables list all 26 knowledge skill areas by rank in importance, with accompanying self-assessment score.

<b>High Importance</b>		<b>5=highest</b>	<b>1=lowest</b>
<b>Areas</b>	<b>Importance</b>	<b>Self-Assessment</b>	
Types of Securities	4.60	3.10	
Investor Rights and Protection	4.54	2.95	
General Knowledge of Capital Market	4.48	3.44	
Investment Climate	4.40	3.14	
Organization and Functions of Stock Exchange	4.40	2.97	
Disclosure	4.38	2.73	
Market Participants	4.37	3.06	
Securities Depository	4.37	2.39	
Clearing and Settlement Process	4.35	2.74	

<b>Medium Importance</b>		
<b>Areas</b>	<b>Importance</b>	<b>Self-Assessment</b>
Investment Companies and Investment Funds	4.33	3.06
Trading Practices	4.32	3.08
Financial English	4.32	2.66
Legislation and Regulation in Jordan	4.30	2.71
Foundations of Accounting	4.29	2.67
Investment Analysis	4.27	3.06
Securities Market Surveillance	4.23	2.92
Securities Market Development	4.21	2.27

<b>Low Importance</b>		
<b>Areas</b>	<b>Importance</b>	<b>Self-Assessment</b>
Jordan Securities Market	4.19	2.78
Interpreting Financial Statements	4.18	2.35
Issuing Securities to the Public	4.16	3.39
Stock Market Information Technology	4.16	2.80
Sources of Finance	4.08	3.10
Privatization Process in Jordan	4.02	2.97
International Accounting Standards	4.00	2.85
Securities Market Regulation	3.92	2.34
Taxation in Jordan	3.79	2.76

The following two graphs summarize:

- Knowledge and skill areas importance versus the self-assessed skill levels
- Skill “gaps,” indicating the gap between importance on-the-job and self-assessed skill levels

Chart (1)



Chart (2)

## **Additional Areas Requiring Training**

The most frequently mentioned additional areas requiring training were:

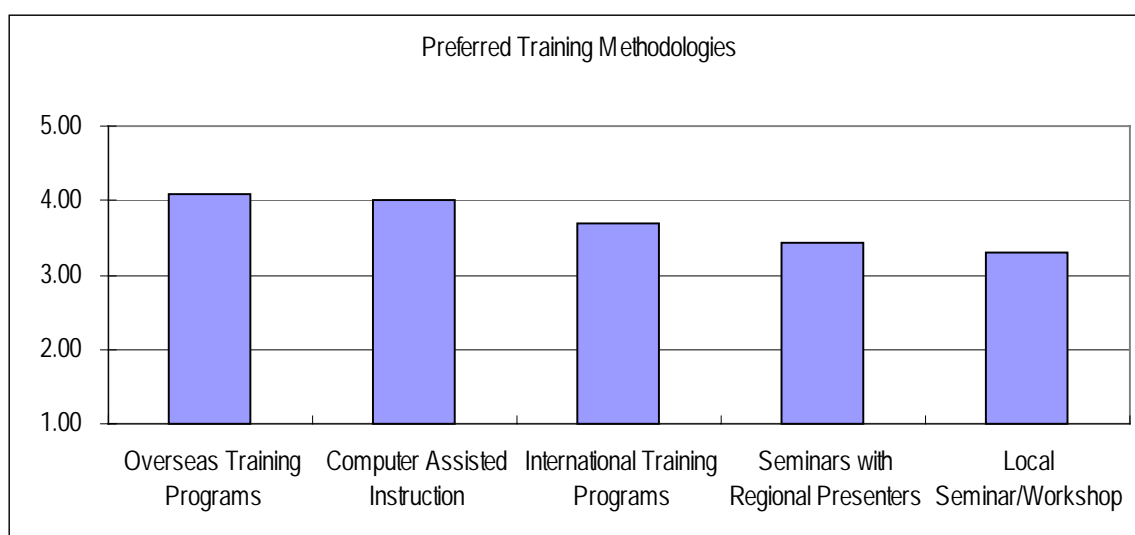
- English language training (most frequent comment)
- Advanced computer skills (frequent)
- Accounting (frequent)
- Techniques of valuation of companies (frequent from brokers)
- Financial instruments, including futures, options, swaps, etc.
- Relationship of JSC, ASE, SDC and brokers
- General capital markets knowledge
- Understanding regulations in disclosure, compliance, etc. of JSC (from ASE)
- Practical exercises/cases/workshops
- “Young Leadership”

## **Top Training Priorities Based on Needs Survey**

- **Understanding the Jordan legal and regulatory framework, especially the relationship of the JSC, ASE, SDC, brokers and other intermediaries and the regulations governing their operations**
- **Special need to explain functions and operations of the Securities Depository Center (SDC), least understood of the capital markets institutions**
- **Improved financial statement analysis skills to measure the value of companies and the companies’ securities**
- **Increased understanding of types of securities traded, including new financial instruments such as futures, options, swaps, etc.**
- **Continued implementation of internationally acceptable accounting standards, including standardized formats for disclosure purposes**
- **Improved securities market surveillance including monitoring and inspection techniques to identify non-compliance with regulations**
- **Expanded financial English training**
- **Increased awareness of laws and regulations protecting investors and effective corporate governance**

## **Preferred Training Methodologies**

<b><u>Training Methodologies</u></b>	<b><u>Average</u></b> (5=highest, 1=lowest)
Overseas Training Programs	4.10
Computer Assisted Instruction	4.00
International Training Programs	3.69
Seminars with Regional Presenters	3.44
Local Seminar/Workshop	3.31

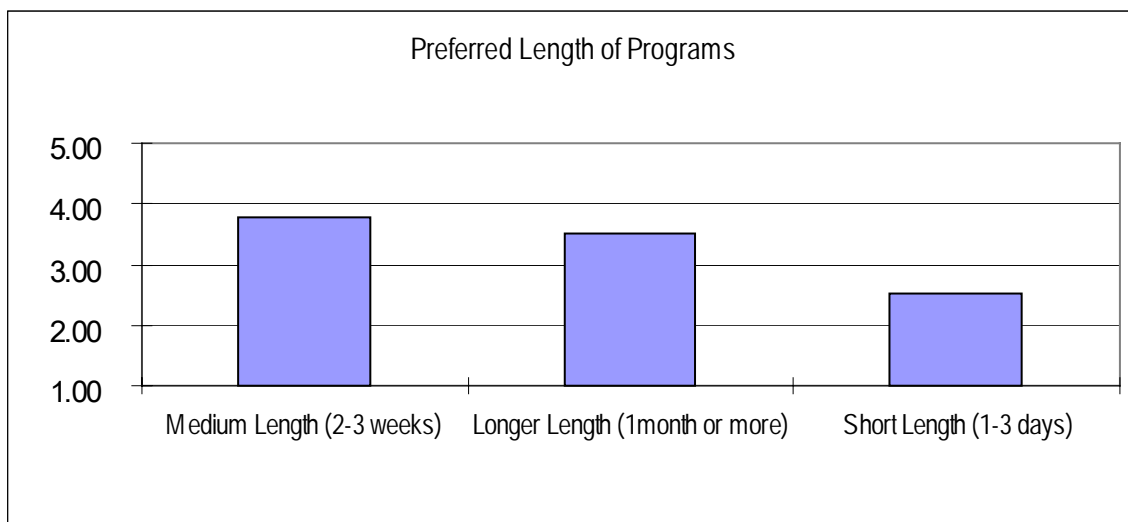


## **Conclusions**

**Capital market participants prefer overseas training and computer-assisted instruction (especially at SDC) most highly. Programs with international presenters in Jordan, seminars with regional presenters, and local seminars and workshops are rated next in terms of preference, at approximately the same level. While overseas training is clearly preferred (as it is among almost all emerging market players), all methodologies rated are perceived as having above average effectiveness.**

## **Preferred Length of Training**

<b><u>Length of Program</u></b>	<b><u>Average</u></b> (5=highest, 1=lowest)
Medium Length (2-3 weeks)	3.76
Longer Length (1 month or more)	3.53
Short Length (1-3 days)	2.52



## **Conclusions**

**Capital market participants prefer medium and longer length programs to shorter ones. A conflict always exists in determining program length, between time allotted for training and time available away from the job. In the past, participants have often attended local training programs after work hours. However, a number of participants indicated the “fatigue” factor when participating in evening sessions.**

## **General Comments Regarding Training**

- Suggest JSC staff to obtain detailed training at ASE and SDC, especially those who have been hired within the post Amman Financial Market (AFM) era
- Need to have in depth understanding of capital markets, knowing components of the market and roles for each of them
- Use case studies
- I didn't have any training program until now.
- I think all employees of the JSC must take training courses.
- We need more and continuous English language courses.
- On-the-job training is very beneficial.
- Courses in Financial Engineering (futures and derivatives)

## **Conclusions**

- 1. Participants want practical, hands-on training versus theoretical concepts.**
- 2. Many participants feel the need to know what other institutions and “players” are doing in the market. There is no consistent means for gaining clarity of new regulations, development of SDC, findings of study tours and other recent training activities, and general market development information. The media, while having improved as a result of AMIR I efforts, lack sophisticated knowledge of capital market institutions and their role in the economy.**
- 3. There is a preference for use of overseas models for market development, particularly from other emerging market economies. Malaysia has been mentioned as an appropriate example, a “step ahead” of Jordan in terms of development.**
- 4. No local case examples exist for effective corporate governance, becoming a publicly trading company, securities regulation, etc. Such cases need to be written for use in training programs.**
- 5. Participants mentioned the need for an investment simulation to give all market players a sense of what it really means to invest and trade shares on a stock exchange.**
- 6. There is a strong need for additional training materials—brochures, video, CD ROM, etc., in Jordan, for use by new market participants, for educational institutions, the media, legal community and others lacking knowledge about investing.**

## PART TWO

### **Jordan Corporate Governance and Capital Market Training Plan**

The following training plan outlines an overall training strategy and recommended structure of training for Jordan. It includes a set of specific training modules, with target group(s), program content, suggested length and training delivery options. Also included are a recommended set of “outreach” or promotional activities to broaden market understanding and investor protection and set of activities to institutionalize training in Jordan .

A national Jordan capital markets training strategy should have three goals:

- 1. To strengthen the abilities of a core group of financial managers to develop their capital market skills to a level consistent with internationally acceptable standards of regulation, operations and investor protection.**
- 2. To institutionalize capital market training programs so that they become a regular part of the management activities of key Jordan financial institutions.**
- 3. Long term, to create a well-informed investing public who can make educated choices regarding where to invest, with sufficient investor protection through orderly and well-regulated market mechanisms.**

The following series of training modules and related activities are designed to provide the basic components of such a plan. The recommended structure and activities are based on the training needs assessment conducted by the AMIR 2 Project in February, 2002. Detailed results of that assessment are contained in Part One of this report.

## **Recommended Structure of Training Program**

- A three level training system is recommended—basic level modules, intermediate/advanced level modules, and special “outreach” activities.
- Basic level modules are designed for new market participants and those from other related institutions, such as the Central Bank, with little or no knowledge of capital market products and institutions.
- Intermediate/advanced modules are designed for those with an existing or planned market role, who need increased knowledge and skills to perform their jobs more effectively, consistent with international professional standards.
- “Outreach” activities are for public “stakeholders,” --investors, the media, judiciary, educational institutions, business associations and policy makers. Anyone who can benefit from a fair, transparent capital market can be considered such a stakeholder.
- Recommendations for institutionalization of capital markets training programs in Jordan are also included, to build the local capacity of market “players” and to promote sustained market development.
- Recommendations for training of those who must obtain financial advisor and investment manager licenses are also included.

## **Overview of Proposed Jordan Capital Markets Training Program**

<b>Basic</b>	<b>Intermediate/Advanced</b>	<b>Outreach Activities</b>
<ul style="list-style-type: none"> <li>• Overview of Securities Markets in Jordan (101)</li> <li>• Principles of Securities Investment (102)</li> <li>• Securities Market Products and Intermediaries (103)</li> <li>• Raising Funds in the Securities Markets (104)</li> <li>• Elements of Market Structure in Jordan (105)</li> <li>• Registry, Clearing, Settlement and Depository in Jordan (106)</li> <li>• Corporate Governance in Jordan (107)</li> <li>• Financial Reporting and Analysis (108)</li> <li>• Investment Funds in Jordan (109)</li> <li>• Objectives and Principles of Securities Regulation (110)</li> <li>• Security Industry Law (111)</li> <li>• Securities Offenses and Penalties (112)</li> <li>• Role and Functions of Jordan Securities Commission (113)</li> <li>• The Amman Securities Exchange Rules and Regulations (114)</li> <li>• Regulation and Functions of Brokerage Firms (115)</li> <li>• Introduction to IT/Computer Programs (116)</li> <li>• Financial English (117)</li> </ul>	<ul style="list-style-type: none"> <li>• Effective Corporate Governance Practices and Business Planning (201)</li> <li>• Market Surveillance Techniques (202)</li> <li>• Enforcement Principles and Practices (203)</li> <li>• Investigation Techniques (204)</li> <li>• Litigation (205)</li> <li>• Investment Analysis (206)</li> <li>• Financial Advisory Services(207)</li> <li>• Investment Management (208)</li> <li>• Issues in Clearing, Delivery Settlement and Depository (209)</li> <li>• Accounting Standards for Listed Companies (210)</li> <li>• How to Build and Manage a Brokerage Firm (211)</li> <li>• IT Training (212)</li> <li>• Auditing Skills(213)</li> <li>• Specialized Overseas Programs (214)</li> <li>• Train-the-Trainer (215)</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Markets Forum</li> <li>• Local Case Studies</li> <li>• Investment Simulation</li> <li>• “All Consultants Train” Policy</li> <li>• Legal, Judiciary, Media attending Training</li> <li>• Creation of additional educational materials on Jordan Capital Market</li> <li>• Establish Memoranda of Understanding with other Securities Commissions, Stock Exchanges, Depositories, etc. to develop additional training resources</li> </ul> <p style="text-align: center;"><b><u>Institutionalization of Training</u></b></p> <ul style="list-style-type: none"> <li>• JSC as “Prime Mover,” combined with broad sponsorship</li> <li>• Recruit and hire Head of Training for JSC</li> <li>• On-going Train-the-Trainer Programs</li> <li>• Use Libraries and other facilities for Training/Establish Public Reference Room</li> <li>• Link Training to Universities/Other Financial Training Organizations</li> <li>• Certification Program</li> </ul>



## **Basic Level Training**

Because of the low level of knowledge and awareness of those new to the capital market, or those with a narrowly defined role, introductory modules are required to broaden understanding of how a market functions. Knowledge about how the key capital market institutions—Jordan Securities Commission, Amman Stock Exchange, Securities Depository Center, Brokers, Mutual Funds, etc. —are organized and function is particularly lacking even among some already working at the institutions themselves. The “connectedness” and flow of funds invested in a listed company on the stock exchange needs to be clearly understood.

**Short term, basic training can build upon the existing Brokers Training and Certification Program, and be developed and delivered by AMIR consultants, working with local institutions. Longer term, train-the-trainer programs can prepare local trainers to deliver basic training modules themselves.**

*See Appendix 3: Trainer Selection Criteria.*

The following is an outline of proposed basic level training modules divided into securities market operations and securities market supervision and regulation subject areas:

<b>SECURITIES MARKET OPERATIONS</b>		
<b>Basic Modules</b>	<b>Content</b>	<b>Delivery Options</b>
<p><b>Module 101:</b> <b>Overview of Securities Markets in Jordan</b></p> <p><b>Target Audience:</b> All market participants</p>	<ul style="list-style-type: none"> <li>• Securities market characteristics (functions, structure)</li> <li>• Jordan Securities Commission</li> <li>• Amman Securities Exchange</li> <li>• Securities Depository Center</li> <li>• Issuers</li> <li>• Custodians</li> <li>• Brokerage Firms</li> <li>• Trading system</li> <li>• Types of investors (institutional, individual)</li> <li>• Investor protection issues and mechanisms</li> <li>• Good governance and codes of ethics in Jordan</li> </ul>	<ul style="list-style-type: none"> <li>• 1-day workshop using presentations and local examples presented by Jordan capital market institution staff/market intermediaries</li> <li>• Material from Broker Training Program</li> <li>• Train-the-trainer program conducted by AMIR</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 102:</b> <b>Principles of Securities Investment</b></p> <p><b>Target Audience:</b> All market participants</p>	<ul style="list-style-type: none"> <li>• Approach to investing</li> <li>• -investment concepts</li> <li>• -why do people invest</li> <li>• -measuring investment returns</li> <li>• -minimizing risk</li> <li>• Factors affecting securities prices</li> <li>• -interest rates</li> <li>• -exchange rates</li> <li>• -government economic policies</li> <li>• Basic market analysis tools, intro to:</li> <li>• -fundamental analysis</li> <li>• -technical analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Computer-based module (generic) and/or</li> <li>• Pre-module readings/CD, including “Investing in Jordan”</li> <li>• 2-day workshop using presentations and local examples presented by ASE/Brokerage Firms staff</li> <li>• Model materials provided by AMIR</li> <li>• Investment simulation</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 103:</b> <b>Securities Market Products and Intermediaries</b></p> <p><b>Target Audience:</b> All market participants</p>	<ul style="list-style-type: none"> <li>• Intermediaries in the securities market</li> <li>• -role of intermediaries</li> <li>• -investors</li> <li>• -brokers</li> <li>• -others</li> <li>• Securities market products</li> <li>• -equities</li> <li>• -debt securities</li> <li>• -other instruments (options, futures, etc.)</li> <li>• -derivatives</li> </ul>	<ul style="list-style-type: none"> <li>• Computer-based module and/or</li> <li>• Pre-module readings</li> <li>• 2-day workshop using presentations and local examples presented by ASE/Brokerage Firms staff</li> <li>• Model materials provided by AMIR</li> <li>• Video-taped for future use</li> </ul>

<b>SECURITIES MARKET OPERATIONS</b>		
<b>Basic Modules</b>	<b>Content</b>	<b>Delivery Options</b>
<p><b>Module 104:</b> <b>Raising Funds in the Securities Markets</b></p> <p><b>Target Audience:</b> All market participants with focus on companies intending to be listed on ASE and market intermediaries</p>	<ul style="list-style-type: none"> <li>• Primary offering of securities</li> <li>• Listing on the securities exchange</li> <li>• -requirements for listing</li> <li>• -structuring the issue</li> <li>• -preparing the prospectus</li> <li>• Listing rules and requirements</li> <li>• Role of market participants (underwriters, market makers and primary dealers)</li> </ul>	<ul style="list-style-type: none"> <li>• Computer-based module and/or</li> <li>• Pre-Module readings</li> <li>• 2 day workshop using presentations and local examples presented by ASE staff/Brokerage Firms</li> <li>• Model materials provided by AMIR</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 105:</b> <b>Elements of Market Structure in Jordan</b></p> <p><b>Target Audience:</b> All market participants with focus on broker/dealers</p>	<ul style="list-style-type: none"> <li>• Trading system (process for buying &amp; selling securities in the market)</li> <li>• Rules for trading</li> <li>• -trading orders</li> <li>• -executing orders</li> <li>• -trade execution &amp; reporting</li> <li>• Trading on three “boards”</li> <li>• Trading on the secondary market</li> <li>• -debt securities</li> <li>• -derivative products</li> </ul>	<ul style="list-style-type: none"> <li>• 2-day workshop using presentations and local examples presented by JSC/ASE/Brokerage Firms</li> <li>• Use of international examples for secondary market examples</li> <li>• Model materials provided by AMIR</li> <li>• Mock trading simulation</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 106:</b> <b>Registry, Clearing, Settlement and Depository in Jordan</b></p> <p><b>Target Audience:</b> All market participants with focus on registry, clearing, settlement and depository related activities</p>	<ul style="list-style-type: none"> <li>• Registry</li> <li>• Clearing, delivery &amp; settlement</li> <li>• -role of the SDC</li> <li>• -clearing house rules</li> <li>• -membership procedures</li> <li>• -defaults &amp; disciplinary action</li> <li>• Nominee services/corporate actions</li> <li>• -dividends</li> <li>• -other actions</li> <li>• Depository systems</li> <li>• -rules and regulations</li> <li>• -calculation of net asset value</li> </ul>	<ul style="list-style-type: none"> <li>• 1-day workshop using presentations and local and international examples presented by SDC staff</li> <li>• Model materials provided by AMIR</li> <li>• Video-taped for future use</li> </ul>

<b>SECURITIES MARKET OPERATIONS</b>		
<b>Basic Modules</b>	<b>Content</b>	<b>Delivery Options</b>
<p><b>Module 107:</b> <b>Corporate Governance in Jordan</b></p> <p><b>Target Audience:</b> All market participants with focus on company management</p>	<ul style="list-style-type: none"> <li>• Corporate governance definition</li> <li>• Shareholder rights</li> <li>• Protection of minority shareholders' rights</li> <li>• Board and Committee structures</li> <li>• Structure and management of shareholder meetings</li> <li>• Shareholder relations – model 'packages' for effective communication</li> </ul>	<ul style="list-style-type: none"> <li>• 2-day workshop using presentations and local examples presented by AMIR advisors, plus local corporate manager as 'live example'</li> <li>• Model materials provided by AMIR</li> <li>• Video of shareholder meeting from other emerging market</li> <li>• Train-the-trainer program</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 108:</b> <b>Financial Reporting and Analysis</b></p> <p><b>Target Audience:</b> All market participants</p>	<ul style="list-style-type: none"> <li>• Financial reports</li> <li>• Accounting process</li> <li>• Balance sheet</li> <li>• Income statement</li> <li>• Cash flow statement</li> <li>• Calculating and interpreting ratios</li> <li>• Trend analysis</li> <li>• Industry comparisons</li> <li>• How financial reports are used in Jordan Capital Market</li> <li>• Accounting and auditing (standards domestic and international)</li> </ul>	<ul style="list-style-type: none"> <li>• 4-5 day workshop using presentations and local examples</li> <li>• Worksheets/handouts</li> <li>• Homework problems</li> <li>• Follow-up with train-the-trainer program for additional delivery sessions</li> <li>• Proposed standardized format for disclosure purposes</li> </ul>
<p><b>Module 109:</b> <b>Mutual Funds in Jordan</b></p> <p><b>Target Audience:</b> All market participants</p>	<ul style="list-style-type: none"> <li>• Overview of the fund management functions</li> <li>• Investment companies <ul style="list-style-type: none"> <li>• -organization</li> <li>• -investment objectives</li> <li>• -investment management process</li> <li>• -investment advisers</li> <li>• -regulation of investment companies and advisers</li> </ul> </li> <li>• Role and expansion of Mutual Funds in Jordan <ul style="list-style-type: none"> <li>• -legal structure</li> <li>• -disclosure</li> <li>• -investor protection</li> <li>• -regulation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 day workshop using presentations and international and local examples presented by mutual funds managers</li> <li>• Model materials provided by AMIR</li> <li>• Video-taped for future use</li> </ul>

<b>SECURITIES SUPERVISION AND REGULATION</b>		
<b>Basic Modules</b>	<b>Content</b>	<b>Delivery Options</b>
<p><b>Module: 110</b>  <b>Objectives and Principles of Securities Regulation</b></p> <p><b>Target Audience:</b>  All market participants</p>	<ul style="list-style-type: none"> <li>• Objectives of securities regulation (protection of investors; fair, efficient and transparent markets; reduction of systemic risk)</li> <li>• Principles of securities regulation (regulator; responsibility; independence; accountability; powers; self-regulation; enforcement of securities regulations; enforcement, inspection and compliance programs; cooperation in regulation; issuers and market intermediaries; timely disclosure; accounting and auditing standards; conduct of business; licensing and supervision; capital adequacy; client asset protection; investment funds; securities exchanges and trading systems; regulation of clearing, settlement and depository prohibition of unfair market practices)</li> </ul>	<ul style="list-style-type: none"> <li>• 2-3 day workshop using presentations and local examples presented by JSC staff</li> <li>• Some materials available from Brokers Training Program</li> <li>• Additional materials from AMIR consultants</li> <li>• Case studies</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 111:</b>  <b>Security Industry Law</b></p> <p><b>Target Audience:</b>  JSC, ASE, SDC, judiciary, legal professionals.</p>	<ul style="list-style-type: none"> <li>• Sources of securities law</li> <li>• Development of securities law</li> <li>• Current Jordan law</li> <li>• Jordan Capital Market rule making</li> <li>• Related regulatory bodies</li> </ul>	<ul style="list-style-type: none"> <li>• 1-day workshop using case materials and local examples presented by JSC staff/ local attorney</li> <li>• Material from Allan Roth training program</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 112:</b>  <b>Securities Offenses and Penalties</b></p> <p><b>Target Audience:</b>  Securities Commissions, judiciary, legal professionals.</p>	<ul style="list-style-type: none"> <li>• Securities market manipulation and fraud (definitions, types of improper conduct, penalties)</li> <li>• Insider trading (definition/penalties)</li> <li>• Fund-raising</li> <li>• Disclosure</li> <li>• Investment advice</li> <li>• Short selling</li> <li>• Front running</li> </ul>	<ul style="list-style-type: none"> <li>• 1-day workshop using case materials and local examples presented by Jordan JSC staff/ local attorney</li> <li>• Video-taped for future use</li> </ul>

<b>SECURITIES SUPERVISION AND REGULATION</b>		
<b>Basic Modules</b>	<b>Content</b>	<b>Delivery Options</b>
<p><b>Module 113:</b> <b>Role and Functions of Jordan Securities Commission</b></p> <p><b>Target Audience:</b> All market participants</p>	<ul style="list-style-type: none"> <li>• Organization (structure and objectives)</li> <li>• Role and functions (regulation, market development, policy, public education)</li> <li>• Powers (inspection and surveillance, enforcement and prosecution)</li> <li>• Licensing procedures</li> <li>• Investor Protection</li> </ul>	<ul style="list-style-type: none"> <li>• 1-day workshop using presentations and local examples presented by JSC</li> <li>• Case study material</li> <li>• Material available from Broker Training Program</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 114:</b> <b>The Amman Securities Exchange Rules and Regulations</b></p> <p><b>Target Audience:</b> All market participants with focus on the stock exchange staff.</p>	<ul style="list-style-type: none"> <li>• Organization and powers</li> <li>• Capital adequacy</li> <li>• Rules and regulations</li> <li>• Trading methodology</li> <li>• Dissemination of market information</li> <li>• Regulatory oversight (relationship with JSC)</li> </ul>	<ul style="list-style-type: none"> <li>• 1-day workshop using presentations and local examples presented by ASE staff</li> <li>• Material available from Broker Training Program</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 115:</b> <b>Regulation and Functions of Brokerage Firms</b></p> <p><b>Target Audience:</b> All market participants with focus on brokerage firms.</p>	<ul style="list-style-type: none"> <li>• Functions of brokers/dealers (principal/agency trading, underwriting, derivatives, governance, duties to clients)</li> <li>• Registration/licensing</li> <li>• Financial reporting (capital and financial responsibility standards)</li> <li>• Business conduct rules</li> <li>• Internal controls</li> <li>• Risk management capabilities</li> <li>• Scope of activities</li> <li>• Monitoring</li> <li>• Inspection and examinations</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 day workshop using presentations and local examples presented by JSC and Brokerage Firm staff</li> <li>• Model materials provided by AMIR</li> <li>• Video-taped for future use</li> </ul>
<p><b>Module 116:</b> <b>Introduction to IT/Computer Skills</b></p> <p><b>Target Audience:</b> All market participants, depending on level of IT/Computer background</p>	<ul style="list-style-type: none"> <li>• Basic knowledge of IT role and systems in use in capital market institutions</li> <li>• Basic hardware and software knowledge</li> <li>• Other areas as needed</li> </ul>	<ul style="list-style-type: none"> <li>• IT Specialists from Capital Market Institutions</li> <li>• Software Instructors</li> <li>• Vendor Training</li> <li>• Additional areas determined by IT depts. in consultation with Nikko Van Zadelhoff</li> </ul>
<p><b>Module 117:</b> <b>Financial English</b></p> <p><b>Target Audience:</b> Participants with low level English language skills</p>	<ul style="list-style-type: none"> <li>• Reading,, writing and conversation practice</li> </ul>	<ul style="list-style-type: none"> <li>• American Language Center</li> </ul>

## **Intermediate/Advanced Level Training**

Intermediate and advanced level training is designed for those who have current job responsibilities in capital market or related institutions and have knowledge about market regulation and operations as described in the basic level modules. This level of training is targeted for narrower groups of market participants who need to increase their skill levels performing key market tasks.

**Intermediate and advanced level training should use AMIR and other donor project advisors, short-term consultants, and “borrowed” experts from regional financial institutions to advise and “coach” selected groups for priority skill development as reflected in the training needs assessment.**

The advisors, consultants, and “coaches” may offer brief workshop style programs, but most likely would train “on-the-job,” reviewing policies, procedures, problem cases and other specific areas where Jordan managers are encountering problems. The training should assume a problem-solving orientation, concentrating on everyday issues facing local participants.

The following is an outline of proposed intermediate/advanced level training modules:

Intermediate/Advanced Modules	Content	Delivery Options
<p><b>Module 201:</b> <b>Effective Corporate Governance Practices and Business Planning</b></p> <p><b>Target Audience:</b> Current and intended listed companies</p>	<ul style="list-style-type: none"> <li>• Post listing requirements</li> <li>• -corporate disclosure policy</li> <li>• -continuous disclosure requirements</li> <li>• Business analysis</li> <li>• -internal</li> <li>• -external</li> <li>• Development of a Business Plan</li> </ul>	<ul style="list-style-type: none"> <li>• 2-day workshop using presentations and local examples presented by, AMIR advisors/consultants and local business leaders</li> <li>• case studies</li> <li>• sample business plans</li> <li>• small group discussion on problem areas</li> <li>• video-tape for future session</li> </ul>
<p><b>Module 202:</b> <b>Market Surveillance Techniques</b></p> <p><b>Target Audience:</b> Those at the JSC and ASE responsible for monitoring issuing companies after they have been listed on the stock exchange</p>	<ul style="list-style-type: none"> <li>• Market surveillance methodology</li> <li>• Planning/preparing the case</li> <li>• Techniques of market surveillance (analysis of market information)</li> <li>• Managing relations with the company</li> <li>• Reporting</li> <li>• Finalizing the matter</li> <li>• Appeals</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 week review of policies and procedures</li> <li>• On-going small group discussions working on actual Jordan cases</li> <li>• Outside case examples</li> <li>• Recommended methodologies for local market conditions</li> <li>• Gene Callen can assist in design</li> </ul>
<p><b>Module 203:</b> <b>Enforcement Principles and Practices</b></p> <p><b>Target Audience:</b> Legal staff at JSC, representatives of judiciary and others responsible for enforcement function</p>	<ul style="list-style-type: none"> <li>• Enforcement philosophy</li> <li>• Assessing complaints and suspected infractions</li> <li>• Range of regulatory outcomes</li> <li>• -criminal</li> <li>• -civil</li> <li>• -administrative actions</li> <li>• Planning and managing investigations</li> <li>• -monitoring</li> <li>• -reporting</li> <li>• Ethical and professional conduct</li> <li>• -ethical codes</li> <li>• -implications of unethical behavior</li> <li>• -conflicts of interest</li> <li>• -confidentiality</li> <li>• -dealing with clients</li> <li>• -impartiality and integrity</li> </ul>	<ul style="list-style-type: none"> <li>• 1-week workshop using presentations and local examples presented by JSC, AMIR advisors/consultants, legal representatives</li> <li>• case studies from regional/local examples</li> <li>• Attendance at international SEC Enforcement Program for small number of participants</li> <li>• Follow-up meetings with lawyers, judges and other government officials responsible for enforcement</li> </ul>



Intermediate/Advanced Modules	Content	Delivery Options
<p><b>Module 204:</b> <b>Investigation Techniques</b></p> <p><b>Target Audience:</b> Staff at JSC and ASE responsible for inspection functions</p>	<ul style="list-style-type: none"> <li>• Inspections</li> <li>• -to conduct investigations</li> <li>• -to inspect accounting records</li> <li>• Obtaining records (sources of information)</li> <li>• Search warrants</li> <li>• Evidence control</li> <li>• -rationale</li> <li>• -systems for evidence control</li> <li>• Interviews &amp; examinations (interview techniques)</li> <li>• Drafting statement</li> <li>• -purpose of statements</li> <li>• -identification of relevant evidence</li> <li>• -sources of expert witnesses</li> <li>• Rules of evidence (gathering information)</li> <li>• Preparation of briefs</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 week inspection specialist working with inspection and legal staff</li> <li>• Regional and local case studies</li> </ul>
<p><b>Module 205:</b> <b>Litigation</b></p> <p><b>Target Audience:</b> Prosecutors office, legal staff and others responsible for litigation activities.</p>	<ul style="list-style-type: none"> <li>• Types of litigation</li> <li>• Civil litigation procedure</li> <li>• Criminal litigation procedure</li> <li>• Court practice</li> </ul>	<ul style="list-style-type: none"> <li>• 2-day workshop with JSC legal staff and external legal presenters</li> <li>• visit to court/mock hearing</li> </ul>
<p><b>Module 206:</b> <b>Investment Analysis</b></p> <p><b>Target Audience:</b> Those responsible for evaluating the value and operations of companies</p>	<ul style="list-style-type: none"> <li>• Advanced financial statement analysis</li> <li>• Data sources</li> <li>• -performance and earnings forecasting</li> <li>• -company management evaluation</li> <li>• -industry sector comparisons</li> <li>• Valuation techniques</li> </ul>	<ul style="list-style-type: none"> <li>• pre-course readings</li> <li>• 5-day seminar conducted by investment analysis consultant</li> <li>• case examples</li> <li>• CFA program instructor</li> <li>• Possible brokers' presenter from Brokers Association with Jordan examples</li> </ul>
<p><b>Module 207:</b> <b>Financial Advisory Services</b></p> <p><b>Target Audience:</b> Those wishing to obtain an Financial Advisor License</p>	<ul style="list-style-type: none"> <li>• Establishing client investment objectives</li> <li>• Ethical issues</li> <li>• Asset Allocation</li> <li>• Risk vs. Return</li> <li>• Managing the account</li> <li>• Record keeping</li> <li>• Licensing and reporting requirement</li> </ul>	<ul style="list-style-type: none"> <li>• 5-7 day seminar conducted by investment advisory consultant/CFA instructor</li> <li>• case examples</li> <li>• investment management simulation</li> <li>• client-investment advisor role plays</li> </ul>

Intermediate/Advanced Modules	Content	Delivery Options
<p><b>Module 208:</b> <b>Investment Fund Management</b></p> <p><b>Target Audience:</b> Those wishing to obtain a Investment Management License</p>	<ul style="list-style-type: none"> <li>• Setting investment fund objectives</li> <li>• -asset allocation</li> <li>• -modern portfolio management techniques</li> <li>• -measuring performance</li> <li>• investor relations</li> </ul>	<ul style="list-style-type: none"> <li>• 5-7 day seminar conducted by investment management consultant/CFA instructor</li> <li>• case examples</li> <li>• portfolio management simulation</li> </ul>
<p><b>Module 209:</b> <b>Issues in Clearing, Delivery and Settlement</b></p> <p><b>Target Audience:</b> Staff responsible for monitoring clearing and settlement/Capital Market participants</p>	<ul style="list-style-type: none"> <li>• New systems</li> <li>• Update on Jordan system</li> <li>• Implications for market surveillance</li> <li>• Presentation preparation for broader capital market</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 week “coaching” by international depository, clearing and settlement specialist</li> <li>• regular meetings with members of capital market institutions</li> </ul>
<p><b>Module 210:</b> <b>Accounting Standards for Listed Companies</b></p> <p><b>Target Audience:</b> Mid to senior staff with accounting responsibilities in listed companies/JSC/ASE Listing and Disclosure staff</p>	<ul style="list-style-type: none"> <li>• Detailed examination of international accounting standards</li> <li>• Application to Jordan companies</li> <li>• Proposed standardized format for disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• 3-5 day workshop</li> <li>• accounting specialist with experience in emerging markets</li> </ul>
<p><b>Module 211:</b> <b>How to Build and Manage a Brokerage Firm</b></p> <p><b>Target Audience:</b> Brokerage firm managers and their staff</p>	<ul style="list-style-type: none"> <li>• Legal requirements</li> <li>• Market research</li> <li>• Efficient trading operations</li> <li>• Attracting and maintaining clients</li> <li>• Additional financial services</li> <li>• Broker-client relations</li> <li>• Ethical considerations</li> <li>• Underwriting techniques</li> </ul>	<ul style="list-style-type: none"> <li>• 2-day program</li> <li>• Designed by Brokers Association with assistance AMIR</li> <li>• Presentations from regional brokers</li> <li>• Case studies and broker-client role plays</li> </ul>
<p><b>Module 212:</b> <b>Continuous Information Technology Training</b></p> <p><b>Target Audience:</b> IT staff of JSC, ASE and SDC</p>	<ul style="list-style-type: none"> <li>• Microsoft clustered server</li> <li>• Cisco certification</li> <li>• Other areas as needed</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor Training</li> <li>• Additional areas determined by IT depts. In consultation with Nikko Van Zadelhoff</li> </ul>

Intermediate/Advanced Modules	Content	Delivery Options
<p><b>Module 213:</b> <b>Capital Market Auditing Skills</b></p> <p><b>Target Audience:</b> Staff with designated auditing responsibilities</p>	<ul style="list-style-type: none"> <li>• Roles and responsibilities of auditor</li> <li>• International internal control frameworks</li> <li>• Evaluating internal control</li> <li>• Annual audit plan development</li> <li>• Planning the audit</li> <li>• Identifying risks</li> <li>• Developing audit program</li> <li>• Executing the audit program</li> <li>• Writing and presenting the audit report</li> </ul>	<ul style="list-style-type: none"> <li>• Local auditing firm with experience auditing company finances and international practices</li> <li>• Case studies</li> </ul>
<p><b>Module 214:</b> <b>Specialized Overseas Training Programs</b></p> <p><b>Target Audience:</b> Staff with at least 2-3 years experience and job function matching program area</p>	<ul style="list-style-type: none"> <li>• Upcoming subject areas:</li> <li>• NYIF <ul style="list-style-type: none"> <li>- Derivative Products</li> <li>-Financial Modeling and Securities Analysis</li> <li>-Futures Markets</li> <li>-Swaps</li> <li>-US Capital Markets School</li> </ul> </li> <li>• ILI <ul style="list-style-type: none"> <li>-WTO:Rights and Obligations</li> <li>-Legal Research and Writing</li> <li>-Government Integrity</li> </ul> </li> <li>• SEC <ul style="list-style-type: none"> <li>-Institute for Emerging Markets</li> <li>-Enforcement Workshop</li> <li>-Regional Workshops</li> </ul> </li> <li>• IOSCO <ul style="list-style-type: none"> <li>-Annual Conference</li> <li>-Specialized Seminars</li> </ul> </li> <li>• Securities Commission of Malaysia <ul style="list-style-type: none"> <li>-Various course offerings</li> <li>-Technical Assistance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• New York Institute of Finance (NYIF)</li> <li>• International Law Institute (ILI)</li> <li>• US Securities and Exchange Commission (SEC)</li> <li>• International Organization of Securities Commissioners (IOSCO)</li> <li>• Securities Commission of Malaysia</li> </ul> <p><i>See Appendix 5: Additional Training Resources</i></p> <p><i>See Appendix 6: List of Useful Web Sites</i></p>
<p><b>Module 215:</b> <b>Train-the Trainer</b></p> <p><b>Target Audience:</b> Local trainers with responsibility for designing and delivering training programs</p>	<ul style="list-style-type: none"> <li>• Writing learning objectives</li> <li>• Creating course materials</li> <li>• Presentation skills</li> </ul>	<ul style="list-style-type: none"> <li>• 2-day program</li> <li>• available from AMIR</li> <li>• several sessions for trainers designated to deliver basic modules</li> </ul>

## **Special “Outreach” Activities**

In order to begin the process of reaching the third, long-term goal to create a well-informed investing public, and to provide materials for use in all training programs, the following training activities are recommended:

- 1. A Jordan Capital Markets Forum should be established where all market participants can meet for a monthly session of 2-3 hours.**

The Forum agenda would include briefings by major capital market institutions, summary of any new training programs or study tours, new regulatory information, and open question and answer sessions. The business press and other media might be invited for at least a portion of the program, where information can be shared for broader audiences. As one observer put it, *“There are now less than 100 key capital market participants. Why not get them in the same room?”*

- 2. Case studies of local companies need to be prepared with the assistance of the economic faculties in universities.**

For “real world” examples, local case studies are needed for a number training programs. Several university professors have indicated a desire to establish linkage to capital market institutions. Small teams of undergraduate and/or graduate students can be “commissioned” to prepare such case studies as part of their coursework.

- 3. An investment simulation for use in basic training modules and other training activities should be developed.**

Such a simulation was prepared for the USAID Sri Lanka Capital Markets Project and the Slovenia Stock Exchange, previously visited by SDC staff may have one as well. The simulation model can use disguised listed company history for trading “rounds.” Following each round, simulation facilitators lead a discussion about investment strategies and what caused market moves. Universities, financial training institutions and other interested groups can learn to manage the simulation and incorporate it into their curricula.

**4. Establish an “All Consultants Train” policy for AMIR and other donor agency programs.**

In order to transfer knowledge related to capital market develop, it is important for those with technical knowledge to “spread the word” to capital market participants in Jordan. In addition to submitting technical reports, each consultant should be asked to present his/her findings and examples of internationally acceptable practices in a training format for specifically targeted audiences.

Training activities may consist of a simple, short presentation, or a longer, in-depth training session. In each case, materials, cases, forms and procedures should be left with local counterparts for modification and use in local institutions.

**5. The legal community, judiciary and media should be invited to all training relevant training activities to familiarize them with security market law and regulations.**

Because of the key role the legal system will play in enforcement of corporate governance and capital market regulations, an “open invitation” to these groups is recommended.

**6. Additional brochures, videos, CD-ROM’s, web-site development and other outreach efforts are needed for the JSC, ASE and SDC.**

The three key capital markets institutions need to continue to “spread the word” to both domestic and international investors. An expanded media campaign to communicate latest developments and foster investor interest and confidence is needed.

**7. Establish Memoranda of Understanding with other Capital Markets Institutions.**

Capital market officials can sometimes “borrow” staff from other markets by expanding relationships through IOSCO, US SEC Institute for Developing Markets, SEC Enforcement Workshop and international conferences. The Securities Commission of Malaysia has been particularly receptive to such arrangements. The JSC can initiate such activity by signing Memoranda of Understanding with other institutions to begin the process.

**The Senior Training Consultant to AMIR, will be traveling in Southeast Asia within the next two months and can visit the Securities Commission of Malaysia, with which he is familiar, to initiate such dialogue.**

*See Appendix 3: Malaysian Securities Commission*

## **Institutionalization of Training in Jordan**

To institutionalize capital market training programs so that they become a regular part of the management activities of key Jordan financial institutions, a further set of steps is recommended:

- **The JSC should act as a “prime mover” in promoting training activities, with as broad co-sponsorship as possible for targeted groups—Amman Securities Exchange, Securities Depository Center, Broker Association, mutual funds, academic institutions, the media, judiciary, etc.**

The JSC and AME already maintain Research Departments with public relations responsibilities. These units can expand their mandate with some of the outreach activities described above. The AMIR advisors can assist the units’ plan and implement the activities, but more explicit attention is required to explain the role and functions of capital market institutions, especially the SDC.

- **Recruit and hire Head of Training for JSC**

To implement this ambitious training plan, an in-house manager at the “prime mover” institution is needed to insure that the plans’ objectives and programs are carried out. A seasoned professional with both securities market knowledge and training background should be hired to assume management responsibility. AMIR has indicated it can fund such an individual for at least the first year.

- **Train-The-Trainer Programs and Video-Taping of all “repeatable” programs should become an automatic part of new training.**

Whenever a module or new program that will be presented more than once is planned, “second round” trainers should be designated to sit-in and master program materials. AMIR can offer train-the-trainer sessions on a regular basis to assist these trainers. Video-taping should be automatic for any significant training event.

- **Utilize Libraries, Conference Rooms and other facilities at the JSC, AME and SDC for small group training activities and for expanded investment information dissemination.**

The JSC library can become a “public reference room,” the place where any citizen desiring information on listed companies, investment education, and investor protection can go. Students, teachers, and the press can use the reference room for research. Interested potential foreign investors are attracted to such facilities as a “one stop shop” for investment information. Training activities for small groups can take place at the capital market institutions as well to increase exposure of the public to the functions and services and the JSC, ASE and SDC.

- **Build on established links with universities, consulting firms and other academic institutions, where additional training can be offered.**

The Institute of Banking Studies (IBS) has successfully implemented the Brokers Training Program and will offer a similar program later this month. Both private and public institutions can sponsor additional capital market related programs on their own, by participating in train-the-trainer programs presented by AMIR. AMIR can continue to support these efforts and sometimes use presenters/materials from their programs as well.

- **Longer term, establish a three level “certification” program for capital market professionals for sustained, continuing education.**

*Level One* can be for those who have completed a certain number of basic modules and/or obtained a license as a broker. *Level Two* can be for participants who have completed a certain number of intermediate/advanced modules in their area of specialization and those with a financial advisor or investment manager license. *Level Three* might include those having acted as a trainer for others in a certain number of training programs, participation in international training, and recognized contribution to development of the market as a whole.

In addition to establishing such certification, it is recommended that all participants receive some sort of certificate for attending training. The certificates are a small symbol of dedication to improved professional knowledge and skills and commitment to the process of sustained market development. A “lucite” or other desktop symbol of graduation might also be designed, as a reward for accomplishing completion of training and publicizing the training as well.

### **Proposed Training Time-Table**

**Target Groups: JSC, AME, SDC, Brokers, Investment Managers, Issuing Companies, Shareholders, Other Stakeholders**

**Note:** A number of basic training modules have already been developed under the IBS Brokers Training and Certification Program. These include modules 101, 103, 105, 106, 108, 109, 113-15. **It is recommended that additional basic modules be incorporated into the program, consisting of greater emphasis on securities market regulation, law, enforcement, offenses and penalties.**

<b>Quarter/Year</b>	<b>Module/Outreach Activity/Institutionalization</b>	<b>Action</b>
2 <sup>nd</sup> Quarter, 2002	<ul style="list-style-type: none"> <li>Review existing Brokers Training and Certification Program</li> <li>Capital Markets Forum</li> <li>Establish "All Consultants Train" policy</li> </ul>	<p>Outline additions / modifications.</p> <p>Agree on concept, assign committee to design.</p> <p>AMIR policy</p>
3 <sup>rd</sup> Quarter, 2002	<ul style="list-style-type: none"> <li>Modules: 102, 104, 107, 110-112, 116-117</li> <li>Modify remaining basic modules as needed</li> <li>Local case studies</li> </ul>	Identify trainers. Assign modules. Identify writers.
	<ul style="list-style-type: none"> <li>Modules 102-104, 110-112, 116-117</li> <li>Modules: 201-215</li> <li>Modules 202, 205-208, 212-14</li> </ul>	Design. Identify trainers. Design.
	<ul style="list-style-type: none"> <li>Additional Jordan Capital Market materials</li> <li>JSC Public Reference room with training and investment information</li> <li>Recruit and hire Head of Training for JSC</li> </ul>	Design. Design. Recruit/hire.
4 <sup>th</sup> Quarter, 2002	<ul style="list-style-type: none"> <li>Modules: 102, 104, 107, 110-112 (and incorporate into Brokers Training Program representing remaining Basic modules)</li> <li>Modules: 116-117</li> <li>Modules 201, 203-205, 208-211, 21</li> <li>Modules 202, 206-207, 212-14</li> <li>Local case studies</li> <li>Train-the-Trainer programs for modules (on-going)</li> <li>Create certification program—3 levels</li> </ul>	<p>Deliver.</p> <p>Design. Design. Deliver. Deliver 2-3 cases.</p> <p>Establish certification committee.</p>
1 <sup>st</sup> Quarter, 2003	<ul style="list-style-type: none"> <li>Modules 201, 203-205, 208-211</li> <li>Modules: 101-117 (as needed for new capital market participants); 201-212 (as needed for experienced capital market participants)</li> <li>Capital Market Forum (on-going)</li> <li>Train-the-Trainer programs all modules (on-going)</li> </ul>	Deliver. Deliver.



Quarter/Year	Module/Outreach Activity/Institutionalization	Action
2 <sup>nd</sup> Quarter, 2003	<ul style="list-style-type: none"> <li>• New Training Needs Assessment and Plan</li> <li>• Content of Revised Modules based on Assessment</li> </ul>	Conduct/Write. Conduct/Write.
	<ul style="list-style-type: none"> <li>• JSC Public Reference rooms with training and investment information</li> <li>• Train-the-Trainer programs for all modules (on-going)</li> </ul>	Deliver.
3 <sup>rd</sup> Quarter, 2003	<ul style="list-style-type: none"> <li>• Certification program (ongoing)</li> </ul>	
	<ul style="list-style-type: none"> <li>• Revised basic and intermediate/advanced modules (as needed)</li> <li>• Capital Market Forum (on-going)</li> <li>• Train-the-Trainer programs for all modules</li> </ul>	Deliver.
	<ul style="list-style-type: none"> <li>• Basic and intermediate/advanced modules (continue as needed)</li> <li>• Capital Market Forum (on-going)</li> <li>• Certification program</li> <li>• Train-the-Trainer programs for all modules</li> </ul>	Deliver. Deliver.
4 <sup>th</sup> Quarter, 2003	<ul style="list-style-type: none"> <li>• Basic and intermediate/advanced modules (continue as needed)</li> <li>• All outreach activities (on-going)</li> <li>• All institutionalization activities (on-going)</li> </ul>	Deliver.

## **Appendix 1: List of Meetings with Relevant Counterparts**

Much of the input for the training needs assessment was obtained in meetings with the representatives of the following organizations/companies:

### **Jordan Securities Commission**

- *Dr. Bassam Saket (Executive Chairman)*
- *Dr. Tayseer Abdel (Deputy Chairman)*
- *Safwan Baina (Commissioner)*
- *Mohamed Tash (Commissioner)*
- *Walid Asa'd Khairallah (Executive Manager)*
- *Mazen Al-Wathaifi (Head of Research Dept.)*
- *Abelraof Rababeh (Head of Disclosure Dept.)*
- *Laila Ammari (Head of Capital Monitoring Market Dept.)*
- *Amal Abu Zaid (Head of Licensing Dept.)*
- *Lina Daker (Head of Enforcement Dept.)*
- *Maan Jalamdeh (Head of Internal Control Dept.)*

### **Amman Stock Exchange**

- *Jalil Tarif (Chief Executive Officer)*
- *Nader Azar (Assistant CEO)*
- *Nidal Al-Hamdan (Head of Administrative and Financial Dept.)*
- *Amjad Adel Al-Qudah (Internal Auditing Dept.)*
- *Sami Hattab (Head of Research and External Affairs Dept.)*
- *Mohammad Al-Khatib (Head of Computer Dept.)*
- *Mona Haddadin (Membership and Listing Dept.)*

### **Securities Depository Center**

- *Samir Jaradat (Chief Executive Officer)*
- *Khalil Naser*
- *Kefaya Huweidi (Legal Dept.)*
- *Lana Gharaibeh (Legal Dept.)*
- *Lana Al-Salem (IT Dept.)*

### **Brokers and other Capital Market Intermediaries**

- *Fares Sharaf (Head of Investment Dept., Export & Finance Bank)*
- *Nadya Talhouni (Resient VP, Global Financial Institutions, Citibank)*
- *Rajai Kossous (Executive Manager, Jordan Investment & Finance Bank)*  
*Amer I. Mouasher (Brokerage Dept., Jordan Investment & Finance Bank)*
- *Mohamman Belbeisi (Chairman, National Portfolio Securities)*
- *Arafat A. Asad (Manager, Research Dept., National Portfolio Securities)*

- *Eyad I Mash'al*(Head of Asset Management, Atlas Investment Group)

#### **Central Bank of Jordan**

- *Ghassan F. Ifram*(Head of Research Dept.)
- *Reem Hadidi*(Head of Training Division)
- *Bassam S. Toukan*(General Controller)
- *Nelly Batchoun*(Head of Banking Supervision Dept.)
- *Dr. Ibrahim Karasneh*(Banking Supervision Dept.)
- *Dr. Marwan Zubi*(Banking Supervision Dept.)
- *Assam Abu Hijileh*(Head of Foreign Investment & Operational Dept.)

#### **Universities and Financial Training Institutions**

- *Dr. Adel Mahasneh*(Academic VP, University of Jordan)
- *Dr. Ahmad Y. Majdoubeh*(Director, Language Center)
- *Dr. Anwar Battikhi*(President, The Hashemite University)
- *Ghassan Omet*(Dean, Faculty of Economics)
- *Dr. Adeeb Haddad*(General Director, Institute of Banking Studies)
- *Mohammed Mouaget*(Academic Assistant)

## Appendix 2: Training Needs Assessment Survey

### ROLE IN THE CAPITAL MARKET

Please circle the group which best describes your role in the capital market in Jordan.

1. **Jordan Securities Commission**
2. **Amman Stock Exchange**
3. **Securities Depository Center**
4. **Fund Management Company/Investment Company**
5. **Broker/Dealer/Brokerage Firm**

### KNOWLEDGE AND SKILL AREAS FOR CAPITAL MARKET DEVELOPMENT

For this evaluation, we consider a capital market to include all organizations and individuals involved in the sale and/or trading of stocks, bonds, or other securities. Listed below, with a brief description, are various knowledge and skill areas related to development of the capital market in Jordan. Please circle from 1 to 5 each area's level of importance, in your opinion, to carry out your current or future job in the capital market (1=lowest level of importance, 5=highest level). Then please circle from 1-5 your self-assessment of your level of knowledge or skill in each area (1=lowest level of knowledge or skill, 5=highest level).

	<b>IMPORTANCE</b>	<b>SELF-ASSESSMENT</b>
1. TYPES OF SECURITIES: The knowledge of stocks, bonds and other securities traded in capital markets.	1 2 3 4 5	1 2 3 4 5
2. INVESTMENT CLIMATE: Understanding of larger economic issues in Jordan and how they effect the Jordan securities market.	1 2 3 4 5	1 2 3 4 5
3. SOURCES OF FINANCE: The variety of investments available to the investors in Jordan. Also, different methods companies may use to attract capital from investors.	1 2 3 4 5	1 2 3 4 5
4. PRIVATIZATION PROCESS IN JORDAN Understanding of the different forms of privatization and how they function, including current privatization activities, process and timeline.	1 2 3 4 5	1 2 3 4 5
5. FOUNDATIONS OF ACCOUNTING: Understanding of balance sheets, income statements, cash flow statements and locally accepted accounting practices and standards.	1 2 3 4 5	1 2 3 4 5

	<b>IMPORTANCE</b>	<b>SELF-ASSESSMENT</b>
<b>6. INTERNATIONAL ACCOUNTING STANDARDS:</b>	1 2 3 4 5	1 2 3 4 5
Understanding of internationally accepted accounting practices and standards and how they do or do not differ from local accounting standards.		
<b>7. INTERPRETING FINANCIAL STATEMENTS:</b>	1 2 3 4 5	1 2 3 4 5
Understanding types and uses of financial ratios as a method of measuring the value of companies and companies' securities.		
<b>8. TAXATION IN JORDAN:</b>	1 2 3 4 5	1 2 3 4 5
Knowledge of the taxation system as it relates to stocks, bonds, interest payments, capital gains and investments.		
<b>9. SECURITIES MARKET DEVELOPMENT:</b>	1 2 3 4 5	1 2 3 4 5
Examples of how securities markets have developed and the challenges, solutions and issues previously encountered, which are related to upgrading and improving a capital market.		
<b>10. ORGANIZATION AND FUNCTIONS OF A STOCK EXCHANGE:</b>	1 2 3 4 5	1 2 3 4 5
The structure and operations of a stock exchange, including compliance with international standards.		
<b>11. CLEARING AND SETTLEMENT PROCESS:</b>	1 2 3 4 5	1 2 3 4 5
Understanding the process of clearing and settling securities transactions.		
<b>12. SECURITIES DEPOSITORY:</b>	1 2 3 4 5	1 2 3 4 5
Understanding the function and operation of a Securities Registry and Depository.		
<b>13. MARKET PARTICIPANTS:</b>	1 2 3 4 5	1 2 3 4 5
Understanding the roles, functions and operations of broker-dealers, underwriters, and individual investors.		
<b>14. INVESTMENT COMPANIES AND INVESTMENT FUNDS:</b>	1 2 3 4 5	1 2 3 4 5
Understanding of the roles and functions of investment companies and investment funds.		

	<b>IMPORTANCE</b>	<b>SELF-ASSESSMENT</b>
15. INVESTMENT ANALYSIS:	1 2 3 4 5	1 2 3 4 5
Understanding of techniques for evaluating companies, performing valuations of domestic and international securities, and methods of securities analysis.		
16. TRADING PRACTICES:	1 2 3 4 5	1 2 3 4 5
Knowledge of the skills, procedures and steps required to trade a stock or bond.		
17. STOCK MARKET INFORMATION TECHNOLOGY:	1 2 3 4 5	1 2 3 4 5
Understanding issues related to information computer technology in the securities markets and how different computer systems interact.		
18. ISSUING SECURITIES TO THE PUBLIC:	1 2 3 4 5	1 2 3 4 5
Understanding of the process how a company issues securities (stocks).		
19. SECURITIES MARKET REGULATION:	1 2 3 4 5	1 2 3 4 5
Knowledge of how the Jordan Securities Commission is structured and how it compares with other Securities Commissions around the world.		
20. LEGISLATION AND REGULATION IN JORDAN:	1 2 3 4 5	1 2 3 4 5
Knowledge of laws and regulations governing the securities industry in Jordan.		
21. SECURITIES MARKET SURVEILLANCE:	1 2 3 4 5	1 2 3 4 5
Techniques used by the Jordan Securities Commission to identify non-compliance with regulations when selling and trading.		
22. JORDAN SECURITIES MARKET:	1 2 3 4 5	1 2 3 4 5
The current state and near-future of development of the securities industry in Jordan.		
23. DISCLOSURE:	1 2 3 4 5	1 2 3 4 5
Knowledge of the policies and practices required by law to insure companies comply with disclosure requirements.		
24. INVESTOR RIGHTS AND PROTECTION:	1 2 3 4 5	1 2 3 4 5
Knowledge of laws and regulations protecting investors and corporate governance.		

**IMPORTANCE SELF-ASSESSMENT**

25. FINANCIAL ENGLISH: 1 2 3 4 5 1 2 3 4 5

Understanding common English terms and vocabulary used in financial reports, statements, etc.

26. GENERAL LEVEL OF KNOWLEDGE ABOUT CAPITAL MARKETS:  
1 2 3 4 5 1 2 3 4 5

**OTHER TRAINING NEEDS**

Please describe the **5** highest priority knowledge or skill areas that will help you do your job in the capital market more effectively.

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_
5. \_\_\_\_\_  
\_\_\_\_\_

**PREFERRED TYPE OF TRAINING**

Please circle from 1 to 5 your preference regarding the type of training you feel is most effective (1=least effective, 5=most effective).

1. Local seminar/workshop 1 2 3 4 5

Local training programs, conducted by local instructors in the national language.

2. Seminars with regional presenters 1 2 3 4 5

Seminar with international presenters, from other regional capital markets.

3. International training programs. 1 2 3 4 5

International programs presented in Jordan, with international presenters, conducted in English.

4. Overseas training programs. 1 2 3 4 5

Programs in the U.S. or other countries, with developed capital markets (assumes high level of English).

5. Computer assisted instruction. 1 2 3 4 5

Self-paced computer-based programs, usually in English.

**PREFERRED LENGTH OF PROGRAMS**

Please circle from 1 to 5 your preference regarding the length of training you feel is most effective (1=least effective, 5=most effective).

1. Short length (1-3 days) 1 2 3 4 5

2. Medium length (2-3 weeks) 1 2 3 4 5

3. Longer length (more than one month) 1 2 3 4 5

**TRAINING YOU ALREADY OBTAINED**

Please list the training programs in which you have already participated, and that are relevant to your current or future profession/job in the capital market. Provide the full or abbreviated title of the training, training provider and place where training was conducted.

Type of training	Training Provider	Place

**ADDITIONAL COMMENTS/RECOMMENDATIONS**

Please add any additional comments/recommendations you have to best plan and organize capital markets training in Jordan:

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Thank you for your help in completing this survey.



### **Appendix 3: Malaysian Securities Commission (SC)**

(Copy of text from SC website)

#### **Technical Assistance Program**

The SC regularly assists other emerging market regulators in the area of education and training. Training assistance upon request has been provided in the form of attachments and study tours to the Commission, where the operations and experience of the SC and various sectors of the capital market are shared with counterparts. The Capital Markets Authority of Kenya, Federal Commission for the Securities Market of the Russian Federation, Securities and Exchange Commission of Thailand, and State Securities Commission of Vietnam are among some of the regulators that have visited the SC on such occasions.

The SC has also endeavored to cater to special requests from regional regulators to develop training programmes and workshops. The Commission organized an education programme on the Malaysian Capital Market in Vietnam for staff members of the State Securities Commission, State Bank of Vietnam and other government officials in 1997. The SC also assisted the Commodity and Futures Trading Commission (Bappebti) of Indonesia in the development of a futures training programme and licensing examination for Indonesia.

## **Appendix 4: Recommended Trainer Selection Criteria**

**1. The level of a trainer’s knowledge and experience in the capital market should be sufficient to explain the content of the module/program for which the trainer will take responsibility.**

Because the restructured capital market is so new in Jordan, such a level cannot be measured in years of experience, but rather in general “comfort” with the training content. This comfort level will increase through participation in Train-the-Trainer programs.

**2. The selected trainer should possess the desire to act as a trainer. Self-determined motivation to impart to others what the proposed trainer has been able to learn on his/her own is highly desirable.**

Trainers simply “assigned” to assume their role by their superiors are not desirable candidates.

**3. Selected trainers should possess adequate presentation skills to communicate information effectively.**

Train-the-Trainer programs will increase confidence and skill at delivering the material, but a minimal level in effective presentation skills is required.

**4. The selected trainer should have the support from his/her superior and institution to allow time for preparation and availability to conduct training.**

Trainers will need time to prepare their modules, especially the first time. They must also be available to deliver the modules on a regular basis.

## Appendix 5: Additional Training Resources

### Computer-Based Modules Available from the New York Institute of Finance

- Capital Markets 101
- Financial Competence
- Investment Competence
- Economic Fundamentals of Foreign Exchange
- Market-Based Interest Rates: Concepts and Structure
- Fixed-Income Mathematics
- Corporate Finance 101
- Foundations in Finance
- Financial Analysis and Decision-Making
- Corporate Finance Advisor Series
  - Operating Strategy: Valuing the Company
  - Financial Strategy: Designing Capital Structure
  - Ownership Strategy: Maximizing Shareholder Value
- Bond Math 101
- Risk Management 101
- Risk Insights
- The Derivatives Handbook
- Introduction to Financial Accounting
- Advanced Business Valuation
- Advanced Financial Statement Analysis and Forecasting

### Computer-Based Modules available from the Securities Industry Development Centre in Malaysia

- Capital Markets-An Overview
- Equities-Fundamentals
- Money Market-An Overview
- Money Market-Participants
- Bonds-Fundamentals
- Futures-Concept & Evolution
- Futures-Fundamentals
- Futures Markets
- Options-An Overview
- Options-Fundamentals
- Options-Transactions
- Money Market Calculation-Fundamentals
- Money Market Discounts & Conversions
- Bond Yield Measures-Fundamentals
- Yield to Maturity-Calculation & Conversion
- Volatility of Bond Instruments

## **Computerized Investment Simulation: Wise Investor**

[www.10.21.153/sage/pub/](http://www.10.21.153/sage/pub/)

## Appendix 6: List of Useful Web Sites

1. U.S. Securities and Exchange Commission **lists upcoming international training programs**

[www.sec.gov](http://www.sec.gov)

2. **Securities Industry Development Centre**, Securities Commission, Malaysia offers investment education programs to market intermediaries and the public. The Centre is an effective public/private model for continuing education for market development.

[www.sc.com.my](http://www.sc.com.my)

3. **New York Institute of Finance** has descriptions of upcoming training programs in London, New York, Singapore and Hong Kong.

[www.nyif.com](http://www.nyif.com)

4. **International Law Institute**, Washington, D.C. presents programs related to the legal aspects of securities regulation.

[www.ili.org](http://www.ili.org)

5. **Langevin Learning Services** offers many train-the-trainer programs as well as automated training design courseware.

[www.langevin](http://www.langevin)

6. **RFP Exchange** is a fast way to receive training solutions to meet onsite, CD-ROM and consulting needs. The exchange provides a matching service designed for training by receiving requests and soliciting proposals.

[http: rfp.trainingnet.com](http://rfp.trainingnet.com)

7. **SEC Institute (not Securities and Exchange Commission)** offers compliance programs with U.S. focus.

[www.secinstitute.com](http://www.secinstitute.com)

8. **Practicing Law Institute** program for attorneys and in legal functions.

[www.pli.edu](http://www.pli.edu)

## **Recommended Requirements for Financial Advisor and Investment Management Licenses**

### **Financial Advisor**

#### **To obtain a license as a Certified Financial Advisor, an individual will:**

- Meet all requirements for certified financial broker as outlined in Article 47 in Chapter 5 of the Securities Law
- Attend and complete the Brokers Training and Certification Program and successfully pass the examination
- Attend and complete Module 205 (Investment Analysis) and Module 206 (Financial Advisory Services) as outlined in the above training plan
- Successfully pass a Financial Advisory Examination as arranged by the JSC or its designated agency

### **Investment Management**

#### **To obtain a license as a Certified Investment Manager, an individual will:**

- Meet all requirements for certified financial broker as outlined in Article 47 in Chapter 5 of the Securities Law
- Attend and complete the Brokers Training and Certification Program and successfully pass the examination
- Attend and complete Module 205 (Investment Analysis), Module 206 (Financial Advisory Services) and Module 207 (Investment Management) as outlined in the above training plan
- Successfully pass an Investment Management Examination as arranged by the JSC or its designated agency



### Self-Assessed Skill Gaps

