

Contents

Acknowledgments	vii
Abbreviations	ix
Executive Summary.....	xi
1. Capital Markets and Institutional Investors: Recent Evolution	1
2. Securities Markets: Key Impediments for Further Development and Policy Challenges Ahead	7
Legal and Regulatory Framework	7
Market Infrastructure	9
Government Bonds	10
Sub-Sovereign Bonds	12
Corporate Bonds	13
Equities	14
3. Institutional Investors: Key Impediments for Further Development and Policy Challenges Ahead	15
Mutual Funds	15
Pension Funds	16
Insurance Companies	17
Technical Annexes	21
A. Recent Macroeconomic and Financial Sector Developments	23
Macroeconomic Environment	23
Banking Sector	28
Capital Markets and Non-Bank Financial Institutions	30
B. Legal and Regulatory Framework for Securities Markets	33
Recent Evolution	33
Key Impediments and Priorities Going Forward	36
C. Market Infrastructure	39
Recent Evolution	39
Key Impediments to Development	48
Key Priorities Going Forward	49

D. Government Bond Market	51
Recent Evolution	51
Key Impediments to Development	56
Key Priorities Going Forward	59
E. Sub-Sovereign Bond Market	61
Recent Evolution	61
Key Impediments to Development	67
Key Priorities Going Forward	69
F. Corporate Bond Market	71
Recent Evolution	71
Key Impediments to Development	78
Key Priorities Going Forward	79
G. Equity Markets	81
Recent Evolution	81
Key Impediments to Development	85
Key Priorities Going Forward	86
H. Mutual Funds	87
Recent Evolution	87
Key Impediments to Development	93
Key Recommendations Going Forward	94
I. Pension Funds	95
Recent Evolution	95
Key Impediments to the Future Development of NSPFs	104
Key Priorities Going Forward	106
J. Insurance Companies	107
Recent Evolution	107
Key Impediments to the Development of the Insurance Sector	109
Key Priorities Going Forward	116
K. The Capital Market Development Project¹	119
Project Background	119
Bibliography	131