

**DECISION NO. (28/R) OF 2010
CONCERNING
THE AMENDMENT OF THE REGULATIONS AS TO
BROKERS, THE REGULATIONS AS TO THE
FUNCTIONING OF THE MARKET, AND THE
REGULATIONS AS TO TRADING, CLEARING
SETTLEMENT, OWNERSHIP TRANSFER AND
CUSTODY OF SECURITIES.**

The Chairman of the Board of Directors of the Securities and Commodities Authority

Having reviewed Federal Law No. (8) of 1984 concerning Commercial Companies and amendments thereto;

The Federal Law No. (4) of 2000 concerning the Emirates Securities & Commodities Authority and Market, and amendments thereto;

The federal decree No. (18) of 2009 concerning the formation of Council of Ministers of United Arab Emirates and amendments thereto;

The Council of Ministers' Resolution No. (194/15) of 2006 pertaining to the Composition of the Board of Directors of the Securities & Commodities Authority;

The Authority's Board of directors' Resolution No. (1) of 2000 pertaining to the Regulation on Brokers and the amendments thereto;

The Authority's Board of directors' Resolution No. (2) of 2001 pertaining to the Regulation on Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities and the amendments thereto;

The Authority's Board of directors' Resolution No. (3) of 2001 pertaining to the Regulation on the functioning of the market and the amendments thereto;

The approval of the Board of Directors in its 16th meeting at the third session on 9 March 2009,

After consultation and coordination with the markets, and based on public interest requirements,

Has decided the following:

Article 1

A new clause under number (18) shall be added to Article (18) of the Regulations as to Brokers issued by the Decision of the Board of Directors No. (1) of 2001, and shall read as follows:

"The Broker shall obtain from any customer thereof a statement of the customer's bank account number to which the distributed cash dividends related to its shares are to be transferred. The customer shall sign this certificate to indicate its acceptance thereof. The broker must ensure obtaining such statement from the customers before executing any trades on their behalf, and shall provide the market with a list of all the names of its customers supported by copies of the statements signed and submitted by them."

Article 2

A new paragraph shall be added to Article (35) of the Regulations as to the Functioning of the Market issued by the Decision of the Board of Directors No. (3) of 2001, and shall read as follows:

"When allocating an investor number, the Market must obtain from the investor a statement of the investor's bank account number to which the distributed cash dividends related to his shares are to be transferred. The investor shall sign this certificate to indicate its acceptance thereof. The Market must ensure each investor has submitted such statement before executing any trades."

Article 3

The provision of the second clause of Article (23) of the Regulations as to Trading, Clearing, Settlement, Ownership Transfer and Custody of Securities issued by the decision of the Board of Directors No. (2) of 2001 shall be amended to read as follows:

"The holder of the right in the subdivision of the nominal value of the share or dividends, whether in cash or bonus shares, shall be the owner of the share registered on the tenth day commencing on the day following the date of convening the General Assembly in which it was resolved to distribute such dividends or to effect the subdivision. The company shall deposit the cash dividends in the bank account of the Market within such period and by such mechanism as determined by the Market in coordination with the Authority. The Market shall deposit the cash dividends in the bank accounts of the shareholders, within a period of no more than thirty days from the date of the General Assembly's resolution to distribute such dividends."

Article 4

This Decision shall be published in the Official Gazette and shall take effect from 1/1/2011.

**Engineer/ Sultan Bin Saeed Al Mansouri
Chairman of the Board**

Issued in Abu Dhabi on 1/6/2010