

# Awraq Maliyah



Professional Magazine - Issue No.11 - January 2014

Dubai to host EXPO 2020

UAE is a platform for connecting  
minds and creating the future

SCA displays UAE's  
rich experience in  
Islamic finance

SCA provides  
11 services via  
smart phones

UAE moves up 39  
places on Investor  
Protection Index

UAE plans for upgrade to  
“Advanced” status of inter-  
national rating agencies



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- آخر أخبار ومستجدات سوق الإمارات للأوراق المالية
- إحصائيات وبيانات الشركات المدرجة وشركات الوساطة
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# Content

## Cover



The world has once again given the UAE its vote of confidence by choosing Dubai to host the EXPO 2020. Dubai, for its part, has promised to dazzle the world, as usual, with a classic organizing of the international show, which pundits believe will give a major boost to the economy of Dubai and further augment the emirate's position as the region's hub of business and tourism.

Ecstatic jubilation swept through the UAE soon after declaration of Dubai as winner of the bid to host the Expo2020, having defeated its opponents in the three-round voting encounter to underscore the country's prowess and great standing at the international political, economic and civilization scenes.

**EXPO 2020**  
DUBAI, UNITED ARAB EMIRATES



## Awraq Maliyah

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جائزتي برنامج الشيخ خليفة للتميز الحكومي  
Sheikh Khalifa Government Excellence Awards



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H.H. Dr. Sheikh Sultan Al-Qasimi inaugurating the project in the presence of H.E. Al-Mansoori and H.E. Al-Turifi

## H.H. Sheikh Sultan Al-Qasimi inaugurates “Stock Market Virtual Screen” for male students of University of Sharjah

His Highness Dr. Sheikh Sultan bin Mohammed Al-Qasimi, Supreme Council Member, Ruler of Sharjah and Chancellor of University of Sharjah (UoS) has inaugurated the “Stock market virtual screen” project for training of the University’s male students.

H.E. Engineer Sultan bin Saeed Al-Mansoori, Minister of Economy and Board Chairman of the Securities and Commodities Authority (SCA), H.E. Abdullah Al-Turifi, CEO of the SCA, Dr. Sami Mahmoud, UoS Director and a host of senior officials from both the SCA and UoS were present at the inaugural ceremony.

The Sharjah Ruler also attended a special ceremony held for the signing of a memorandum of understanding (MoU) between the SCA and the UoS to boost cooperation between them in the areas of research, training and human resources

“The agreement aims at boosting technical and scientific cooperation between the UoS and the Ministry of Economy”

development. The Economy Minister announced the launching of a Master’s Degree scholarship scheme by the SCA in collaboration with the UoS.

The MoU was signed by H.E. Al-Mansoori for the SCA side, while Sami Mahmoud, UoS Director, also signed for his outfit. The MoU aims at boosting cooperation and coordination between the two sides in the areas of research, holding of conferences and workshops, consultations, training and human resources development.

Based on the agreement, students of the UoS will be offered training opportunity followed by job opportunities at the Ministry of Economy after graduation and completion of training program, while employees of the ministry who are interested in furthering their higher education will be offered opportunity to do so at the university. The two sides will also collaborate in organizing conferences,



workshops, seminars, training courses and creating new areas of specialization at the university to meet the requirements of UAE national economy.

In a comment after the ceremony, Al-Mansoori praised H.H. Sheikh Sultan bin Mohammed Al-Qasimi, Supreme Council Member Ruler of Sharjah for his commitment to providing all elements of educational and scientific success and excellence at the University, which enabled the latter to attain an enviable position among the universities in the region. He said the signing of the agreement between the SCA and the UoS clearly reflects the two sides' commitment to boost the existing strategic partnership between the government and the academic sectors in a way that would help build "a diversified and globally competitive economy led by competent national leadership that boast of excellent technical know-how".

He pointed out that by signing the MoU, his ministry seeks to boost cooperation with the University. He said his outfit also seeks to make the University one of its strategic partners, especially in the area of building a knowledge economy for the country by creating scientific specializations that would respond to the needs of the national economy, engage in joint preparation of legal and economic studies related to the ministry's jurisdictions, provide advice to help make crucial economic decisions on scientific basis, train and educate its employees, employ Emirati graduates and other scientific activities that are development oriented to the ministry's areas of operation.

Soon after the ceremony, Al-Mansoori announced the SCA's launching of a ten-year scholarship scheme for Master's Degree program at the university, where the SCA shall book three chairs annually to sponsor post graduate students of the university specializing in Finance, Accounts, Law and Information Technology.

He said the launching of the scholarship scheme reflects the SCA's deep commitment to its social responsibilities and is in activating the existing MoU between the two sides, adding that the SCA remains committed to sustainably boosting its relations with the various institutions of higher learning and academic institutions in the country, expanding the areas of joint cooperation with them and maximizing the benefit of their expertise and capacities in all areas of interest for both sides.



## Al-Mansoori urges the world to study UAE's experience

H.E. Engineer sultan bin Saeed Al-Mansoori, Minister of Economy and Board Chairman of Securities and Commodities Authority (SCA), has called for studying the UAE's pioneering experience in the global economy, underscoring that the country has realized great achievements in a record period of time.

The Minister made the statement in his closing address at the 6th Summit of the Global Agenda Council, which was held at Abu Dhabi's Yas Island. More than 900 experts from 86 global agenda of the World Economic Forum (WEF), took part in the Summit.

Al-Mansoori said the UAE's experience is rich of good lessons, most significantly are the strategies used and the accurate execution of the projects, as well as the strong partnership between the public and the private sectors, which led to huge transformation in all areas of development. He urged the summit to list on its agenda the issue of positive energy which H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, stressed on in his speech.

"H.H. Sheikh Mohammed has a positive and optimistic view capable of facing any kind of challenges. "We believe that having this positive energy is what would enable us face any challenge, and this positivity is in

the interest of both the leadership and the people," he said, and expressed the hope that the WEF would in the future summits include on its list of agenda Arab and Middle East issues.

He stated: "I followed closely the summit's activities for three consecutive days and I have noticed that the issues of unemployment, employment and information have dominated the discussion and recommendation proceedings, while the issues of Middle East and the Arab region did not get that attention, although we eagerly pay great attention to the WEF recommendations and do our best to implement those that suit us." He said the Arab region has a lot of problems and crisis which threaten stability in the region and the world at large. "Undoubtedly, there are important countries in the region, like Syria and Egypt, which are in dire need of stability. We in the UAE are doing our best to help solve the challenges facing the region, while Kuwait and Saudi Arabia are also providing initiatives and financial support. But I strongly believe that the UAE cannot solve all the problems and the challenges facing the region. Therefore, there is the need for global agenda with the participation of Europe, India, China and the United States and other influential world powers to face these challenges," he added.





## SCA board approves strategy for using smart applications in providing services

The board of the Securities and Commodities Authority (SCA) has approved a strategy for switching to smart applications in providing SCA services. The approval came during a board meeting, presided over by H.E. Engineer Sultan bin Saeed Al-Mansoori, Minister of Economy and SCA Board Chairman.

The board reviewed a detailed report on the various stages the UAE market has gone through before gaining the recent promotion from “Frontier Market” to “Emerging Market” status by the Morgan Stanley Capital International (MSCI) Index and praised all parties involved, including the SCA and its strategic partners, for their concerted efforts and for a job well done. It called for thorough and comprehensive studies to identify all aspects and consequences of this historic decision.

The board also called for a comprehensive and scientifically-based plan of action, taking into consideration

“The board called for a plan to expedite the upgrade of ESM to ‘Advanced’ status of MSCI”

the best international practices and for thorough study of the experiences and models of the various advanced markets, as well as all the factors surrounding the

local markets, to expedite the pace of getting the local markets gain elevation to the “advanced market” status, by providing all the necessary resources for achieving that target. A task force should be set up to study all the requirements of this stage, including the necessary regulations and legislations and the use of state-of-the-art technologies and systems to meet those requirements, the board agreed.

The meeting, which also reviewed the measures taken so far to implement the decisions and recommendations made during the previous meetings, was the 19th of the forth board and was attended by H.E. Mohammed bin Ali bin Zayed Al-Falasi, Deputy Board Chairman, H.E. Abdullah Salim Al-Turifi, SCA Chief Executive Officer, H.E. Mubarak Rashid Al-Mansoori, H.E. Mohammed Ali Ahmed Al-Dhahiri and H.E. Butti Khalifa bin Darwish Al-Falasi.

H.E. Ibrahim Al-Za’abi, Deputy CEO for Legal Affairs and Issuance (Board Rapporteur) and H.E. Maryam

Al-Suwaidi, Deputy CEO for Licensing Affairs, Supervision and Enforcement (Board Coordinator).

### Using smart applications:

The board reviewed a presentation about the phases of SCA strategy for converting its service applications to smart ones through smart phones in order to achieve the vision of UAE's wise leadership, headed by UAE President, H.H. Sheikh Khalifa bin Zayed Al-Nahyan and UAE Vice President and Prime Minister and Ruler of Dubai, H.H. Sheikh Mohammed bin Rashid Al-Maktoum, regarding converting to Smart Government, being one of the major features of "Future Government" and developing the electronic infrastructure of the country's institutions in response to the requirements of UAE Vision 2021, which has the slogan: "We want to be among the best countries in the world by 2021". This is in addition to its significance in supporting the country's efforts in upgrading its international competitiveness rating, particularly in the area of eServices

The program is also within the framework of SCA's initiatives aimed at achieving its strategic goals, notably excellence and creativity in serving all the various parties of the UAE capital market by automating all the SCA services, diversifying the means of providing those services and developing the organizational and electronic infrastructure to ensure sustainable offering of current and future services at the highest level of competence and effectiveness.

The execution of the project is expected to last two years beginning from May 2013 to mid-2015 when all convertible the 40 services will be provided through smart phones in four stages, with priority given to services related to listed public joint stock companies, financial brokerage firms, licensed financial services companies, SCA's strategic partners and clients.

The execution of the Phase One of the SCA's strategy for converting to Smart Government applications coincides with the execution of the Phase Three of the eGovernment program, which has so far seen the launching of 22 services, representing about 70% of the total services to be covered by the program.

## SCA Advisory Board holds meeting to discuss best international practices of market development criteria

The Advisory Board of the Securities and Commodities Authority (SCA) has held a meeting to discuss latest developments in financial market's international practices, market supervision regulations and UAE market development and modernization criteria.

During the meeting, which was attended by H.E Abdullah Al-Turifi, SCA Chief Executive Officer and other senior SCA officials, the board discussed a number of UAE securities industry related issues, including how the slow-down in financial globalization might affect the UAE market, what opportunities and threats does it create and consequences for the role of the regulator.

Other issues include piercing the corporate veil; personal responsibility and liability key members of staff of Investment firms, introducing more instruments for investment to diversify risk and avoid undesirable wealth

transfers, developing Global Depository Receipts (GDR) market in the UAE, enhancing Bond Market in the UAE, creating yield curve and streamlining the legal framework for the bond market to cover both Bonds and Sukuk.

The meeting also discussed best ways for attracting long term investors to UAE markets, including more participation of the domestic pension system investment in U.A.E, securities, bonds, and Sukuk, stressing on the possible role of regulator in this area.

In addition to the above, the meeting also discussed the SCA's efforts in developing the legislation infrastructure of the country's financial markets, as per the SCA's strategic plan and laid down action program through which more rules and regulations regarding business transactions on the market would be updated and developed, taking into account the best international practices in that regard.

## Zarina joins SCA Advisory Board

Ms. Zarina Anwar has joined the SCA Advisory Board.

Currently a Visiting Fellow at the Oxford Centre for Islamic Studies, United Kingdom and non-executive Chairman of Malaysia Debt Ventures Bhd, Zarinah Anwar is the former Chairman of the Securities Commission Malaysia (SC), a position she held for six years until her retirement in March 2012.

While at the helm of the SC, Zarinah had been at the forefront of the development of the Islamic capital markets in Malaysia as well as internationally through the SC's work with the International Organization of Securities Commissions (IOSCO) and through collaboration with co-regulators



and other partners.

Zarina had also served as Vice Chairman of the Emerging Markets Committee of IOSCO and represented the Committee on the International Financial Reporting Standards (IFRS) Foundation Monitoring Board. She has also served two terms as the Chairman of the

ASEAN Capital Markets Forum.

Zarina also chaired the Malaysian Venture Capital Development Council and the Capital Market Development Fund, and was a member of the Financial Reporting Foundation Malaysia, the Malaysia International Islamic Financial Centre and the Board of Directors of the Malaysian Institute of Integrity.





# SCA: Flag Day entrenches nationalism concept and reflects the bond of unity between the people and the leadership

The Securities and Commodities Authority (SCA) has joined the entire country in celebrating the Flag Day, by hoisting the UAE national flag at its Dubai headquarters, in response to the initiative of H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, and in marking the anniversary of the accession of H.H. Sheikh Khalifa bin Zayed Al-Nahyan, UAE President, the throne of the United Arab Emirates.

H.E. Abdullah Al-Turifi, SCA Chief Executive Officer, flanked by a number of SCA directors and employees, hoisted the UAE national flag on the Dubai branch of the SCA headquarters. In his keynote address, he expressed profound pride and happiness in celebrating the important event.

He said: “With deep appreciation and great pride, we remember at this moment our founding fathers and the great achievement of the late Sheikh Zayed bin Sultan al-Nahyan, UAE Founder and leader and his companion on the way to this great achievement, the late Sheikh Rashid bin Saeed Al-Maktoum.

“We celebrate today the Flag Day, which flies aloft high in the sky on the occasion of accession of H.H. Sheikh Khalifa bin Zayed Al-Nahyan the throne of the UAE... We raise the fly high to express our loyalty and

allegiance to the wise UAE leadership, who has succeeded in achieving comprehensive development for the UAE and continues to build the country to greater achievements and heights.

“I believe, the call by H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai represents a kind gesture from a very wise leader just as it manifests a well-deserved accolade for the UAE President, who has proven to be a role model leader, who has showered love and given out his best to his people and nation. “Undoubtedly, the simultaneous hoisting of the UAE flag, which embodies the aspirations and hope of UAE people, has a symbolic meaning, which shows that all the sons and daughters of the UAE have rallied wholeheartedly round their wise leadership. It also reflects a united people under one umbrella of the union.

“Celebrating the accession day of H.H. Sheikh Khalifa by hoisting the flag that unites our heart in love of our land is an initiative that purifies and entrenches the spirit of nationalism, which, in turn, will deepen the noble concept in the heart of the young generations, vitalize their zeal and strengthen their capacity to rally together to continue the march of sustainable development.”



## Al-Hadari is first Arab on XII board of directors

XBRL International Inco. (XII) has appointed HE Mohammed Al-Hadari, Deputy CEO for Organizational and Support Services Affairs, to its board of directors, making him the first Emirati and Arab to the board of the international organization, which is a consortium of companies and agencies worldwide working together to build the XBRL language and promote and support its adoption. Al-Hadari earlier this year became the first Emirati and Arab to be appointed by the XII as its ambassador to the Arab World, in appreciation his valuable contributions and efforts in spreading and boosting XBRL in the Arab region.



### Dear Investor,



Providing your bank account number to the stock market enables you make easy transfer of dividend of more than one security at a time.

It also guarantees the rights of investors who are yet to receive their dividend because they are not aware of its distribution or unable to come for it or for other reasons.





H.E. Abdullah Al-Turifi, SCA Chief Executive Officer hoisting the UAE National Flag, flanked by some SCA officials and employees

## SCA is first federal body to obtain Lloyd's accreditation for risk management application

The Internal Auditing Unit of the Securities and Commodities Authority (SCA) has obtained accreditation from the Lloyd's Register Quality Assurance (LRQA) for the former's successful application of the requirements of the 31000:2009 Risk Management Standards, having accomplished all the stages of review and inspection, to become the federal body to achieve the feat and gain LRQA's recognition.

H.E. Abdullah Al-Turifi, SCA Chief Executive Officer, has received the

citation to that effect from Basim Obaid, Middle East Regional Director of Lloyd's Register.

Al-Turifi praised the SCA's Internal Auditing Unit for the successful implementation of the risk management standards as part of the SCA's efforts and plans for upgrading all its departments to implement those standards, which, he said, represent a new cycle of a chain of comprehensive quality system being implemented by the SCA. "This is in view of the fact that organizational risk

management is a procedure that matches rapid developments at the operational, strategic and corporate governance levels, thus allowing drawing of a follow-up and analyses system of prediction of any potential risk and its repercussions, and the best way to handle them by putting in place preventive measures to avoid their recurrence in the present and the future, or to have correctional measures which will minimize their impact to the lowest level acceptable to the SCA", he added.





## SCA celebrates 42nd National Day

The Securities and Commodities Authority (SCA) has organized separately at its Abu Dhabi and Dubai headquarters a big ceremony to mark the 42nd anniversary of the UAE National Day. H.E. Abdullah Al-Turifi, SCA Chief Executive Officer, his deputies, directors of the various SCA departments and the entire SCA employees participated in the big event amid fanfare.

In a keynote address to open the ceremony, Al-Turifi congratulated the UAE's wise leadership, headed by H.H. Sheikh Khalifa bin Zayed Al-Nahyan, H.H. Sheikh Mohammed bin Rashid Al-Maktoum and Their Highnesses Supreme Council Members, Rulers of the Emirates.

He praised the UAE union and cited the outstanding role of the late Sheikh Zayed bin Sultan Al-Nahyan, UAE Founder and Leader and the late Sheikh Rashid bin Saeed Al-Maktoum, in that great achievement. He said the two leaders had exhibited great dedication, loyalty and selflessness in the interest of the nation. He also cited the great achievements in all areas and development the country has achieved over the years of the union,



leading it to its current enviable position among the comity of nations, as indicated in the global competitiveness reports and indices.

In Abu Dhabi, the SCA held the ceremony at the Central Garden opposite its headquarters, while in Dubai the SCA marked the occasion in its ultra-modern auditorium at its Dubai headquarters. A large ceremonial cake was cut and a group photo taken to grace the occasion. Other main activities at the event include

a musical show by a local cultural troupe, a heritage contest and art show dubbed "Kullul Arab" (All Arabs) performed by pupils of Al-Afaaq Model School of Abu Dhabi and another show dubbed "Al-Gos" (Diving for Pearl) and "Yola" dance performed by pupils of Zayed bin Sultan School of Dubai.

Both Abu Dhabi and Dubai headquarters of the SCA were draped in the national colors and the logo of "The Spirit of the Union".





A shot from the event held at the Capital Garden facing the SCA headquarters



Main entrance of the SCA office in Dubai, draped in the national colors



UAE heritage and historic photos on show

## In a step aimed at developing expertise of financial market workers SCA honors 23 graduates of Accredited Compliance Officer Certification Program

The Training Center of the Securities and Commodities Authority (SCA) has held a graduation ceremony for the first batch of the Accredited Compliance Officers Certification Program.

The batch consists of twenty three (23) members, including thirteen (13) UAE nationals, who passed out with “Excellent” and “Very Good” grades from the program which was organized by the SCA Training Center, in collaboration with the International Compliance Association (ICA), the International Compliance Training (ICT) and The Manchester Business College, which prepared the program and conducted the exams.

At a ceremony held at the Dubai headquarters of the SCA, H.E. Abdullah Al-Turifi, SCA Chief Executive Officer and Helen Langton, ICT Director General, presented certificates to the graduates who have met all the requirements of the program and have passed the exams.

This is the first time in the UAE a program of this kind is being held which allows its graduates to outline and implement compliance and preventive strategies against fraud and money laundering risks to help protect economic institutions from financial losses and bad reputation. The program also qualifies members to engage in relations management with regulators, law enforcement agencies and higher authorities, build the capacity for good understanding of risks in a way that would enable the designing of effective compliance regulation for risk management.

In an opening address, Al-Turifi congratulated the graduates for their successful completion of the program. He said the program would contribute in enhancing the standards of professional excellence and would ensure sound practices in securities business transactions, adding that the program is the fruit of the SCA’s relentless efforts to sustainably improve the capacity of workers in the securities sector, to boost compliance of economic legislation and to implement the best international practices in a way that would serve the interest of the national economy and boost investors’ confidence in the UAE economy.





## At the 5th Euro-Arab Banking Dialogue on Investment and Islamic Banking SCA showcases UAE's rich experience in Islamic finance and capital markets development



H.E. Abdullah Al-Turifi, Chief Executive Officer of the Securities and Commodities Authority (SCA) has underscored the UAE's leading role in the field of Islamic banking industry due to its capabilities and attractive factors which have qualified the country to be the leading international hub for that industry.



### The vision of H.H. Sheikh Mohammed bin Rashid Al-Maktoum of making Dubai the capital of Islamic economy has consolidated UAE's enviable position on the World Map

Al-Turifi made the statement when he delivered the main address during the opening session of the 5th Euro-Arab Banking Dialogue on Investment and Islamic Banking. A large number of experts in economics, investment and Islamic banking from various parts of the world attended the two-day forum, which was held in Rome under the theme: "Integration for Better Economy".

He cited some of the factors as including the unflinching support from the UAE's wise leadership, which put in place a future road map which embodied the vision of H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, of making Dubai the capital of the Islamic economy of the world through the strategic plan he announced to ensure the rapid development of this sector.

Al-Turifi outlined in the address the UAE's strategy in Islamic finance and capital markets development for the benefit of participants in the forum, to help develop the Islamic banking industry and to boost its role in the regional and international socio-economic development, especially in view of the UAE's successive achievements and initiatives which have boosted

the country's status on the map of Islamic economy, efforts that were crowned recently with the declaring of Dubai as host of the 10th Islamic Economic Forum 2014.

Touching on the UAE success story in this regard, Al-Turifi said the UAE boasts of seven Islamic banks, including Dubai Islamic Bank, which is arguably considered the oldest Islamic retail bank in the world. "Furthermore there are conventional banks offering Sharia compliant banking products via Islamic windows, as well as number of Islamic finance houses and insurance companies. These institutions operate through a robust regulatory infrastructure," he stated, adding that the Central Bank of the UAE has issued the Federal Law no. 6, in 1985 concerning "Banks, Financial Institutions and Islamic Investment Companies" and in 2010 issued Sharia-compliant "Certificates of Deposit" based on Murabaha contracts and also introduced a new mechanism based on guaranteed Murabaha contract to improve sources of Islamic bank liquidity. "The SCA has also issued 'Issuance & Listing of Islamic Sukuk Regulation', which is currently being updated as per global best practice. This will facilitate growth of the Islamic finance industry," he said.

**SCA has issued Issuance & Listing of Islamic Sukuk Regulation currently being updated as per global best practice**



# Board of Trustees reviews SCA Training Center performance indices and development proposals

The board of trustees of SCA Training Center (SCATC) has held its 6th meeting, presided over by its chairman, H.E. Abdullah Al-Turifi, who is also SCA Chief Executive Officer. Dr. Bassam Al-Saket, Dr. Jasim Ali Al-Shamsi, Zuhair Tamim Al-Jarkas and Dr. Obaid Saif Al-Za'abi, SCATC Director, attended the meeting which was held at the Dubai headquarters of the SCA.

The meeting discussed the 2014 achievements report and performance indices of the Training Center and followed up the decisions and recommendations of the previous meeting.

Other issues discussed at the meeting include programs for the proposed seminars in 2014 for market investors and other stakeholders, training programs for employees of financial markets and brokerage firms in 2014 and the issue of



Continuous Professional Development (CPD) projects for market employees.

The meeting also discussed a proposal on approving some strategic partners to provide training services to SCATC trainees and reviewed a marketing plan for the SCATC, including the issue of updating the SCATC logo and website and designing

its promotion and commercial materials.

The board discussed a summary of a comparative study between the SCATC and its Malaysian counterpart, (SADIC).

The meeting opened with a short fanfare in celebration of Dubai's winning the bid to host the EXPO 2020 and the 42nd anniversary of UAE National Day.

## SCA participates in meetings of GCC Ministerial Committee

The Securities and Commodities Authority (SCA) has participated in two meetings - the 4th GCC Ministerial Meeting of Board Chairpersons of Market Regulators and the 9th Meeting of Committee of Heads of GCC Market Regulators – which were held at the GCC Secretariat in Riyadh.

H.E. Abdullah Al-Turifi, SCA Chief Executive Officer, led the SCA delegation on behalf of H.E. Engineer Sultan bin Saeed Al-Mansoori, Minister of Economy and SCA Board Chairman, to the meetings during which the latest developments in the GCC financial markets were discussed, leading to many crucial decisions which seek to enhance the drive towards achieving GCC market integration.

The meeting approved the points of the agenda and committee members agreed to refer the MoU reached among the GCC market regulators to the GCC Ministerial Council for approval in a final step towards



its ratification by members, to make it a regulatory framework for all transactions among GCC market regulators.

The meeting deliberated over a study presented by the SCA on enhancing the supervisory and regulatory roles of GCC market regulators according to the standards of the International Organization of Securities Commissions (IOSCO) and on boosting coordination

between the two aforementioned parties. The study stipulated the relationship between markets and market regulators, in terms of the latter's ability to supervise the markets, their entrusted powers by virtue of existing laws and their ability to penalize the markets and those working in them.

The ministerial meeting discussed other issues including the unified rules for listing of securities as the committee reviewed the recommendations of the 9th Meeting of the Committee of Heads of GCC Market Regulators. The Ministerial Committee agreed on the recommendations of the Ministerial Council for referral to the Supreme Council for final approval to continuing with the application of the unified rules for listing of securities (shares, bonds and sukuk and investment funds) on GCC markets on experimental basis for another period of one year, followed by a review and implementation on compulsory basis.

# SCA signs MoU with University of Dubai



H.E. Mohammed Al-Hadari and Dr. Issa Bastaki signing the MoU

The Securities and Commodities Authority (SCA) and the University of Dubai (UD) have signed a memorandum of understanding (MoU), to boost bilateral cooperation in various areas, including professional advice, institutional support and development, human resources, administrative and social development.

H.E. Mohammed Khalifa Al-Hadari, SCA Deputy CEO for Organizational and Support Services, signed the agreement for his side while H.E. Dr. Issa Mohammed Bastaki, UD Director, also signed for his outfit in a ceremony attended by a number of officials from both sides.

In a statement after the signing ceremony, Al-Hadari said the SCA's

commitment to signing the agreement is in line with translating its vision which includes boosting ties with its strategic partners, enhancing cooperation with the best educational and scientific institutions in the country and abroad and maximizing benefit from locally and internationally accredited scientific programs of those institutions with the aim of achieving its strategic and operation plans, improving the performance of its human resources according to best international practices and developing its organizational and technical infrastructure to reflect the vision of the UAE wise leadership of spreading the culture of creativity and excellence and adopting the best international practices.

## Signs another MoU with Etisalat Academy

The Securities and Commodities Authority (SCA) and the Etisalat Academy (EA) have signed a memorandum of understanding (MoU) for bilateral cooperation which would allow the two sides to benefit from the other's training and orientation programs to help develop the country's financial markets - targeting the financial services activities, in general and the professional development of the financial market workers, in particular.

The cooperation agreement promotes sharing of experience and exchange of studies and research works, developing of common understanding in the areas of training and education organized by the two parties, proposed training programs for professionals working in the financial services sector with the aim of developing their professional skills for better understanding of the financial tools and products being traded on the local markets. It also promotes continuous education and professional development in the area of financial services.

## TV channel to educate market investors

The Securities and Commodities Authority (SCA) has signed a memorandum of understanding (MoU) with the Emirates Cable TV and Multimedia (E-Vision) to boost bilateral cooperation in the area of investment awareness by launching a TV channel to help improve performance of the country's securities and commodities sector and to stem up the latter's growth and development.

H.E. Abdullah Al-Turifi, SCA Chief Executive Officer, signed the MoU for his side, while H.E. Humaid Rashid Sahooh, E-Vision Chief Executive Officer, also signed for his outfit in a ceremony attended by officials from both sides.

Commenting after the signing of the MoU, Al-Turifi praised the E-Vision, an affiliate of the Emirates Telecommunications Corporation (Etisalat), for providing useful information to the general public through its eLife TV channel and for the exceptional TV services and educative programs. He said the SCA, by signing this agreement, seeks to boost joint cooperation in the area of educating investors and other concerned parties by providing them with useful information and data of great interest.

He pointed out that the SCA always looks forward to building strong partnership to help meet the needs of the securities sector, including information and data related to trading on the local markets. He disclosed that the MoU will lead to launching, for the first time in the region, a HD TV channel, to help entrench transparency in the local markets, develop the culture of investment and to cover market related events and activities.

He said the signing of the MoU with E-Vision is within the SCA's framework of boosting ties with its strategic partners.







H.E. Rashid Al-Buloushi shaking hands with Acting Chancellor of AUS after signing the MoU

## ADX signs MOU with AUS

An agreement facilitating mutual cooperation in the fields of research, institutional development and training between the Abu Dhabi Securities Exchange (ADX) and American University of Sharjah (AUS) was signed today at a formal ceremony held at the ADX main offices in Abu Dhabi. Mr. Rashed Al Baloushi, Chief Executive of ADX, and Dr. Thomas Hochstettler, Acting Chancellor of AUS, signed the Memorandum of Understanding (MoU) on behalf of their

respective organizations in the presence of senior representatives from both parties.

Speaking on the occasion, Mr. Rashed Al Baloushi, CEO of ADX said: "It gives me great pleasure to have signed this agreement between our two organizations. This agreement will build and strengthen the ties between us in myriad ways. AUS has an excellent reputation in the region, and we are very keen to collaborate with them on a number of areas of mutual interest."

## ...will be displaying private company stocks on trading screen

The ADX is collaborating with the SCA to issue a decree that will allow the displaying of stock prices of private companies on the giant screen of market trading hall. In a comment, Rashid Al-Buloushi, ADX Chief Executive Officer, said: "This procedure will play effective role in attracting more liquidity to the market and companies at fair prices for companies' stocks and will activate the forces of demand and supply of those stocks".

The ADX has recently signed a book-

keeper agreement with the Manazel Real Estate PJSC, in the presence of officials from both sides. Al-Buloushi signed the agreement for his outfit, while Mohammed Mohanna Al-Qubaisi, Al-Manazel Board chairman, also signed for his side.

Based on the agreement, the ADX will provide stock saving electronic system and will be responsible for transfer of share ownership, mortgage procedures, etc, according to the existing ADX rules and regulations and the UAE Companies Law.

## Rashid Al-Buloushi is deputy chairman of SAFE

Mr. Rashid Al-Buloushi, Chief Executive Officer of the Abu Dhabi Stock Exchange (ADX) has been elected recently Deputy Board Chairman of the South Asian Federation of Exchanges (SAFE) during the annual meeting of the SAFE Executive Committee. Al-Buloushi thus becomes the first Arab to be elected to that post since the

establishment of the SAFE.

In an acceptance statement, Al-Buloushi said I'm honored to be elected to this post, which I see as an achievement for the ADX. I look forward to constructive cooperation with members of the SAFE in order to push forward towards achieving its objectives and aspirations.

## ADX Begins Mock Session for New Trading Platform

Abu Dhabi Securities Exchange (ADX) announced recently that it has begun testing the new trading system "X-stream", a high performance exchange trading system that offers multiple functionalities and maximum flexibility to cater to the needs of ADX.

The mock session conducted by ADX is to ensure the readiness of the brokerage firms and their internal systems to deal with the new trading platform "X-stream", as well as to recognize the readiness of communications network of the companies participating in the mock session. ADX announced that the mock session was successful and it will conduct two more mock sessions in December 2013 and January 2014. The tests come in preparation for the official launch of the new trading system "X-stream" by ADX at the end of January 2014.

## ADX & Tadawul sign cooperation agreement

The ADX and Saudi Stock Exchange (Tadawul) have today signed a Memorandum of Understanding (MoU) to augment the already robust bilateral relationship between the two exchanges.

According to the MoU, signed by Rashed Al-Baloushi, ADX Chief Executive Officer and Adel Saleh Al-Ghamdi, Tadawul Chief Executive Officer, the two parties have formally agreed to enhance information and knowledge sharing with the aim of boosting communication, mutual understanding and cooperation. The signing ceremony was held at Tadawul's headquarters in Riyadh

Amongst the various terms of the MoU, the two sides shall institute an exchange program for their employees.



## DFM achieves 100% compliance in annual results disclosure of UAE companies

Dubai Financial Market (DFM) announced yesterday that its UAE listed companies has shown a 100% compliance to disclose their annual results within the deadline of 45 days from the end of the stipulated period. It said 44 companies out of 45 UAE companies listed on its market have disclosed their annual results with the exception of Amlak Finance, which could not due to procedural reasons.

Meanwhile, DFM has suspended trading on two Kuwaiti companies that missed the deadline to provide the exchange with full and audited financial statements as per the UAE Securities and commodities Authority and DFM requirements. The suspended Kuwaiti companies are ALMADINA Finance and Investment and the National Industries Group.

## DFM accredits “Al Ramz Securities” for Direct Market Access (DMA)

Dubai Financial Market (DFM) today announced that “Al Ramz Securities” has been accredited to provide Direct Market access (DMA) for global brokers lifting the number of DMA service providers to 6 brokerage firms. The exchange is currently processing similar applications from other brokerage firms in collaboration with the Securities and Commodities Authority (SCA).

DMA permits brokerage companies to mandate a global broker to use its DMA access point to place buy and sell orders as some sort of electronic trading via the internet, allowing global brokers to directly trade on the market.

This development underlines the growing interest from international investors towards DFM listed securities.

## DFM organizes forum on IPO

## DFM survey: 76% of investors are ready to participate in IPOs within the next 12 months

Dubai Financial Market (DFM) has organized last November the second DFM and NASDAQ Dubai IPO Forum, Going Public: Readiness, Timing and Attractiveness. The event brought together 80 senior officials from 53 companies including Chairmen, Board Members and CEOs of UAE listed companies and private and family businesses

as well as numerous experts from IPO advisory companies.

The event was held as the IPO sector is on the verge of a new era of thriving activity with rekindled investor interest in taking part in any potential IPOs. In an online survey conducted by DFM through its website in November 2013, 76% of the surveyed investors said they are ready to participate in IPOs within the next 12 months and the majority of them are mainly interested in IPOs of government companies and private and family businesses.

The survey sample comprised 1,033 retail and institutional investors. Hotel and Tourism and Retail came at the forefront of sectors investors would like to see represented in the market through IPOs, in addition to the key traditional sectors including Real Estate and Construction and Banking.

The IPO Forum provided a unique opportunity to listen to invaluable ideas from speakers and panelists on various IPO-related topics including: market dynamics and the regulatory environment; UAE regulatory changes creating opportunities for companies; investor sentiment; capital market



H.E. Essa Kazim

experts' roadmap to listing successful IPOs; and key learnings shared by listed companies.

The DFM IPO investor sentiment survey revealed that the top 3 factors investors pay attention to when taking the decision to participate in an IPO are: company financials, founders and management, and brand awareness. Retail

investors put more emphasis on the media presence of the company while institutional investors ranked expert advice more highly.

During the forum some of the listed companies on DFM and NASDAQ Dubai, including Air Arabia and DP World, shed light on their successful experience in going public, in addition to discussing the latest regulatory developments with the participation of experts from the Securities and Commodities Authority (SCA) and Dubai Financial Services Authority (DFSA).

Essa Kazim, DFM Chairman said: “Dubai Financial Market is working unstintingly to encourage private and family businesses to list on DFM and NASDAQ Dubai, leading to diversifying investment opportunities and enabling investors to gain from the high growth of various sectors of the national economy. The organization of this forum stems from DFM's firm commitment to instigating and enriching the discussions amongst market participants on various issues and demonstrating the role of capital markets in supporting businesses to achieve sustainable growth.”



8

is UAE's position in the  
World Competitiveness  
Report this year

# UAE tops the list of best 10 performing economies in 85 international indices in 2013

The UAE has enhanced its competitiveness by attaining leading positions in many global competitiveness indicators since the beginning of 2013 as reported by reliable international institutions specialized in issuing competitiveness reports. The UAE topped the ranks in 17 international indicators; and was rated among the top 10 world economies in 85 competitiveness performance indicators.

The successive leaps in UAE's rankings in the international rating indicators reflects the country's position and its achievements over the past period, according to key international reports, especially those released by reputable international organizations.

The country has achieved great progress in the area of competitiveness, in the past five years, to take the lead in a long list of advanced economies such as the UK, U.S.A, Singapore, France and Switzerland , as well as emerging markets such as China, India , Russia and Brazil as reported in the Competitiveness Yearbook issued by the International Institute for Management Development and Global Competitiveness and the tourism competitiveness report issued by the World Economic Forum.

The UAE progressed by 19 positions in the Global Competitiveness Report issued by the World Economic Forum

## Thanks to the SCA's participation and efforts UAE competitiveness rank up by 39 positions on Investors Protection Index

The efforts of the SCA team, chaired by H.E. Maryam Al-Suwaidi, Deputy CEO of the Licensing, Supervision & Enforcement Department, as well as the actions taken in coordination and cooperation with the Emirates Competitiveness Council have played a major role in upgrading the UAE rating by 39 positions on the Investor Protection Index of 2014 World Bank Report.



H.E. Maryam Al-Suwaidi

during the period from 2007 to 2013. The UAE leaped 20 ranks within three years only as it moved up from 28th in 2011 to eighth rank in 2013 report, according to the Global Competitiveness Report .

The UAE ascended to the 28th position globally and first in the Middle East on the list of the advanced countries in the travel and tourism sector according to the 2013 Competitiveness Report of

Travel and Tourism, issued by the World Economic Forum, compared to the 35th in the 2009 report .

Mr. Abdullah Lootah, Secretary General of the Emirates Competitiveness Council, said the UAE's rise to high ranks in global competitiveness reports is a testimony from the international community for UAE leadership and the country's enviable position among the advanced countries of the world.







## Reactions to Dubai Airshow deals in the global money markets

# The deals assert UAE standing as a key player in global economy

H.E. Abdullah Al-Turifi,  
SCA Chief Executive  
Officer

At the time when Al Forsan aerobatic team was flying high and showing wonderful air paintings representing the colors of the UAE flag in the sky of Dubai, exceptional deals in the history of global aviation were being closed to establish new facts on the ground. In parallel, indicators of the global financial markets were hiking and displays in their halls turning “green”.

There is no exaggeration in saying that Dubai International Airshow 2013 has given a big boost to the global economy and provided a strong support for various economic sectors in the UAE, more specifically the travel, aviation and air transport industry, as well as the exhibition, promotion and marketing industry in Dubai. Moreover, it was a striking evidence and successful demonstration of Dubai’s ability to organize Expo 2020.

The success of the show, which is established as a milestone in the global aviation industry, confirms the shrewd vision of the wise leadership of His Highness Sheikh Khalifa bin Zayed Al Nahyan and his brother His Highness Sheikh Mohammed bin Rashid Al Maktoum, the UAE Vice President, Prime Minister and Ruler of Dubai that “We accept no less than the first place, be open to the world and maximize the unique advantages of the UAE

location linking the East and the West.

The last version of the show succeeded in beating all records of peer airshows in Europe and USA and in taking the lead deservedly when the first day of the show recorded the closure of deals amounting to two hundred billion dollars in value.

Naturally, the new deals by the Emirates, Etihad Airways, Fly Dubai and Qatar Airways gave greater weight to the economy balance towards the East after long years during which it remained directed towards the West. Dubai has established itself as the capital of the aviation industry as well as the standing of the UAE, not only as a distinguished global travel and tourist destination but also as starting point a base for connection flights heading to the east and west, especially with the launch of Al Maktoum International Airport operations, which is expected to be the largest airport in the world by the year 2027 and with the increasing number of air routes used by the national aviation companies and the development of national airspace management platform.

The aviation sector significantly contributes to the local economy. Current estimations indicate that this sector contributes, for example, by \$ 22 billion to Dubai’s economy, which accounts

**215**  
billion dollars is the  
volume of deals struck  
at the successful 13th  
Dubai Airshow



institutions, multinational companies and decision-makers at all levels. The first Fifteen-minute of the first day of the air show has dazzled the world when the largest deals in the history of aviation were closed, which means the continuation of the production lines in aircraft and engines factories, such as Boeing, Airbus, Rolls Royce and General Electric Aviation, as well as dozens of downstream equipment manufacturers such as information technology, computers and telecommunications and research, education, training and development centers.

...

It is noteworthy that the deals do not go in one direction, it was widely reported that in return, Airbus and Boeing signed agreements to purchase components and aircraft parts from Tawazun Company, a subsidiary of Mubadala Company, which confirm the success of the strategy of the UAE in building micro industries and shifting towards knowledge economy.

The interesting statement of His Highness Sheikh Ahmed bin Saeed Al Maktoum, President of the Dubai Civil Aviation and Chairman of the Emirates Group was very eloquent as he outlined immense meanings in few words. He pointed out that “every billion Dirhams from the US aviation industry supports 5747 jobs “. On his part, the British Prime Minister, David Cameron, said in a tweet on Twitter, “The deals made by Airbus in Dubai add 4.5 billion pounds to the British economy and provide 6500 jobs”. This can be read as an addition of more confidence to several economic sectors and boosts optimism for the future.

The Fair, which embraced about 1,000 exhibitors and witnessed deals amounted to 215 billion dollars beating the most optimistic expectations of experts in the aviation industry and air transport, confirms that the compass of the world economy is heading east towards the UAE. A closer look at the global financial markets shows how these markets reacted with the historic orders as of the first day of the Fair. The share price of Airbus has hiked by more than 3% after the announcement of the three deals with UAE companies which supported the Airbus 380 version which is the largest passenger plane in the world. In the United States, Boeing’s share increased beyond 1.7%, prompting the Dow Jones

# 44

**billion dollars is what the aviation sector will be contributing to Dubai’s GDP by 2020**

for industrial stocks to beat the barrier of 16,000 points, the highest in the history of the said index.

The reactions of the success of the 13th Dubai Airshow, which was organized at Al Maktoum Airport in Dubai and World Central, the largest aviation city in the world, echoed in the stock exchanges and the global capital markets. Indices of global capital markets in the East and the West have closed in “green”. The French CAC Index climbed by 0.66 %, Germany’s DAX climbed by 0.62%, the Dow Jones climbed by 0.09%, while the Hong Kong index climbed by 2.73 %.

According to a renowned maxim, capital markets are the mirror of the economy; and even, their indicators are extremely sensitive to important events, news and decisions. Investors and managers of funds and investment portfolios are skillful in basic analysis, reading decisions, results, financial statements, budgets and seizing investment opportunities. It is certain that the UAE economy is proving day after day its strength, sturdiness and ability to influence world events. Furthermore, the resounding success of the exhibition industry in Dubai confirms that this industry is an important tributary for the national economy.

...

The prompt response by global markets to the surprises of Dubai Airshow sends out a worldwide message confirming the ability of the UAE to deal with major and gigantic events, which is a clear indicator of the rightness of the decision to nominate for the competition to host the Expo 2020. Success brings about more successes. Our prudent leadership has taught us how we can reap the fruits of creativity and move ahead towards through future prospects through ambition and determination.

for 28% of its GDP. This contribution is expected to amount to more than 44 billion dollars by 2020, representing approximately 32% of its GDP. Additionally, the sector is expected to create hundreds of thousands of job opportunities, not only in the five successful airlines in the UAE, but also in the companies which working on the commissioning of the infrastructure of airports and expansions taking place in these airports, as well as all companies that support the aviation industry and the companies which offer reception, hospitality, hotels, shopping, escorting, tourism, entertainment services for passengers. All these developments will secure thousands of jobs and promote such companies and enhance their profitability, which place them under the spot for investment experts and increase demand by investors to buy their shares and improve their market values.

The same applies to the global economy, as the success of the Fair confirms that the UAE has become a major player and its economy affects the markets in the East and West alike. The UAE role is not limited to reacting to developments but rather it has a substantial influence as the second largest economy in the region and the focus of attention by economic and financial



## Dubai to host EXPO 2020

# UAE is a platform for connecting minds and creating the future

☞ **Al-Mansoori:** The historic achievement underscores UAE's enviable position at the international level

☞ **Al-Turifi:** The expo will boost investor confidence in markets and give more investment options



The world has once again given the UAE its vote of confidence by choosing Dubai to host the EXPO 2020. Dubai, for its part, has promised to dazzle the world, as usual, with a classic organizing of the international show, which pundits believe will give a major boost to the economy of Dubai and further augment the emirate's position as the region's hub of business and tourism.

Ecstatic jubilation swept through the UAE soon after declaration of Dubai as winner of the bid to host the Expo2020, having defeated its opponents in the three-round voting encounter to underscore the country's prowess and great standing at the international political, economic and civilization scenes, thanks to its open door policy, which has made the country the platform for "connecting minds and creating the future" which is the theme of the expo, scheduled to comes off in 7-year time.



Commenting on the development, H.E. Engineer Sultan bin Saeed Al-Mansoori, Minister of Economy and Board Chairman of the Securities and Commodities Authority (SCA), said the historic achievement underscores UAE's enviable position at the international scene, thanks to the open-door policy it has adopted towards all countries of the world.

He pointed out that the huge support given by the UAE wise leadership to this issue and the valuable directives they gave

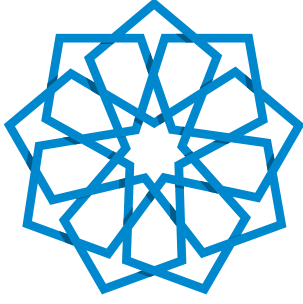
to those in charge of the issue to unite efforts and tap all resources and capacity laid the solid foundation which gave birth to this resounding victory. He said his confidence in the UAE's ability to host great international events had never waned. "Here is Dubai today proving once again its extraordinary organization prowess, with its fantastic infrastructure, including world-class roads, hotels, airlines and airports which took Dubai to the top spot in the bid to host the Expo2020," he added.

Dubai boasts of world-class infrastructure which helped the emirate win the bid and the UAE has promised to surprise the world with amazing event to make it the best in the history of the Expo which is making its debut in the Middle East region as no country in the Middle East has ever hosted the world event since its first edition in London in 1851.

H.E. Abdullah Al-Turifi, SCA Chief Executive Officer, said UAE's deserving win of the bid to host the EXPO 2020







# إكسبو 2020 EXPO

## دبي، الإمارات العربية المتحدة DUBAI, UNITED ARAB EMIRATES



should, first of all, be attributed to God's grace and, secondly, to the wise leadership of the United Arab Emirates, led by H.H. Sheikh Khalifa bin Zayed Al-Nahyan, UAE President and H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, who led successfully a splendid national campaign and beautiful symphony with the participation of all parties.

H.H. Sheikh Mohammed's choice of this idea and his decision to contest the bid

reflects a vision and confidence in UAE's great ability to successfully host the great event at the highest level. It is actually a decision that will reflect positively on UAE's status, its national economy and the local markets.

He said: "It is highly anticipated that this great victory will spur the execution of more development projects to help provide the best reception to the delegations and guests that would be participating in the international event. This opens the business

door wide for local companies to execute the projects leading to increasing income and high profit, which will, in turn, reflect positively on the local markets."

He pointed out that Dubai, in particular and UAE, in general, will witness another era of real estate boom. With effective regulations to further streamline the real estate sector, it will reflect positively on the stocks of real estate companies, thus reflecting positively again on stock market trends at the mid and long terms, especially



as the projects related to the event are going to last for many years to come.

“Expectedly, investment funds and portfolios looking for good investment business will certainly seize this opportunity to grab some businesses which will have long term positive impact on the local markets, in the form of cash inflow in billions of dollars, because the markets enjoy the status of MSCI emerging market index, which will definitely add huge value to the local markets,” he added.

He said another positive impact on the local markets, resulting from the Dubai Expo 2020, is the high potential for increase in the number of listed companies, following the surge in the level of investors’ confidence in the markets. This will help add more in-depth to the market and increase investment options. It will also push up growth in the bond markets.

“Generally, the securities sector is totally ready for the great event as the markets now boast of various infrastructure, while more regulations are being issued to provide more investment tools, having already issued many vital regulations like Regulation for Market-maker and its related regulations, and Regulation for Subscription Rights, to name just a few. On the other hand, greater efforts are being made to attract more small and medium-scale enterprises to list on the markets,” he noted.

Hosting of the event will let Dubai expedite the execution of its plans of action in the various sectors of the emirate’s development, including transport, trade and tourism sectors to further consolidate its position as the region’s main business hub. It will also add more power to Dubai’s sustainable economic growth in the years ahead and will boost the emirate’s financial options to cover the expenditure of hosting the event.

Estimates show that the Expo will create more than 277,000 jobs and push up Dubai’s gross domestic product (GDP) by additional 2% in 2020 and 2021, while additional 45,000 hotel rooms will be added to the current figure.

All these factors show that the Emirates Stock Market will be one the major beneficiaries of the international event, coming at a time when stock prices continue to appreciate as a result of good performance of their companies and as local and foreign investor confidence continue to rise

**2%**  
**rise in Dubai’s GDP  
as extra growth in  
2020 – 2021**

**277**  
**thousand jobs will be  
created and 45,000 hotel  
rooms added for the Expo**

**34.9**  
**billion dirhams to  
be expended on  
associated projects**

significantly. Hosting the Expo2020, pundits believe, will lead to further appreciation of the local stocks in the long term.

Wael Abu-Mohaisen, General Manager of Al-Ansari Financial Services, said the huge projects and the public and private investments that will be pumped in the Expo’s amenities and installations will lead to the merging of new public joint stock companies, which may include a special company for building all the amenities and installations required by the international event.

Investors always look forward to growth in companies’ profit and this is exactly what will happen to companies engaged in Expo projects in the coming years. Certainly, there will be plenty of job opportunities and significant growth in all economic activities,” he added.

He pointed out that the benefit of the Expo on the local financial market will not be a short one but a long one accompanied by a high level of foreign investor confidence as a result of Dubai’s winning the bid to host the Expo2020.

Analysts said Dubai’s winning the bid will encourage foreign investment portfolios to release more cash into the local stock markets so long as they see continuous activities in the next seven years in major projects that will boost the profits of listed companies. They expect the local markets to witness corporate investment portfolios taking new positions in the early part of the new year and entering into the markets to invest in certain companies that are very likely to benefit from major projects that will be launched by Dubai government for the Expo, with emphasis on the real estate, construction and tourism sectors.

Also commenting on the positive impact expected from the hosting of event, Fitch Credit Rating Agency said in a report that Dubai hopes to attract up to 25m international visitors to Expo 2020 and will spend more than \$8bn on new infrastructure and the 328-hectare venue, creating 277,000 jobs in the process. Fitch added that the construction activities during that period will impact real estate prices and rent just as it will boost the demand in the hospitality sector.

On funding the Expo 2020, the Fitch report said it expected government-related entities to take responsibility for infrastructure improvements, with major developers handling hospitality facilities.

A report by EFG Hermes also said Dubai winning of the bid to host the Expo for the first time in the Middle East region has giving additional push to its sustainable economic development and would accelerate the implementation of economic investment plan, adding that it will boost Dubai’s transport, trade and tourism sectors, in addition to consolidating the emirate’s position in the region as major business hub.

The report said Dubai’s economy is now in the middle of its increasingly active mode and that will certainly boost the performance of all sectors related to the Expo on the market, particularly the sectors that will play roles in the booming economy like the stocks of the banking, real estate and construction sectors.

The HSBC estimated at about





**“The securities sector is ready for the great event. The markets’ infrastructure is diverse and regulations are being issued to cater for more investment tools.”**



AED32.1billion (US\$8.8billion) the expenditure on infrastructure projects necessary for the hosting of the event, including the venue of the Expo, transport, roads and other projects, while about AED34.9 billion is estimated to be expended on associated projects, including AED31.2 billion on hotel projects and AED3.7billion on services for the pavilions of countries participating in the international show.

The report said the hospitality sector will witness a major boom in the coming years as 45,000 more hotel rooms will be added to the existing figure to accommodate about 25 million visitors expected during the period of the Expo. Hotel room offer is expected to grow by 6.4% from now to 2020 and the total cost of the project is expected to be about AED31.2billion. As for Standard Chartered Bank, a report issued by the bank said the hosting of the Expo is expected to generate 300,000 jobs, 90% of it will be between 2018 – 2021 and most of them will become permanent jobs and this will lead to sharp rise in demand of properties in the city, thus pushing up the prices. The report expected the UAE and Dubai, in particular, to derive great benefit from the Expo in the short, medium and long terms. It said Dubai will benefit from the infrastructure expenditure program estimated at US\$6.9billion.

**Dear investor,**



Following others and joining the crowd – when making an investment decision – could harm your investment by late purchase at a high price and by late sale at a low price.



## SCA holds seminar on positive impact of Expo 2020 on UAE markets

The SCA has recently held a forum under the theme “Hosting the Expo 2020 – Its impacts on UAE Securities Markets”. The forum discussed the expected outcome the event would bring if Dubai won the bid to host it. Experts from the securities market fraternity, including the SCA, the Abu Dhabi Stock Exchange (ADX) the Dubai Financial Market (DFM), brokerage companies, mutual funds and companies offering financial consultancy and financial analysis services, participated in the forum.

The participants agreed that the UAE, represented by Dubai, is capable of hosting the Expo 2020 par excellence and that the UAE, under the wise leadership of H.H. Sheikh Khalifa bin Zayed Al-Nahyan UAE President and H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, is very capable of hosting the biggest international event, thanks to the country’s world-class infrastructure, its strategic geographical location that links the East with the West and its long years of experience in the hosting of great international exhibitions and events in all areas.

The participants highlighted the benefits the country would derive from hosting the event, including boosting the thriving national economy in the mid-term. They said the securities markets, real estate and foreign direct investment sectors will be the greatest beneficiaries if

Dubai won the bid to host the great event.

Attracting more investment The open discussion session, which was moderated by Dr. Obaid Al-Za’abi, Director of Dubai branch of SCA Headquarters, focused on what the hosting of the Expo will add to the country. The speakers believe it will help the country attract more investment and that requires the provision of more financial services – banking and non-banking. Some experts at the forum underlined the significance of spreading awareness about the benefits of winning the bid, saying that regulatory bodies in the country should sensitize the general public about those benefits and must highlight, in the form of actual figures, the advantages of hosting that event.

The experts also touched on the vital role mutual funds could play in this regard through Private Equity Fund, Real Estate Investment Trust and Infrastructure Trust Fund. They said hosting the Expo would also lead to the projected sustainable growth through a Private-Public partnership (PPP). This partnership between the public and the private sectors will serve the best interest of the nation and its people, adding that the benefits of the Expo will follow soon after announcing the winner of the bid and that based on reactions on social networks and forums, Dubai’s chance of hosting the international event is greater compared to its opponents - Russia and Brazil.





# Underscoring its significance in attracting foreign institutions and portfolios

## Experts: Diversification of investment tools promotes market investment environment



The Securities and Commodities Authority (SCA) continues its efforts to diversify investment tools in the local capital markets so as to continue the approach initiated since its inception to develop the markets and create more investment opportunities for clients, and in particular institutions and investment portfolios, in a manner that enhances the final outcome of its legislative regulations to keep pace with international best practices. The SCA has had the greatest impact in recently obtaining international recognition to upgrade emerging markets and include them under Morgan Stanley and S & P Dow Jones indicators.

After issuing 42 regulations and a decision, the SCA is currently working to issue a set of regulations that are expected to have a positive impact on the securities market. These regulations include warrants, certificates of deposit, the rules of listing and trading shares of private companies (or the so-called 'secondary market', and the updating of bonds and instruments to cover all stages of promotion, issuance, listing, and trading.

Financial experts believe that the continued efforts of the SCA to increase the attractiveness of its legislative regulations contribute to the strengthening of institutional investment, which plays an important role in the stability of the financial market, as well as providing more investment products to clients in the markets, thereby enhancing the investment climate, and in turn attracting new investments and liquidity to the markets during the coming period.

They added that the SCA has worked tirelessly to improve investment behaviour in the market, and has issued legislation aimed at increasing the depth of the market, through the diversification of investment tools, such as providing the service of margin trading, ETFs, and the inclusion of Islamic bonds, debt securities, commodities trading, contracts for goods, online trading, safe custody, delivery-versus-payment regulations, margin trading, management of investment funds, and other market makers and tools, making matters easier for

individual and institutional investors.

They said that the keenness of the SCA to introduce all the draft regulation for discussion with experts and interested parties before issuing them officially proves its recognition of the importance of using the experience of everyone to produce the best regulations that meet the needs of various segments of investors, and to achieve the desired goal of issuance, which is the development of financial markets and the improvement of their position in global investment.

Under the policy pursued by the SCA, the draft regulation for warrants has been presented to the interested parties and experts for their opinions and observations on these warrants, which are tradable securities of equal value that give their holder the right, without obligation, to buy or sell a limited number of assets of warrants at a specified price during a specified time period.

According to the draft, it is not permitted for any party to issue warrants unless authorized by the SCA. However, to obtain the SCA licence to issue warrants, the draft requires the applicant to be a commercial bank, investment or financial institution, or branch of a foreign bank that is licensed by the Central Bank and that has approval from the Central Bank to issue warrants, or local company or institution authorized by the SCA in accordance with the Commercial Companies Law and the controls that prevent conflict between



activities issued by the SCA. Furthermore, the draft stipulates that capital should not be less than 100 million dirhams and the term of licence must be one year and must expire at the end of December of each year.

The draft regulation also provides that the SCA shall approve the issuer to issue warrants if the issuer meets the standards of issuing warrants covering the value of the required and approved issue, and must provide a statement that the issue is guaranteed by a party, bank, or other financial institution that meets the requirements of solvency.

The SCA has previously discussed the regulation as to investment management before approval. This regulation contributes to the development of investment tools in the market and reduces the risk of fluctuations by introducing new investment products to assist in hedging, as this strengthens the investment climate in local markets and attracts new investments and liquidity.

According to Dr Shehab Azazi, financial expert, the SCA is always eager to diversify investment tools, and its efforts are clear and concrete in this regard





through the particular legislative regulations issued during the past ten years, confirming that it is still working hard and with the same determination to develop the working mechanisms of the UAE markets; we note that it offers new products to investors and companies almost every year, which will have a positive impact on markets and investors alike.

Dr Azazi said that the continued promotion of the investment environment of the UAE financial markets keeps it up with its global counterparts, and draws the attention of many global investment financial institutions, which are keen to pump some of their investments in the market. He expressed his belief that the continuous upgrading of the mechanisms that govern the operation of markets will boost the UAE to be one of the most important global markets in the next phase.

He added that issuing the Margin Trading Regulations has a positive role in supporting the market and increasing liquidity and shares turnover, compared with the previous period, and it is expected to contribute in the near future to the increase of liquidity in the trading rooms.

He said that this was the case for the

contribution of the rest of the regulations which have been issued by the SCA and entered into force, including the regulation for management of investment funds, which promote the work of investment funds in foreign and domestic markets and work to support them in the next stage.

He explained that the trend to issue special regulations for the certificates of deposit would also diversify the investment tools in the market, and thus increase the certificates' activity by encouraging foreign investment wishing to provide this service, pointing out that such regulations would help the growth of shares in national companies in the world and open new doors to provide the necessary liquidity to their projects.

Further, Wael Abu Muheisen, Director of Al Ansari Financial Services, said that the increase and diversification of tools will increase the depth of the markets which have recovered since the end of last year and which have begun to attract good liquidity by way of foreign and local institutions and portfolios, pointing out that more varied tools give depth to the market, increase procurement processes, raise the turnover values, and improve the functioning of markets in general.

**By presenting all draft regulations for input from experts and all concerned bodies before issuing it officially, SCA has proven its deep commitment to team work and tapping the expertise of all**





# UAE plans for upgrade to “Advanced” status of international rating agencies

## Committees set up to strategize for achieving new global recognition



The SCA is drawing a plan to upgrade UAE markets to achieve “Advanced” market status on the international rating indexes after its upgrading to emerging market status by the Morgan Stanley, Standard & Poor’s, and Dow Jones indexes. Experts are therefore optimistic about the success of the SCA’s future efforts based on this upgrade.

The SCA has called for the formation of committees to develop plans that will qualify these markets to reach the level of their developed counterparts.

Experts believe that achieving the upgrade to “Advanced” markets status on MSCI will not be difficult for the SCA, especially with the provision of the right environment for investment and the continuous work over recent years which has resulted in the existence of a legislative system that keeps pace with the best international practices.

The SCA Board demanded, in its first meeting after upgrading the markets to the emerging market during June, the development of an integrated action plan in accordance with the scientific basis in order to accelerate the stages of upgrading the financial markets status in the UAE to advanced markets on the MSCI index, and to obtain all the necessary resources and elements to achieve this target, calling for the formation of a working group to study all the requirements of this phase of the regulations and legislation and the use of the latest technologies and legal procedures that will meet the required standards.

Abdullah Al- Hosani, General Manager of Emirates NBD Securities, said that the quest to reach a level of advanced markets is legitimate and it is not surprising after the upgrade to emerging markets to focus the efforts and action plans of the SCA and market

management to achieve a higher degree which is to be rated among the developed markets.

He stressed that although its ambition is legitimate, it needs some time, especially in light of Morgan Stanley’s policy, which states that the review of global financial markets rating requires remaining several years in the category of emerging market before considering the possibility of being upgraded to the advanced markets category.

He added that the upgrade requirements to the category of advanced markets needs some time to be met, especially since some of them relate to the economic and legislative environment at the UAE level and not only the structure of financial markets.

Jamal Ajaj, General Manager of Al Sharhan Stock Centre in Abu Dhabi, agreed with Al- Hosani that the upgrade will need some time, and said that the UAE will succeed in getting the upgrade in light of the progress and development which has been achieved at all levels and its success in competing with the developed countries on all indexes.

According to its policy, Morgan Stanley classifies the financial markets of the countries that would be incorporated in its index into three categories, which are small,





emerging, and developed markets, and for this purpose it adopts a set of integrated standards that can be classified into three main categories where the first category includes criteria for measuring the level of economic progress in the concerned country in general, while the second category measures the size and liquidity of the listed companies in the concerned financial market, and the third set of standards concerns the structure of the financial market in terms of the ease of entry into the relevant market and the efficient functioning of trading systems and controls.

The degree of strictness increases whenever the revision targets to upgrade the concerned market to a higher rank. The conditions are easy to satisfy and relatively flexible for the inclusion of the market within the category of frontier markets, while they are relatively strict for the inclusion in the category of advanced markets. For example, the standard of sustainable development is not considered for the purposes of inclusion in any financial market within the categories of junior or emerging markets, while this is an essential condition for upgrading the market to the category of advanced markets. As for the standards related to the size of the company and the liquidity of its stock, accepting a company within the junior market category only requires two companies with a capital value of 449 million dollars each, provided that the value of shares available for trading in any

## ESM upgraded by S&P Dow Jones

For the second time in a year and in less than six months, the Emirates Securities Markets (ESM) has been upgraded to “Emerging Market” status by one of the world’s leading international rating agencies as Standard and Poor’s (S&P) Dow Jones elevated the ESM from “Frontier” to Emerging Market.

The great achievement came in less than six months of a similar achievement as the Morgan Stanley Capital International (MSCI) upgraded the ESM last June from “Frontier” to “Emerging Market”.

According to S&P Dow Jones report, the ESM has met all the necessary requirements to deservingly earn the upgrade which was consensually agreed by all market parties.

The report cited the SCA board’s approval of Market-Maker Regulation side by side with other related regulations like the Securities Lending and Borrowing, Short-selling and Liquidity Provider regulations.

of them will not be less than 33 million dollars, which is a little over 7% of the total capital value, and that the percentage of shares actually traded during the year is not less than 2.5% of the market value of the company; while at the audit to upgrade to emerging markets, the minimum limit of the required capital value will be 898 million dollars (double that required for beginner markets), and the minimum value for shares available for trading increases to 449 million dollars and the minimum percentage for shares actually traded to 15%.

Further, the strictness also applies to the standards relating to the structure and efficiency of the market, whereas accepting markets in the frontier category only requires foreign ownership, even with a limited degree and minimum level of

freedom of capital flows and an acceptable level of efficiency and stability in the trading systems and institutional structure. However, upgrading to emerging markets requires the availability of a considerable proportion of foreign ownership and freedom of capital flows, as well as the provision of a good level of tested and verified efficiency in the trading system.

Steps which aimed at strengthening the structure of the market and raising its efficiency were the criteria in upgrading markets to emerging markets in the review that took place during June 2013, whether through the verification of the application of the principle of delivery versus payment, or through the provision of an appropriate mechanism to compensate the buyer in cash in the event of failure to deliver the purchased securities.

### Morgan Stanley's Classification Criteria for Global Financial Markets

	Criteria	Frontier Markets	Emerging Markets	Advanced Markets
	a. The requirements of sustainable economic development	No requirements	No requirements	Rate of per capita income in the concerned country rose by at least 25% of the high-income minimum limit set by the WB for a period of 3 consecutive years
b. Requirements relating to volume and liquidity	Number of companies that meet the following approved requirements in the general standard number methodology:	2	3	5
	The size of the company (market value) **	449 million dollars	898 million	1796 million
	The size of the arrow (the market value of tradable shares) **	33million dollars	449 million dollars	898 million dollars
	Liquidity of the stock (value of shares traded as a percentage of market value)	2.5% per annum	15% per annum	20% per annum
c. Criteria for ease of entry into the market	1.Allow foreign ownership	Available even by a small rate	Available by a tangible rate	Very high
	2.Freedom of capital flows	Available even by a small rate	Available by a tangible rate	Very high
	3.Efficient system of operations in the market	Average	Good and proven	Very high
	4.Stability of the institutional framework	Average	Average	Very high





## SCA provides 11 services via smart phones to implement mGovernment

### 31 electronic services completed in 2013

**62%**

is the rate of widespread  
of smart phones in UAE  
at the end of 2013

The Securities and Commodities Authority attaches great importance to the development of electronic services through modern means of communication and social networking, particularly for smart phones, in order to keep up with the best international practices in the automation of its services, and in order to adhere to the decision of the UAE cabinet on the adoption of e-government and the federal plan to prepare for the e-transformation of services provided by the government for clients .

The SCA announced recently that it has completed the implementation of its plan of e- transformation by end of 2013, which included the provision of 31 services electronically, and it seeks to provide about 11 services on smart phones, rising to 40

services during the next two years and in line with the smart government initiative. More than two years ago, the SCA started to provide some services through smart phones and tablet devices to view the Emirates Securities Market Index on the BlackBerry, iPhone and iPad, in addition to the SCA's regulations and legislation.

The SCA was at the forefront of regulatory authorities in the region which issued the online trading system in 2007, contributing to reducing congestion on the trading floors of the markets.

Many experts believe that investors will benefit hugely from the SCA's plan to provide a large segment of its services through smart phones, especially following the widespread use of these methods in the UAE, which is a leading player in the Arab



# 959

million smart phones  
expected to be sold world-  
wide at the end of 2013

region and in the world in the use of smart phones.

According to the latest statistics by Lenovo, the percentage of smart phone growth in the UAE was around 62% by the end of 2012. The average annual growth rate for this type of phone is 18%, and independent studies have predicted sales of around 958.8 million smart phones worldwide during 2013 with a growth of 32.7%. Additionally, future estimations predict sales of around 1.5 billion smart devices in the world by 2017. The SCA emphasized earlier that the plan for providing its services electronically originates from a implementation of the directives of the wise leadership of the UAE and in line with the decision of the Council of Ministers under the chairmanship of His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, to adopt a federal e-government plan and to accelerate the e-transformation of services provided by the government for clients.

The SCA has worked to provide an integrated electronic system to serve all its clients by the end of 2013.

The SCA is preparing 31 services, 20 of which have been completed, and the rest of the services will be completed in the last quarter of 2013.

The SCA has emphasized that the initiative launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, was implemented in 2013 by the provision of government services on smart devices.

The use of smart phones to help

investors has increased recently due to the cooperation of the SCA, the markets and brokerage firms, which have provided services to customers through smart phones. However, the prevalence of these services is expected to be increased in the near future.

Emirates NBD Securities, which offers its services through smart phones to their customers, confirmed that “it became clear that UAE government’s trend to adopt the ‘smart government’ (mGovernment) initiative during the next two years reflects the level of leadership of the UAE, and the importance of applying advanced technology in various businesses to serve all community members.

It added that the efforts of the SCA in the field of automating its services has increased recently to be more convenient for clients, especially with regard to providing some services through smart phones and that it has succeeded in doing so. Furthermore, it is expected to present many initiatives in this regard in the coming period. It added: “Emirates NBD Securities provide the investors with investment services through their smart phones, where the investor can now make buy and sell orders through this application and view their investment portfolio and purchasing power as well as the movement of the market and stock prices without having to call the broker or to use computer”.

For his part, Ahmad Wali, Co-Head of Brokerage & CEO of EFG Hermes IFA, said that the group is working to introduce a new application that allows the implementation of electronic trading using iPhone and iPad devices and to later introduce a new application for the Android operating systems. He stressed that the group is committed to providing the best services to customers anytime and anywhere.

For his part, Mohammad Al Murtada Al Dandashi, Partner & Managing Director, Al Ramz Securities, said, “The use of mobile phones in the UAE are among the highest in the world; the customer base of subscribers in the mobile phone services, which exceeds 14 million active subscribers, includes many skilful people in technology and smart phones.

## DFM: Our clear strategy makes business transaction easy for our clients

H.E. Essa Kazim, Chairman and CEO of Borse Dubai and Dubai Financial Market (DFM), has said that since its establishment in 2000, the DFM has been implementing a clear-cut strategy in innovation and development to make things easier for investors and other clients doing business on the market, adding that the strategy was derived from the powerful vision of H.H. Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, who remains the biggest support for the DFM.

“Undoubtedly, Sheikh Mohammed’s directive, which calls for moving closer to the general public and taking all services to them instead of waiting for them to come for the services, continues to be the biggest incentive and motivation for us to continue on the path of creativity and development by maximizing the use of latest technologies,” he added.

DFM services package allows clients to access trading activities through smart phones, including daily trading trends of companies, market index, companies’ disclosure and other market news reports. The market is currently working to come up with more packages, which will be announced in due course.

“The DFM is closely working with all accredited brokerage companies to provide for them better and more advanced services and the most flexible means of communication with investors, particularly electronic trading tools and trading via smart phones,” he added.

## Dear Investor,



To save time and efforts, you can access through the SCA website [www.sca.gov.ae](http://www.sca.gov.ae) the dispute resolution system and the arbitration services concerning securities-related disputes.



## By boosting studies to determine the performance of economic sectors SCA continues to develop market index



A great importance is attached to stock indices for investors as a tool by which they know the movement of capital markets and stock prices in general, which enable them identify market trends and make their investment decisions at the right time.

The method of calculating indicators in the capital markets vary from one country to another. In some countries, the level of prices is measured for a sample of stocks that are traded in the financial market. These are selected in a manner that allows the index to reflect the state of the relevant market. Other countries measure the index for all stocks listed on the market in general and there are sectoral indices which measure the state of the market for a specific sector or industry. There is also a set of indicators that reflect the bond markets, in addition to the indicators used as a basis for derivative contracts.

The SCA exerted great efforts since its inception in order to keep the index of the Emirates Securities Market updated in line with international best practices reflecting the true performance of the economic sectors listed on the market. It has continued the development of the index to reliably reflect the movement of the stocks and provide the investors with a clear picture of the reality of trading during each session.

The SCA has recently conducted a study and prepared a new index calculated internally, called the Free Float Index, in cooperation with the Follow-up Committee on the Emirates Securities Market Index. The new index will be monitored internally.

At the beginning of May of 2011, the SCA launched a new index for the UAE financial market aimed at improving the performance in the financial markets in the State. It was used to unify the sectoral classification of companies listed on the financial markets in the UAE and to redistribute the companies to 10 sectors in consistence with international best practices adopted by major international



### ADX implements new trading mechanism

As of 2013, Abu Dhabi Securities Exchange adopted a new trading mechanism known as “call auction” to calculate the closing prices and market index pursuant to the market management’s plan to develop the work processes in line with the best international standards applicable in this regard.

The new Free Float Index, which is a shift from the current system of Volume Weighted Average Price (VWAP), is being calculating based on the free stocks available for trading, i.e. the weight of each listed company in the index will depend on the number of shares available for trading only, and excluding the untradeable shares identified as the shares owned by governmental entities and the founders’ shares during the trading ban period, as well as and equity of 10% or more in the capital of the listed company and un-deposited shares.

rating agencies. The process was intended to promote the necessary studies and analysis to determine the performance of those sectors as a prelude to making wise investment decisions given the fact that indices should reflect the true positions of the listed companies, their various activities and subsequently the sectors within the market. The importance of this development in the index stems from the that it has contributed to the unification of sectors in the SCA, Dubai Financial Market and Abu Dhabi Securities in accordance with the international standards for sector classification set by Standard & Poor’s and Morgan Stanley.

Based on the new classification, the investors can take greater advantage of the market indices and make better investment decisions based on readings and analysis

emanating from sound basis of comparison not only at the local level, but also at the regional and global levels. Furthermore, unification of the sectoral classification helped in addressing the disparity in the sectoral classification and avoiding the difficulty to determine the performance of these sectors. It has also facilitated the process of conducting studies and analysis and supported the activities of economic research needed to plan appropriate investment decisions. Moreover, the new sectors and the emanating indicators therefrom reflected the true position of listed companies and their various activities for all sectors in each individual market separately, especially in light of the growing increase in the number of existing companies and projected ones during the next stage.



# Licensing public joint stock companies

## Prospectus

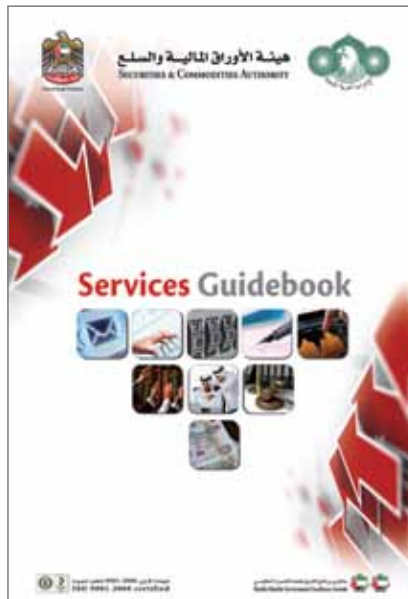
To establish a public joint stock company, SCA requirements demand that the number of founders should be at least 10 natural or corporate persons and the capital should not be less than AED 10 million subject to the minimum capital limit in accordance with the licensing requirements.

According to a service guidebook, recently issued by the SCA, with the aim of raising awareness of parties related to the local financial markets, it is required that the number of shares subscribed by the founders should be at least 20 % and not more than 45% of the company's share capital subject to the necessary requirement of harmony and specialization in the main purposes of the company. An application shall be made to the SCA for approval in principle on the establishment of a public shareholding company. This procedure takes 10 working days. In the event of approval by SCA, some documents must be submitted on a CD-ROM to both the SCA and the competent local authority, i.e. Department of Economic Development in the concerned emirate. The documents should include a copy of the draft Memorandum of Association, a copy of the draft Articles of Association, the economic feasibility study and a time plan prepared by an approved expertise house.

## In-kind Shares

In the case of an in-kind share contributed to the capital, the application must enclose an in-kind share evaluation report prepared by an approved expertise house. The draft IPO document approved by the Committee of the Founders must also be submitted, as well as the draft announcement of the prospectus, in addition to the initial approvals and licenses obtained by the company to engage in the activity from the concerned authorities in the country (for example, the Central Bank for banks and finance and investment companies; the Insurance Authority for insurance companies).

The submitted documents should also include a document to the effect that a licensed arranger and auditor of the IPO accounts have been appointed along with an Arabic version of the agreement signed with them to determine their functions and fees. The fees for examining the application



to establish a public joint stock company in the amount of AED 5,000 shall be paid by e-Dirham. This procedure takes 10 working days at the SCA.

A meeting shall be held between the SCA and the competent local authority with a view to examine the application and enclosed documents within five working days. In case the company's incorporation application has been approved, the competent authority shall issue a decision to license the company's incorporation. The decision shall be published in the Official Gazette at the expense of the founders. The founders may proceed with the company shares' public offering within 15 days from the date of the competent local authority's decision to license the company. Prior to the IPO, the founders shall further provide the SCA and competent authority with a certificate issued by the Bank where payment was made for their cash share proving that the indicated proportion has been paid and also proving the deposit of the issue expenses for all their shares.

The founders shall make an undertaking to deposit the proceeds resulting from subscription in the company total shares into the account of the joint stock company under incorporation. The surplus amounts and their ensuing proceeds shall be refunded to the subscribers within 15 days from the subscription closure.

Having obtained the consent of the SCA on the announcement of the prospectus, it shall be published in two daily Arabic Language newspapers at least five days before the commencement of subscription along with providing the SCA with an electronic copy of the printed prospectus. This procedure takes 5 working days at the SCA.

The subscription shall remain open for a minimum of 10 days and a maximum of 90 days. In case all shares have not been subscribed during the period, the founders by a decision of the SCA and the competent authority may extend the subscription period for no more than 30 more days.

Should the subscription go beyond the number of offered shares, the shares are to be distributed among the subscribers by proportion of their subscriptions. Distribution is made to the nearest full share.

## Refund of Surplus Amounts

Allocation and refund of amounts in excess from the subscription shall be made within 15 days from the subscription closure. The company shall include details of convening the founding general assembly into the allocation notice sent to the subscribers. Following subscription, the company is committed to sending the register of shareholders to the securities market where listing of the company securities will be made.

The company shall announce the invitation to the subscribers to attend the founding general assembly after obtaining the consent of the SCA. Such meeting shall be held within one month from the subscription closure date. In case the quorum of the first meeting is not present, it will be held on the following day. Founders shall notify the competent authority of the general assembly meeting. If the subscription period was extended, the general assembly dates shall be amended accordingly. In case the subscription has not entirely been covered after the extension, the founders shall either relinquish the company's incorporation or decrease the capital subject to the approval of the Minister. The Minister's approval decision to decrease the capital shall be issued





following the approval of the competent authority. The founders may subscribe for the shares that have not been subscribed for subject to the approval of both the

Minister and the competent authority.

The general assembly agenda shall include the founders' committee report on the company incorporation procedures. Such report shall contain disclosure of any material events taking place during the establishment period, disclosure of incorporation details and expenses, election of the first board of directors' members, appointment of auditors, endorsement of the evaluation of the in-kind shares, if any, approval to appoint the Shariah Supervisory Board (for companies operating in accordance with the Islamic Shariah) and the announcement of the company's incorporation.

Within 7 days from the general assembly, the founders shall make an application to the SCA to announce the company's incorporation enclosing the company's memorandum of association and articles of association authenticated by the notary public, a certificate by the auditor together with the bank deposit certificate to affirm the capital in full has been subscribed and payments by the subscribers of the share prices, a list of their names, nationalities and

number of shares subscribed by each.

It shall also enclose a written declaration by each member of the board of directors including names of the joint stock companies where he/she holds the position of chairman, vice chairman, board member or managing director, date of taking up the post, general assembly minutes of meeting as well as a written declaration that he/she has never been sentenced to a crime involving moral turpitude and honor and never been declared bankrupt, final electronic copy of the prospectus, a form for a joint stock company registration and payment of the company registration fee through the e-Dirham (namely: minister's decision fee for a company's incorporation (AED 1,000), publication of official instruments (AED 20,000) and joint stock company registration fee (AED 10,000)).

The Minister shall issue a decision on the company's incorporation within 5 working days from the application date. The decision shall be published in the Official Gazette enclosing the company's memorandum and articles of association at the company expense. It takes the SCA 5 working days to finalize the transaction. The company is expected to provide the SCA with the audited opening financial statements together with the notes, auditor's report thereon on the company incorporation date (the Minister's decision date).

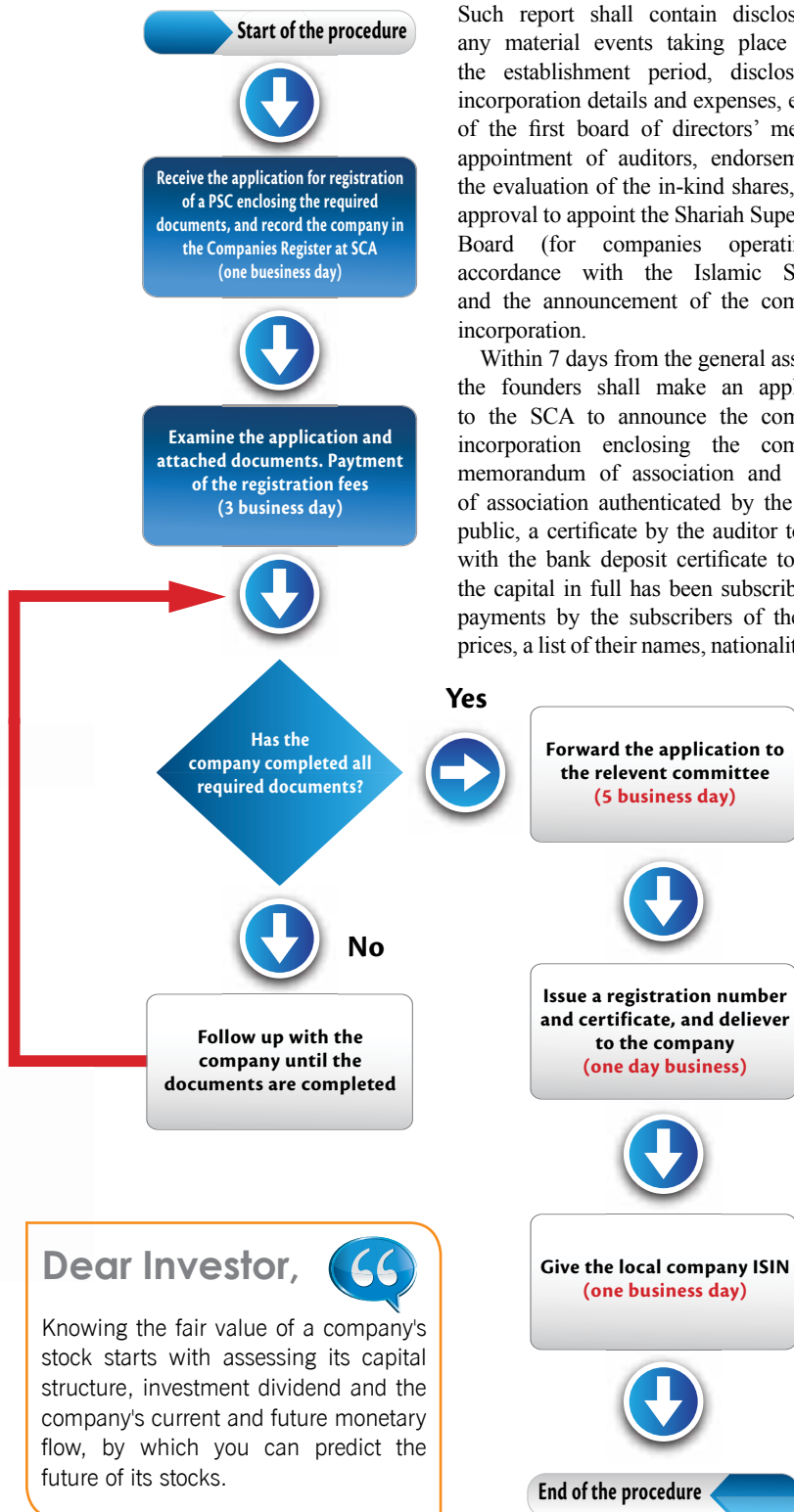
The board of directors shall, within 5 days from the date of the Minister's decision to announce the company's incorporation, take procedures of the company declaration and registration in the commercial register, publish the Minister's decision in the Official Gazette enclosing the company's memorandum and articles of association and provide the SCA with the receipt proving the payment of charges of the publication in the Official Gazette, a copy of the company registration and a copy of the company trade license.

Once the company has satisfied all requirements, the SCA shall issue the registration certificate. This procedure takes 3 working days to be finalized at the SCA.

To obtain the forms, kindly visit the SCA website: [www.sca.gov.ae](http://www.sca.gov.ae)

## Renewal of Company Registration

Local public joint stock companies may renew their registration through the electronic service on the SCA website



## Dear Investor,

Knowing the fair value of a company's stock starts with assessing its capital structure, investment dividend and the company's current and future monetary flow, by which you can predict the future of its stocks.



after the payment of the prescribed fee for registration renewal in the amount of AED (5,000) using the e-Dirham card through the electronic payment service.

The procedures takes one working day at the SCA.

### Requirements for Local Company Registration

The conditions for listing the securities of public joint stock companies established in the State for trading in the market shall be according to their classification provided the listed company's name shall be coupled with its classification category in all cases.

#### First Class:

To classify a company of this category, it is stipulated that the company must be registered with the SCA and must have been established at least two years ago and has issued two balance sheets audited by an auditor registered in the operating auditors' registry and authorized to audit the accounts of joint stock companies; and its paid up capital shall not be less than AED 25 million or 35% of the subscribed capital whichever higher.

Furthermore, it is stipulated that the equities per each class of shares issued by the company are equal; and such equities in the company at the time of filing the listing application shall not be less than the paid up capital. The convening of the ordinary general assembly must be proved at least once during the year. It is further stipulated that the company undertakes to publish its balance sheets and business results in the daily publishing media prior to allow its shares to be traded in the market, as well as any other requirements decided by the SCA board of directors from time to time.

#### Second Class:

A company shall be classified in this category in case of not satisfying one or more of the first class requirements or other

### Writing off local PJSC

The registration of companies may be written off by submitting a letter to this effect or under a decision issued by the SCA board of directors.

In case of SCA approval, the following must be provided:

- A No-objection Letter to write off the listing on the relevant financial market, decision of the general assembly or decision of the board of directors in this regard.
- Payment of writing off fee in the amount of AED 1000 to the SCA in addition to any fines, if any, as evidenced by a receipt for such fees. In case of approval to write off the company, the relevant market and the company shall be addressed to set a date to withdraw the share register from the market and notify the SCA accordingly.

conditions as prescribed by the Board from time to time.

Companies are transferred from the second class into the first when the transferred company has satisfied the listing requirements of the class it is transferred to. Companies are transferred from the first class to the second when breaching the conditions of its current class listing subject to the availability of the listing requirements of the class they are transferred to.

### Documents to be attached to application

The listing registration application form of the SCA must be attached with the registration application fees, the company's memorandum and articles of association as amended in conformity with the provisions of the Commercial Companies Law.

It is further stipulated to attach a report issued by the company's board of directors

including an overview of the company's incorporation, its main purposes and its relations with other companies whether a parent, subsidiary, sister or affiliate company, if any. It shall also include names of all board of directors' members and executive managers together with a list of the securities owned by each or by their first degree relatives and issued by the parent company or by a subsidiary, sister or affiliate, if any, and membership of any of them in the boards of directors of other public joint stock companies.

A list of the securities holders who together with their minor children or with any other person jointly with the assets or branches own 5% of the company's securities shall be attached.

Furthermore, the company financial statements coupled with a report by the board of directors and auditors' report together with the quarterly financial statements covering the period from the end of the fiscal year preceding the listing application and up to the end of fourth quarter that precedes the date of such application shall be attached provided they are certified by the company auditor. The minutes of the general assembly for the two fiscal years preceding the listing application date shall be attached together with an undertaking to publish the annual and quarterly financial statements, a summary of the reports by the company's board of directors and auditors in the daily newspapers before allowing the shares to be traded in the market.

### Registration Fees

The registration and listing application fee at the SCA is AED 2,000 to be paid when the application is filed.

The application shall be presented to the competent committee assigned to examine registration application at the SCA. The procedure takes 5 working days at the SCA.

## Renewal of the Local Public Joint Stock Company

The registration may be renewed by the end of the year on December 31 of each year. The company shall submit a listing renewal application to the financial market where it is listed. The annual renewal fees are paid through the relevant markets as follows:

**Renewal fee for the registration of a company with a capital of AED 500 million or less.**



**AED 30,000**

**Renewal fee for the registration of a company with a capital of more than AED 500 million and up to AED (2) billion**



**AED 50,000**

**Renewal fee for the registration of a company with a capital of AED (2) billion and more**



**AED 100,000**

The receipt voucher for the payment of the listing renewal fees shall be given to the company by the financial market. The application shall be approved and the registration renewal certificate shall be issued. The original certificate shall be sent to the company by mail.



Organized in Abu Dhabi and Dubai

# SCA seminar highlights how to build ideal portfolios



A seminar recently organized by SCA in Abu Dhabi and Dubai discussed how to build ideal portfolios that aim to reduce risks without sacrificing returns .

The seminar, presented by the economist Dr. Amr Jamaludeen, Professor of Economics, at the University of Abu Dhabi , explained the definition, types and objectives of securities investment portfolios, as well as the steps of portfolio management and how to build a portfolio according to the theory of efficient diversification developed by the economist Harry Markowitz. The theory considers three conditions: selecting investments from the start within the efficient investment group; the correlation coefficient among the investments within the portfolio must be negative as much as possible; and distributing the total funds among investments within the portfolio according to an optimized method.



Dr. Jamaludeen explained that investment plays an important role in the economy, especially under the ongoing transformations. He noted that the means and methods of investment are numerous and various according to the investor's view and tendency. Probably, the most important method and tool is the formation of the investment portfolio the theory of which was developed by Markowitz in 1956, and was subject to study and development by several other researchers such as Turner and others.

He pointed out that the formation of the portfolio is intended to maximize the wealth by increasing benefits, in addition to reduction of risks that may face the investor. However, the issue at hand in this situation is how is the structure or basic formation of the investment portfolio's assets according to return and risk criteria?

The lecturer addressed the controls and restrictions on the securities portfolio formation; the factors that should be considered when managing a securities portfolio; the risks facing the securities investment portfolio; the technical considerations; and the steps to manage an investment portfolio .

The seminar reviewed the origination, essence, the advantages, and the various types of investment funds, such as growth funds, income funds, open funds and closed funds, as well as the organizational structure of such funds and the three policies used in the management of investment funds which are: the general policy (aggressive), conservative policy and balanced policy. The seminar

also addresses how an investor should select portfolios and how to evaluate the performance of funds based on the investment return and risks. It also discussed the expected role of investment funds in the national economy, individual investments and promotion of the stock market.

The lecturer said that investment is one element of effective demand besides consumption. It adds to the accumulated wealth as it leads to increasing or preserving capital. Furthermore, the investment strategy is the first step when making an investment decision. In this regard there are two types of strategies :

Cautious strategy designed to slowly make profits from high risk investments and active strategy aiming to make a quick profit through speculation .

He explained that there are two main factors in the selection between these two strategies, namely cost and diversification.

The lecturer defined the investment tools as the true or financial asset obtained by the investor for the amount he invested. He said that some people define the investment tools as means of investment, pointing out that investment tools available to investors are numerous and diversified.

The lecturer categorized the financial investment tools into short-term tools including loans on demand, treasury bills , commercial papers, deposit certificates and foreign currencies (instant dealing); and long-term tools including common stock, premium stock and bonds.

## Dear Investor,



Have a clear investment plan by exactly identifying your aim and market-entry and exit policy. Avoid making emotional decision when buying or selling.





Adding to its series of simplified investment awareness booklets

## SCA issues booklet on corporate governance and organization discipline



The Securities and Commodities Authority (SCA) has issued a new booklet titled: “Corporate Governance” as part of its efforts to boost investor and clientele awareness in all areas of investment.

The booklet highlights the significance of corporate governance and its role in organizing relations between the board of public joint stock companies (PJSCs), on the one hand and stakeholders on the other hand, within a framework of rules and regulations which define rights and responsibilities of each of the parties in a way that would help achieve the objectives of the company.



The 20-page booklet defines corporate governance as a collection of rules and procedures which lead to organization discipline in the running of a company according to international standards and methods, outlining the responsibilities of board members and executives of the company with the aim of protecting the rights of shareholders and other stakeholders.

The booklet equals good governance to successful performance of a company or institution by managing successfully its various risks, putting in place effective working strategy for the company and following up closely its results to allay the fears of investors and building confidence in them. Corporate governance also help attract local and foreign investors, minimizes corruption and capital flights, the booklet says, adding that corporate governance of a company has three dimensions: economic or investment dimension, social and legal dimension and environmental dimension.

It also touched on international principles of corporate governance. It says corporate governance has global recognition as an international criteria for measuring the quality of company's administration, adding that it is being used by governments, regulators, investors and shareholding companies of member and non-member countries of the organization, including the UAE which has strongly adopted those principles.

According to the booklet, the principles include, firstly: having efficient corporate governance framework by developing its structure, sharing of responsibilities to safeguard the interest of the general public and providing all the necessary resources that will enable market regulators play their role effectively.

Secondly: safeguarding the rights of shareholders, including their general rights like the company keeping records of ownership to keep information about shareholders' ownership, their contributions and any change that may happen in those information and access to those records. They also include providing to shareholders regular financial statement and information regarding the situation of the company, shareholders' right of participating and voting in general assembly and their share of the company's annual dividend. Others

are their rights to have the first priority in subscription of new issuance of the company's additional shares before the latter is floated for other investors, and other rights within the powers of the general assembly like grilling of the company's board on matters related to the company, its performance and future plans, the dismissal or appointing of board members and approving their allowances, renewal of contract of external auditor and ratifying of the company's financial statement.

The third principle of corporate governance is equal treatment of all shareholders by giving each member of a category same voting rights, right to access information on voting rights of all categories of shareholders before purchasing the shares. Any change in the voting rights which is likely to have negative effect on some of the categories of shareholders must have first the latter's approval. Equal treatment also demands that the rights of minority shareholders be protected against any abusive practices from all the various categories of shareholders.

The booklet also cited other corporate governance principles as including the role of corporate governance stakeholders, disclosure and transparency. It says companies must have their framework based on disclosure policies approved by the board to organize the disclosure procedures according to the requirements of the concerned government bodies. It added that the companies must provide for the shareholders all the necessary information in a sound form and on time to help them make informed investment decisions. The company must also prepare its financial statements according to normal international standard. Responsibilities of board of directors is the fourth and last principle of the corporate governance principles outlined by the booklet, which says corporate governance framework rules must underline the company's management and effective supervision strategies, as well as the responsibilities of the company's board towards the company and its shareholders. The board members must also work on the basis of a person committed to the interest of the company and its shareholders and must give equal treatment to all categories of shareholders and must ensure the rule of law, while remaining committed to the interest of all stakeholders.



# Investor misconducts in the capital markets



Investors perpetrate several types of misconducts in the capital markets that can be classified as criminal acts by the law. Such misconducts cannot be specifically identified or listed. However, any act which violates the law and regulations of the SCA constitutes a crime or administrative violation that may be subject to penalty or punishment. Additionally, any error in selecting the broker or the traded securities or in considering the circumstances of the investment decisions would cause cumbersome financial losses.



Acts committed by investors and are subject to accountability include the following:

- Execute proactive buying or selling based on other investors' information and misuse such information to achieve personal benefits.
- Execute cross transactions under an agreement between investors to arrange such transactions and exchanging roles (buying and selling) with the aim of creating unreal active market for certain securities or to affect the volume of trading in the market.
- Investors perform cross transactions in their accounts through various brokerage firms to conceal manipulation which aims to influence a share price.
- Disseminating incorrect information about offers to buy shares of certain companies, and disseminating and promoting rumors about substantial (positive) developments such as mergers with leading companies, or contracts or deals that generate considerable revenue for those companies; or negative information such as company liquidation or bankruptcy in order to conduct buying or selling transactions with a view to make profits or avoid losses.
- Insider trading in the shares of a listed company having shares traded in the market during the blackout period for disclosure of essential information that would affect the share price, 10 business days prior to the announcement of such information until the date of the announcement.
- Insider trading in the shares of a listed company during the blackout period for disclosure of the financial statements of

the listed company, i.e. 15 days before the end of the quarterly, semi-annual or annual financial period until the disclosure of the financial statements.

- An investor executes a buying transaction that raises his own ownership along with his minor children and associated group to 5% or more of the shares of a listed company without disclosing such percentage to the market.
  - An investor or his minor children and associated group execute(s) a buying transaction that cause a change of (1%) or more change above the disclosure threshold of (5%).
  - If the investor or his minor children and associated group acquires 30% or more of the shares of a company listed on the market without notifying the Authority and obtaining its approval.
- The SCA law and regulations set forth the sanctions for such criminalized misconducts including imprisonment and/or fine as commensurate to the severity of the criminal act, or administrative sanctions such as a fine or suspension from trading.

## Inadvertent Misconducts

- Executing proactive buying or selling based on other investors' information and misuse such information to achieve personal benefits.
- Entering purchase orders at various and progressive prices in small amounts to support sales operations carried out by the investor in large amounts so as the share price is not affected by the decrease.
- Executing cross transactions under an

agreement between investors to arrange such transactions and exchanging roles (buying and selling) with the aim of creating unreal active market for certain securities or to affect the volume of trading in the market.

- Entering a (selling and buying) order at price close to the execution price and when the price of the order approaches the execution price, the investor modifies the price or cancel the order to prevent the execution so as to support buying or selling operations by the investor .
- Investors perform cross transactions in their accounts through various brokerage firms to conceal manipulation which aims to influence a share price.
- Investors perform cross transactions between their personal accounts as agents for other investors; and thus, the decision maker for both buying and selling is the same investor at the same time, through two different brokerage firms in order to influence the share price.
- Influencing the closing price by purchase transactions for limited quantities (e.g., 50 shares) of the shares of a certain company at the end of the trading sessions.
- Disseminating incorrect information about offers to buy shares of certain companies, and disseminating and promoting rumors about substantial (positive) developments such as mergers with leading companies, or contracts or deals that generate considerable revenue for those companies; or negative information such as company liquidation or bankruptcy in order to conduct buying or selling transactions with a view to make profits or avoid losses.



## Topping the markets worldwide in total value of the INR futures traded globally on exchange DGCX records 12.9million contracts in 11 months

Year-to-date volumes on the Dubai Gold & Commodities Exchange (DGCX) increased by 51% in November, with over 12.9 million contracts.

Leading the volumes surge was the currency sector, which registered a year-to-date rise of 55%. In November, DGCX accounted for 40% of the total value of the INR futures traded globally on exchange, the highest market share of any exchange.

The Exchange's flagship product also saw a 6% month-on-month and a 43% year-to-date increase in volumes.



Japanese Yen futures also showed a substantial year-to-date rise of 61% to reach 16,840 contracts.

SENSEX futures continued its robust growth since its launch earlier this year, hitting its second highest monthly value of USD \$178 million in November with 8,591 contracts.

Silver was the key performer among precious metals with year-to-date volumes rising 37% in November, to aggregate 14,939 contracts.

Year-to-date volumes on the Dubai Gold and Commodities Exchange (DGCX) grew 56% in October from the same period last year to total 12.17 million contracts, valued at \$25 billion.

Among the key highlights of October trading was the robust growth of precious metals contracts. Gold Futures volumes

increased 60% from last month to reach 45,928 contracts while silver futures rose 88%, hitting its highest monthly volume of 2,882 contracts this year.

October trading volumes helped DGCX Gold Futures increase its market share in Asia by 2%, reinforcing its status as one of the highest traded gold futures contract in Asia.

Year-to-date volumes on the Dubai Gold and Commodities Exchange (DGCX) registered a growth of 69% over last year, with a total of 11,357,329 contracts traded until the end of the third quarter of 2013.

The growth was supported by a 2% year-on-year rise in monthly volumes in September, which saw 988,269 contracts worth USD 28 billion being traded.

DGCX's precious metals segment was a key performer in September. Volumes

in gold futures climbing 23% from last month, driven by increased price volatility in precious metals. Silver futures grew 53% from August.

Year-to-date volumes in currency futures surged 77% from the same period last year with Indian Rupee Futures, Yen futures and Euro Futures registering a growth of 62%, 72% and 74% respectively. Mini INR futures grew 15% in September from the previous month.

The month of September witnessed increased price volatility in precious metal against the backdrop of the uncertainties in the US economy, geopolitical regional events and the festivities season in India which is arguably one of the world's highest consumers of gold. DGCX provides for participants a conducive, well-organized and risk-free climate for trading of gold



**51%**  
**DGCX Year-to-date volumes increase**

futures contracts.

Commenting on the developments, Gary Anderson, Chief Executive Officer of DGCX, said, “With the heightened volatility seen in Emerging Market economies, it is critical that the Middle East’s business community has access to secure exchange-traded contracts to manage currency and commodity risk. This is particularly critical for regional businesses that have strong trade and investment links with large emerging markets. The continued volume growth of Indian Rupee futures and SENSEX futures is testimony to the risk management and investment benefits our Emerging Markets (EM) products offer to a range of institutions. We continue to engage with regional and international markets to explore new Emerging Market products, and are well positioned to develop a strong offshore trading platform for such contracts.”

**Dear Officer of Financial Services Company,**



To save time and efforts, you can acquire through the SCA website [www.sca.gov.ae](http://www.sca.gov.ae) the custodian licensing and license renewal services, financial consultancy licensing and license renewal services and commodities brokerage company licensing and license renewal services.

## DGCX to list plastics futures contract

Dubai Gold and Commodities Exchange (DGCX) has announced it will launch its new plastics futures contract on February 28, 2014. The contract is designed to provide enhanced liquidity in the global trade of plastics and will be the first ever plastics contract to be listed in the MENA region. The new DGCX Polypropylene plastic futures contracts will create a transparent market and new pricing benchmark for the MENA region. The contract is sized at 5 metric tons (MT), with the contract price quoted in US dollars per MT. Physical delivery will also ensure price convergence between the futures market and the physical market. DGCX has approved leading warehouses for the delivery of the product.



Global production of Polypropylene exceeds 65 million metric tons annually, over twice the annual global production of Aluminium. The UAE is one of the world's largest producers of Polypropylene- the most common plastic product used in manufacturing and packaging.

## DGCX earns two prestigious international industry awards, capping off year of tremendous growth and development

The Dubai Gold and Commodities Exchange (DGCX) has been named as ‘Emerging Exchange of the Year’ in Asia for 2013 by Futures & Options World (FOW), a leading global derivatives magazine. DGCX’s ‘EOS Trader’ platform was also named the year’s ‘Best Technology Innovation by an Exchange’.

DGCX beat stiff competition from Thailand Futures Exchange and India’s United Stock Exchange for the ‘Emerging Exchange of the Year’ award; while it was chosen over some of Asia’s largest exchanges like ASX/SGX, HKex and Bursa Malaysia for the ‘Best Technology Innovation’ award.

FOW’s ‘Emerging Exchange of the Year’ award is given to an exchange in an Asian emerging market that demonstrates “tangible innovation and growth”. DGCX got the jury’s nod for its exceptional volumes growth and product innovation this year. The ‘Best Technology Innovation’ recognized the innovation the Exchange demonstrated in implementing an advanced EOS trading platform in response to the needs of its member community. The Exchange was also named the runner-up in the category of Asian Exchange of the Year.

## DGCX named exchange of the year 2013

Dubai Gold and Commodities Exchange (DGCX) emerged as a big winner at the Futures & Options World International Awards held this week, picking up two major industry awards. DGCX was named the “Exchange of the Year 2013” in the Middle East and Africa and its EOS trader platform was recognized as the “Best Technology Innovation by an Exchange” in Asia, Australasia, Middle East and Africa.

This is the second time in two months that DGCX has been recognised by FOW for its growth and innovation. DGCX was also named “Emerging Exchange of the Year” at the FOW Asia awards, held in Singapore in September 2013.

DGCX’s product portfolio covers a diverse range of indices, energy, precious metals, base metals and currencies.

