

Annual Report



2017

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



H.H. Shaikh Khalifa bin Zayed Al Nahyan
President of the United Arab Emirates



H.H. Shaikh Mohammad bin Rashid Al Maktoum
Vice President, Prime Minister of the UAE and Ruler of Dubai

MESSAGE OF HIS EXCELLENCY THE CHAIRMAN

The Securities and Commodities Authority (SCA) has continued its strenuous efforts throughout the last year to provide a favorable climate for investment in securities and for the advancement of the national capital market according to the best international standards and practices. In 2017, SCA has focused on enhancing the legislative platform for the securities markets, promoting their control and supervisory role, and upgrading their organizational structure and technical and administrative cadres through accurate and efficient implementation of the indicators of their strategic and operational plan. This was based on the firm conviction that investment in securities represents a basic support of the national economy and that investors are the cornerstone that should receive all the care and attention.

Noticeably, the SCA's performance was going in harmony and accord with the themes and initiatives incorporated in its strategic and operational plan. It stems from the SCA's mission, vision and values aimed at upgrading the level of transactions in securities and commodities markets in the UAE by ensuring the application of transparency, integrity and fairness principles, in addition to encouraging the culture of innovation, emphasizing institutional development, reinforcing their presence on the Arab and international arenas and consolidating partnerships with active players and strategic partners.

During the last year, SCA developed a new Strategic Plan (2017 – 2021), in addition to launching the strategy for developing the Islamic capital market, and an outlook plan towards 2050, which included scenarios for future developments and the impacts of technology and economy on the securities markets. This effort aims at supporting SCA's strategic planning based on the future potential changes indicated by the international renowned think tanks and the research papers and questionnaires distributed to specialists.

The SCA has also implemented the Self-Regulatory Organization (SRO) model in the financial markets of the UAE. It has worked intensively and closely with the financial markets to complete the legislative platform for the tools and mechanisms that were transferred to be part of the functions of the financial market. In addition, the SCA initiated the development of the mutual fund regulations to be in compliance with the EU UCITs regulation, as well as the primary market and governance requirements. The SCA exerted every effort to attain higher rankings in the World Bank's Competitiveness Index.

In an endeavor to achieve the best results in protecting the rights of investors and the parties concerned with the capital market, and to promote sound practices among market participants and protect all market participants against illegal, fraudulent or manipulative practices, SCA launched the "National Project for Investor Awareness in Financial Markets".

Under its plan to empower competent Emaratis, the SCA organized specialized training courses and programs to develop the skills and capabilities of its national employees, most importantly "The Financial Control for Future Leaders" program. The SCA also participated with a number of government authorities in projects aimed at increasing the Emiratization rate in the securities sector and the financial sector in general.

At the international relations level, the SCA has managed to win the bid to host the 45th Annual Meeting of the International Organization of Securities Commissions (IOSCO) planned to be held in Dubai in 2020. The SCA also achieved remarkable success in organizing the 38th Meeting of Africa and Middle-East Regional Committee (AMERC) of the IOSCO, which was held in Abu Dhabi in February 2017.

Unquestionably, in light of its efforts to regulate the capital market, enhance its stability and upgrade the transparency levels therein, the SCA managed to go a long way in achieving several goals aimed at promoting the investment environment and creating a favorable investment climate to attract investors and add more depth to the securities markets in the UAE.

Finally, I am looking forward to seeing the opportunity made available to all interested parties to review the content of this report. I hope that customers find in its sections all the basic information that will enable them to better understand the role of the SCA and its initiatives to develop the financial markets, in a manner that has positive implications on the performance of the financial market and the national economy of the United Arab Emirates.



Eng. Sultan bin Saeed Al Mansoori
Minister of Economy and SCA Board Chairman

MESSAGE OF HIS EXCELLENCY THE CEO

The Securities and Commodities Authority (SCA) achieved a significant progress in terms of the initiatives launched and achievements made in 2017. Evidence and depictions of this development can be seen at several levels.

In implementation of its strategy and plan for the future, the SCA has developed a road map to upgrade the financial markets to an advanced market status. To this end, several new regulations and tools have been introduced. At the same time, the SCA works with the financial markets to introduce new products such as hedging products including options, swaps and futures.

According to the Self-Regulatory Organization (SRO) model, the SCA has authorized the financial markets to regulate certain products and operational activities of the stock exchanges and has converted the financial markets from the vertical to the horizontal model by separating the clearing, settlement and depository centers from the trading platforms, in accordance with the best international standards adopted by developed markets.

Thanks to the directives of its Board of Directors, chaired by His Excellency Sultan bin Saeed Al Mansoori, Minister of Economy, the SCA has also endeavored to promote innovation in the financial sector in all areas that showed potential for improving the performance and role of the financial sector.

In this context, the SCA is currently working with its strategic partners and consultancy entities to develop a regulatory sandbox to provide a safe environment for experimenting new ideas. In this context, the SCA took initiatives to regulate FinTech and RegTech in cooperation with an international consultancy firm. The SCA also works on adopting the most appropriate regulatory methodology that would provide an environment supportive of innovation and competition, taking into account other key regulatory objectives, particularly protecting the markets and investors.

On the other hand, in line with the directions and vision of the UAE prudent government aiming to build sustainable economies, the SCA adopted an initiative to develop comprehensive roadmap for the development and promotion of sustainable capital markets and green capital markets. The SCA is currently engaged in roundtable panel discussions and meetings with all stakeholders from both public and private sectors to seek their views and gain the support required to implement this strategy. In this regard, it should be noted that SCA also has other supportive initiatives in this direction, including but not limited to, initiatives relating to the development of the regulations as to governance controls by incorporating articles that address the issue of “green markets” and “carbon markets”, as well as incorporating several other aspects in the regulations, such as social responsibility and business continuity, in addition to increasing the percentage of women participation on boards of directors of listed companies.

The year 2017 also witnessed two very important initial issues: The shares of both Emaar Development and Abu Dhabi National Oil Company (ADNOC) were offered in IPOs and were listed on the UAE securities market. The SCA also supervised the merger between Abu Dhabi National Bank and First Gulf Bank, which resulted in the birth of a giant regional and international banking entity, First Abu Dhabi Bank.

Last year also has seen the regulation of the mutual fund industry. In this regard, the SCA issued integrated regulations to organize this business in line with the European UCITS regulations, in addition to approving the second phase of the rating project for financial services companies operating in the UAE financial market. It has also launched the National Investor Awareness Project in the financial markets, took initiatives to nationalize the capital sector jobs and empower UAE citizens, most importantly the Financial Control for Future Leaders program dedicated to SCA employees, which has achieved remarkable success.

Finally, I am firmly confident that the progress made by the SCA in providing sound and fair foundations for trading and for the protection of the rights of investors was a significant step towards improving SCA's performance and elevating it to the level of developed regulators to achieve the aspirations of the prudent leadership of the UAE.



Dr. Obaid Saif Al Zaabi
CEO

Vision

Leadership in developing the capital market and contributing to national economy growth.

Mission

To protect investors and enhance the principles of sound and fair practices, and to improve the efficiency of UAE capital markets through the development of the necessary legislation, the enhancement of supervisory regulations and the development of investment and legal awareness.

Values

Fairness and equity: Protecting the rights of all parties involved in the capital and commodities market and achieving safe and accurate transactions.

Partnership and cooperation: Building strong alliances and strategic partnerships with the aim of achieving mutual benefit and interest on the capital markets.

Transparency: Providing sufficient information and data to all parties involved in the capital market at the same time.

Creativity: Adopting and implementing standards of excellence and innovation in the designing and execution of tasks.

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The Securities and Commodities Authority (SCA) achieved significant progress in terms of initiatives and achievements made in 2017. The SCA completed a legislation package which has complemented a significant part of the legislative platform of the financial markets. Furthermore, the SCA implemented the Self-Regulatory Organization (SRO) model in the UAE financial markets. As a result, the SCA passed on some of its powers to the markets, such as margin trading, direct trading, online trading, market maker, etc. Furthermore, a decision was issued to form the “Advisory Board in Financial Markets” which includes experts and specialists in issues relating to the capital market, to discuss the developments in the sector and consult on issuing new regulations.



The SCA introduced the Islamic financial market strategy, which is the first of its kind at the regional and international levels. The SCA conducted a project to shape the future of the SCA and the UAE capital market until 2050 including proactive strategies which must be developed based on a number of scenarios. The SCA completed its new organizational structure which contributes to improving the performance and ensures focusing on the key objectives and operations in the SCA.

The SCA completed the National Investor Awareness Project in the financial markets which included using a number of channels and innovative digital means of communication. It also organized an annual conference titled “Financial Markets and Their Role in Building An Economy Based on Knowledge, Innovation and Happiness”, which was attended by a range of financial market experts and specialists from all over the world. The SCA hosted the meeting of Africa and Middle East Regional committee for the first time.

The SCA's efforts and outstanding international achievements paid off when it won the bid to organize the IOSCO's conference where thousands of specialists who represent the supervisory members at the IOSCO are scheduled to participate in its events and workshops.

The SCA received recognition at the national level.

H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister, and Ruler of Dubai, honoured the SCA for winning HE Sheikh Mohammed bin Rashid Government Excellence Award; categories of Leading Federal Entity and subcategory of Administrative and Financial Governance, as part of HE Sheikh Khalifa Government Excellence Program, which is the most prestigious organizational excellence award at the level of the federal government entities.

Before the end of 2017, the SCA was honoured by H.H. Sheikh Mohammed bin Rashid Al Maktoum for the second time when the initiative of “Women Representation on Corporate Boards” won the best initiative award which supports gender equality at the national level.

Below is a detailed presentation of the SCA's achievements at the legislative, supervisory, organizational and institutional levels.

Legal Affairs

I. Development of the SCA's Legislative Environment:

New regulations issued in 2017:

- The Chairman of the Authority's Board of Directors' Decision No. (3/Chairman) of 2017 concerning the Regulation of Promotion and Introduction.



- The Chairman of the Authority's Board of Directors' Decision No. (4/Chairman) of 2017 concerning the Regulation for Administrative Services Activity of the Mutual Funds.
- The Chairman of the Authority's Board of Directors' Decision No. (18/Chairman) of 2017 concerning the Rules of Acquisition and Merger of the Public Joint-Stock Companies.
- The Chairman of the Authority's Board of Directors' Decision No. (25/Chairman) of 2017 concerning the Issuance of Regulation for Common Standards to Prepare the Tax Reports.
- The Chairman of the Authority's Board of Directors Decision No. (30/Chairman) of 2017 concerning Cancellation of Application for Temporary Suspension of Practicing Any Activities Licensed by the Authority.
- The Chairman of the Authority's Board of Directors Decision No. (32/Chairman) of 2017 concerning the Regulations as to General and Limited Partnership Fund.
- Administrative Decision No. (1/CEO) of 2017 concerning the Controls of the Real-estate Mutual Fund.
- Administrative Decision No. (2/CEO) of 2017 concerning the Controls of the Private Property Fund.
- Administrative Decision No. (3/CEO) of 2017 concerning the Controls of the Venture Capital Fund.
- Administrative Decision No. (39/CEO) of 2017 concerning the Investment Policy of the Public Open-ended Mutual Fund.
- Administrative Decision No. (57/CEO) of 2017 concerning the Regularization Mechanisms for Mutual Funds.
- Administrative Decision No. (58 / CEO) of 2017 concerning the Regularization Mechanisms for Promotion and Introduction Activities, and the Activity of Administrative Services to Mutual Funds.
- Administrative Decision No. (62 / CEO) of 2017 concerning the Technical Requirements for the Acquisition and Merger Rules.
- Administrative Decision No. (111 / CEO) of 2017 concerning the Regulations as to Receiving Complaints related to the Financial Markets.
- Administrative Decision No. (123 / CEO) of 2017 concerning the Regulatory Controls for the Financial Activities and Services.



- The Chairman of the Authority's Board of Directors Decision No. (9/Chairman) of 2017 concerning the Controls of Publishing of Warnings.
- The Chairman of the Authority's Board of Directors Decision No. (19/Chairman) of 2017 concerning the Handbook of Policies, Procedures, and the Powers and Responsibilities Schedule.
- The Chairman of the Authority's Board of Directors Decision No. (20/Chairman) of 2017 concerning the Regulations as to Human Resources and Powers and Responsibilities Schedule.
- The Chairman of the SCA Board of Directors Decision No. (28/Chairman) of 2017 concerning the amendment of the Authority's Board of Directors Decision No. (48/R) of 2008 concerning the Financial Consultations and Financial Analysis.
- The Chairman of the SCA Board of Directors Decision No. (29/Chairman) of 2017 concerning the amendment of the Authority's Board of Directors Decision No. (1) of 2014 concerning the Investment Management Regime.
- Administrative Decision No. (14 / CEO) of 2017 concerning the amendment of the Decision related to the Inactive Accounts of the Financial Brokers' Clients.

Regulations amended in 2017:

- The Chairman of the SCA Board of Directors Decision No. (2/Chairman) of 2017 concerning the amendment of the Chairman of the Authority's Board of Directors Decision No. (17/R) of 2010 concerning the procedures for Anti-Money Laundering and Combating Financing Terrorism.
- The Chairman of the SCA Board of Directors Decision No. (22/Chairman) of 2017 concerning the amendment of the Regulation as to the Offering and Issuance of Shares of Public Joint-stock Companies.
- The Chairman of the SCA Board of Directors Decision No. (27/Chairman) of 2017 concerning the amendment of the Authority's Board of Directors Decision No. (7/R) of 2002 concerning the Regulation as to Listing of Foreign Companies.
- Administrative Decision No. (68 / CEO) of 2017 concerning the amendment of the System of Violations and Administrative Penalties related to the application of the Authority's Establishing Law and Regulations and the Regulation of Resolution of Complaints related to the Financial Market transactions.
- The Chairman of the Authority's Board of Directors Decision No. (34/Chairman) of 2017 concerning amendment of the Chairman of the Authority's Board of Directors Decision No. (20/Chairman) of 2017 concerning the Regulation of Human Resources and the Powers and Responsibilities Schedule.
- Administrative Decision No. (100/CEO) of 2017 concerning amendment of an Article in the Code of Conduct and Professional Ethics of the SCA' Staff.



- The Legislation reviewed and approved by the SCA for the financial markets:
- Murabaha controls for Dubai Financial Market (DFM).
- Repo transactions controls for DFM.
- Lending and Borrowing controls for DFM.
- Short sale controls for DFM.
- Direct Market Access (DMA) controls for DFM.
- Online trading controls for DFM.
- Margin trading controls for DFM.
- Controls of Company trading for its own account for DFM.
- Derivatives controls for DFM.
- Technical short-sale controls for Abu Dhabi Securities Exchange (ADX).
- Direct Market Access (DMA) controls for ADX.
- Online Trading controls for ADX.
- Margin Trading controls for ADX.
- Market maker controls for DFM.
- Market maker controls for ADX.
- Liquidity provider controls for DFM.
- Liquidity provider controls for ADX.
- Controls of Companies Trading in their names

and for their own account for ADX.

II. Lawsuits:

- Seven lawsuits were considered before the competent courts.

Supervision

- Periodical control and inspection of 82 brokerage and financial services companies achieving 100% of the inspection plan and based on the risk priority methodology.
- Surprise control and inspection of 6 brokerage and financial services companies achieving 100% of the inspection plan in light of the notices delivered to the Inspection Section.
- Auditing and control of 12 monthly account segregation reports received from the brokerage firms, at percentage of 100%. Reports on the situation were prepared and the violators were referred to the Enforcement Department.
- Auditing and control of 12 financial monthly solvency reports received from the brokerage firms, at percentage of 100%. Reports on the situation were prepared and the violators were referred to the Enforcement Department.
- Auditing and control of 12 monthly margin



trading reports received from the brokerage firms, at percentage of 100%. Reports on the situation were prepared and the violators were referred to the Enforcement Department.

- Auditing and control of the monthly reports concerning aging statement for the accounts receivable and payable received from the brokerage firms, at percentage of 100%. Reports on the situation were prepared and the violators were referred to the Enforcement Department.
- Auditing and control of 4 reports concerning the financial statements of the licensed companies, at percentage of 100%. A quarterly report on the situation was prepared and the violators were referred to the Enforcement Department.
- Monitoring the disclosures of initial, annual and interim financial statements of listed companies and preparing 4 reports thereon.
- Follow up and review of the penetration test reports received from the companies, at percentage of 100%. Two biannual reports were prepared and the violators were referred to the Enforcement Department.
- Monitoring the trades made by brokerage firms, at percentage of 100%. Four quarterly reports were prepared and the violators were referred to the Enforcement Department.
- Monitoring the trades made by the brokerage firms' employees, at percentage of 100%. Twelve monthly reports were prepared and the violators were referred to the Enforcement Department.
- Monitoring the trades made by companies for their own account, at percentage of 100%. Twelve monthly reports were prepared and the violators were referred to the Enforcement Department.
- Control of the prohibition periods related to the material news, at percentage of 100%. Twelve monthly reports were prepared and the violators were referred to the Enforcement Department.
- Control of the prohibition periods related to the insider trading, at percentage of 100%. Four quarterly reports were prepared and the violators were referred to the Enforcement Department.
- Preparation of a report on auditing of day-to-day trading, at percentage of 100%. Four quarterly reports were prepared.
- One front running case was detected and referred to the Enforcement Department.
- Twenty three market manipulation cases were detected and referred to the Enforcement Department.
- Twenty five insider trading cases were detected and referred to the Enforcement Department.
- Completion of the third and final phase of the internal controller report project to measure commitment and electronic risks in cooperation with the Operations and Technical Support Section at the SCA.
- The electronic reporting system for the regular inspection of the activities licensed by the SCA was activated.



- Preparing and activating a manual of policies and procedures of the Supervision Department and the flow maps on the QPR system.
- **Enforcement and Follow-up**
- **I. At the Supervisory Level:**
- The Enforcement Department imposed financial penalties on the entities which violated the SCA's Establishing Law and the Regulations issued thereunder, based on the circumstances of each violation. Eighty nine financial penalties were enforced.
- Three broker representatives were suspended.
- Warnings were issued against 98 violators of the SCA's Establishing Law and the Regulations issued thereunder. Eleven warnings were issued against investors.
- Twenty six violators were referred to the Public Prosecution.
- Three notices were issued for investors.
- **II. At the level of settlement of disputes related to securities trading:**
- The Enforcement Department settled 19 complaints filed in 2017.
- **Co. after being converted to public joint stock companies.**
- Supervision of the merger of 2 local public joint-stock companies; namely National Bank of Abu Dhabi and First Gulf Bank, which has created the biggest bank on the regional and international levels.
- Registration of 5 new public joint-stock companies with the SCA; namely Orient UNB Takaful, National Corporation for Tourism and Hotels, Sweihan Energy Holding Co., Mubadala Investment Co., and Emaar Development Co.
- Listing of 3 local public joint-stock companies on the primary market at the local securities markets, namely Orient UNB Takaful, Emaar Development Co., and Abu Dhabi National Oil Company for Distribution (ADNOC).
- Four foreign joint stock companies were registered with the SCA in order to be listed on the primary market in the local securities markets; namely Jeyad Holding Company (BSC), Khaleeji Commercial Bank (BSC), Ithmaar Holding Company and Al Naeem Holding Investment Company (BSC). Only Khaleeji Commercial Bank was listed during the year on the Dubai Financial Market.
- Listing of 2 companies on the secondary market; namely: Al Qudra Holding Company and Awtad Company.
- Licensing of the First Abu Dhabi Bank to act as a registrar of private joint-stock companies.

Issuance and Disclosure

Issuance

- Public offering of 2 public joint-stock companies; namely Abu Dhabi National Oil Company for Distribution (ADNOC) and Emaar Development



- Increasing the capital of 12 public joint-stock companies; namely Emirates Islamic Bank, United Insurance Company, Arabtec Holding Co., Drake and Scull Co., Dar Al Takaful Co., National Central Cooling Co., Mubadala Investment Co., Mubadala Development Co., Dubai Bank, First Abu Dhabi Bank, Sharjah Islamic Bank, and Sharjah Cement and Industrial Development Co.
- Listing and trading of the pre-emption rights of 3 local public joint-stock companies; namely United Insurance Company and Arabtec Holding PJSC.
- Issuance of bonds and sukuk for two local public joint-stock companies; namely Sharjah Islamic Bank, and Sharjah Cement and Industrial Development Co.
- Developing controls for listing the shares of foreign companies on the UAE local markets.
- Setting controls regarding the issuance of preferred stocks in accordance with the Commercial Companies Law No. 2 of 2015.
- Developing controls and procedures concerning issuance of incentive share program for the employees in the public joint-stock companies.
- Commencing a project for developing the UAE financial markets structure to include listing of new forms of companies.
- Preparation of the handbook for conversion to public joint-stock companies.
- Eighty seven companies, out of the total number of companies listed on the securities markets, issued the governance reports. (In 2017, 3 new companies were listed which are not included in the number of companies required to disclose the governance report for 2016).
- Fifteen public joint-stock companies were visited to monitor their compliance with the governance controls.
- One hundred and forty nine general assembly meetings of public joint-stock companies were attended in 2017.

Mutual Funds

- 292 foreign mutual funds were registered for 56 legal representatives of the foreign mutual funds.
- 789 approvals were issued for 19 local promoters to promote foreign mutual funds.
- Contributing in preparing the controls related to the mutual funds which amounted to 8 decisions of controls; namely the introduction and promotion activity, the decision concerning regularizing the status of mutual funds, the decision concerning regularizing the status of the introduction and promotion activities and the administrative services of the mutual funds, the real-estate fund, private property fund, venture capital fund, investment policy of the public open-ended mutual fund, and the general and limited partnership fund.
- The online service to receive applications for registration of foreign mutual funds was launched.

Disclosure and Governance

- Ninety companies, at the rate of 100%, provided the SCA with the requirements of applying the governance controls.

Licensing

- Issuance of 2 approvals to practice the clearing member activity.
- Accrediting 64 employees in brokerage firms.
- Accrediting 10 employees in financial consultations and financial analysis companies.
- Licensing of 4 financial consultation and financial analysis companies.
- Licensing of 6 companies to act as financial consultants (issuance manager).
- Licensing of 7 investment management companies.
- Licensing of 3 commodity brokerage firms, bringing the total number of companies licensed to operate in the Dubai Gold and Commodities Exchange (DGCX) to 43.
- Approving the conversion of 2 brokerage firms from trading and clearing member to a trading member.
- Approving the listing of 44 futures on DGCX, denominated on the basis of the Indian Single Stock Futures (SSF).
- Approving the listing of one future on DGCX, denominated on the basis of the gold price in China and settled by the Chinese currency (Dubai Shanghai Gold futures).
- Preparing a guide for the classification of licensed companies.

Training

- Qualifying of 40 brokers and financial analysts, in cooperation with the UK Chartered Institute for Securities and Investment (CISI), bringing the total number of those who were qualified to pass the Qualifications Led Licensing Regime to nearly 390 graduates over the past few years.
- Publishing the first comprehensive procedures handbook for all the operations and services of the SCA Training Centre (SCATC).
- The SCATC designed and completed the “First Official Procedures Handbook” by developing the existing procedures and introducing other new procedures representing 5 basic procedures provided by the SCATC, bringing the total number of SCATC’s procedures to 10 basic procedures serving the employees of the SCA and the entities

supervised by the SCA and employees thereof as well as the public.

- Launching the program of equivalency of certificates and professional tests for the employees in the markets which provide the opportunity for the equivalency of some of the tests required by the accreditation bodies as part of the Qualifications Led Licensing Regime.
- Organizing of a number of training courses and workshops, most importantly, the courses entitled “Financial Portfolios and Evaluation and Risk Analysis Tools”, “Monitoring of Financial Markets in the GCC States”, “Statistical Tools in the Financial Markets- Level 1”, and “Supervision and Enforcement of the Corporate Governance”, in cooperation with the Union of Arab Securities Authorities (UASA).
- Participating in 5 official exhibitions to market and raise awareness about the SCATC’s activities and developing of a package of different awareness materials.

Research and Development

- Preparing 40 studies about the international practices related to the issuance of regulations or addressing different inquiries and issues.
- Preparing 6 financial analysis reports for the listed companies and brokerage firms to understand their financial status to be presented to SCA’s senior management.
- Preparing weekly briefs on the economic developments and the performance of the local and international financial markets.
- Launching the Islamic capital market development strategy.

International Relations

I. Key achievements

- The SCA won the bid to host the 45th IOSCO Annual Conference in 2020, which will be held in the Emirate of Dubai.

II. International and Regional Engagements

- The 38th meeting of the Africa and Middle East Regional Committee of the IOSCO, Abu Dhabi, February 2017.
- The meeting of the Steering Committee of the MMoU Monitoring Team of the IOSCO, Milan, February 2017.



- The 11th meeting of the Union of Arab Securities Authorities (UASA) Board, Republic of Tunisia, March 2017.
- The 16th meeting of the Committee of the Presidents of GCC Securities Commissions, Kingdom of Bahrain, April 2017.
- Participating in the 42nd Annual ISOCO Conference, Jamaica, May 2017.
- The meeting of the IOSCO Growth and Emerging Markets Committee (GEMC), Colombo, capital city of Sri Lanka, September 2017.
- The meeting of the Steering Committee of the ISOCO Multilateral MoU Monitoring Committee, Madrid, October 2017.
- The SCA took part in chairing the event of “Corporate Governance Group”, affiliated with the Middle East and North Africa Organisation for Economic Co-operation and Development, December 2017.

III. Memoranda of Understanding:

MoUs were concluded with the following entities:

- Mohammed bin Rashid Al Maktoum Foundation on 18 January 2017.
- Sharjah International Commercial Arbitration Centre on 25 January 2017.
- Emirates Foundation for Youth Development on 15 February 2017.
- UAE Gender Balance Council on 9 March 2017.
- UAE Classification Society (TASNEEF) on 7 June 2017.
- Financial Services Regulatory Authority at Guernsey on 7 June 2017.
- UAE Football Association on 13 July 2017.
- Financial Services Regulatory Authority (FSRA) at Abu Dhabi Global Market (ADGM) on 22 October 2017.

Awareness, Education, Media and Events

- Organizing a conference on “The Financial Markets and Their Role in Building an Economy Based on Knowledge, Innovation, and Happiness” which was held under the patronage of H.E. Engineer Sultan bin Saeed Al-Mansoori, Minister of Economy and Chairman of the SCA Board. The conference was attended by a group of financial market specialists and prominent regional and international experts.
- Organizing a series of seminars and lectures to raise the awareness of the general public of investors in Abu Dhabi, Dubai, Sharjah, Ajman, and Ras Al Khaimah where H.E. the CEO gave lectures.
- Organizing a series of activities to raise the investment awareness of specialists in Abu Dhabi and Dubai which included 4 workshops that addressed bankruptcy, taxes, implementation of VAT, mechanisms and strategies of integration of the Gulf exchanges. The activities also included 3 lectures for the brokers on fit and proper criteria, internal control, and the VAT. They also included 2 workshops for listed companies to introduce them to the updates made to the governance report form, 2 workshops for two companies via videoconferencing to introduce the companies to the requirements of implementing governance. In addition, there was a seminar in Abu Dhabi to discuss the condition of the financial markets in the UAE. The SCA participated in the vocational education seminar which was presented by its CEO.
- Organizing a series of seminars and lectures to raise the awareness of university students which included 10 sessions for the students of the American University in the Emirates (AUE), HCT Dubai Men’s Colleges, HCT Dubai Women’s Colleges, Ajman University, Abu Dhabi University, Al Falah University, Al Ghurair University, and Skyline University College. Further, the SCA took part in the student forum of the American University of the Emirates (AUE).

- The SCA implemented ‘the National Investor Awareness Project in the Financial Markets’ under the patronage of H.E. Engineer Sultan Bin Saeed Al-Mansoori, Minister of Economy and Chairman of the SCA Board. The project addressed the basics and rules of trading and it was delivered through the satellite channels, newspapers, daily newspapers, and footage materials on the SCA’s website and SMS by Etisalat as well as the advertisement screens and ATM screens.
- Issuance of Awraq Maliyah Magazine which presents the SCA’s key achievements, activities, and investment awareness materials and topics.
- Preparation of 2 awareness booklets which included guidelines on the “trading of rights issues” and “the investors’ rights upon subscribing in the public joint-stock companies’ shares”.
- Issuance of the SCA’s annual report 2016.
- The SCA organized celebrations marking the UAE 46th National Day and the Martyrs’ Day. The SCA took part in the UAE Flag raising celebrations marking the anniversary of Sheikh Khalifa Bin Zayed Al Nahyan becoming the President.

Institutional Affairs and Human Resources

- The SCA implemented a project prospecting the future of the SCA and the financial markets and developed a roadmap until 2050.
- The SCA implemented the “Leadership Program for Future Financial Regulators” where 45 of its staff joined the program.
- The SCA completed the project of designing and approving its new organizational chart.
- The SCA carried out a training program in the area of strategy and institutional process engineering for the employees of the Kuwaiti Capital Market Authority.

SCA’s Key Future Projects:

- The SCA works closely with the markets to complete the necessary legislative requirements, especially product and process related legislation, in order to upgrade the rating of the UAE markets on international indexes such as Morgan Stanley (MSCI) and S&P Dow Jones, with a view to increase local and foreign institutional investments to further support liquidity. To this end, the SCA is drafting the regulations and decisions required to upgrade the UAE markets to advanced markets.
- As part of its role to develop the legislative framework for the capital market, the SCA is

working on issuing a number of regulations in the coming period, including: derivatives, Trust regime, preferred shares, securitization, and crowdfunding in terms of licensing the platform operator.

- The SCA, in cooperation with the Organization for Economic Co-operation and Development (OECD), is preparing to launch an initiative, the first of its kind worldwide, to create a platform for financing small and medium-sized enterprises (SMEs), through funds that will have the authority to raise funds for such companies. The platform will monitor quality and issues relating to approval and implementation of the Corporate Governance Charter. SMEs can then be offered in the market when they reach a qualifying stage.
- Pursuant with the prudent government’s intention to encourage the public and private sectors to adopt green economy initiatives and environmental and social responsibility, the SCA has initiated work on developing a perception for a general framework for the establishment of sustainable capital markets throughout the UAE with a view to provide green financial products and provide innovative financing channels for the sustainable projects, in addition to encouraging companies to disclose their role and responsibilities towards the environment, society and key stakeholders in joint stock companies, and to educate investors and their representatives on the importance of their role in supporting sustainable economy and responsible investment.
- In the field of financial technology and keeping up with the rapid developments in this area, the SCA is developing a strategy for the use of new financial technology applications. Accordingly, the SCA has entered into an agreement with Pricewaterhouse Coopers for its services in order to develop a financial and regulatory framework for FinTech in the UAE financial markets.
- The SCA signed an agreement with Xerox, under implementation, to develop a new system for the basic services of the SCA, covering all services provided by the SCA’s business sectors and technical departments, such as licensing, registration and issuance, market supervision, control and compliance and enforcement. The system will be developed by Xerox, which will be assisted by one of the largest international firms specialized in the development of such systems. The project consists of two main parts: re-engineering the work procedures of the SCA, and developing the electronic / smart system.

Key Achievements of the SCA Relating to Issuance and Registration

- Development of the controls for listing the shares of foreign companies on the UAE local markets.
- Finalized the controls of issuing preference shares as per the provisions of the Commercial Companies Law No. 2 of 2015.
- Development of the controls of the employee incentives programs in the public joint-stock companies and setting controls and procedures for issuing incentive shares for the employees in the public joint-stock companies.
- Initiated a project to developing the financial markets structure in the UAE to include listing of new forms of companies.
- Preparation of the handbook on conversion to public joint-stock companies.
- Preparation of a draft form of notice of promoting a financial product within the UAE.
- Setting of the acquisition controls.
- Preparation of an awareness booklet including guidelines about the trading of rights issues.
- Setting rules for accrediting the appraisers with the SCA.
- Development of the issuance and registration electronic services.

Table (1)

Application types approved in 2017	No. of Applications
* Companies registered in 2017	
1. Orient UNB Takaful 2. National Corporation for Tourism and Hotels 3. Sweihan Energy Holding Co. 4. Mubadala Investment Co. 5. Emaar Development Co.	5
Public offering applications approved	
1. Abu Dhabi National Oil Company for Distribution 1. Emaar Development Co.	2
Applications approved for registering local public joint-stock companies	
1. Orient UNB Takaful 2. Emaar Development Co. 3. Abu Dhabi National Oil Company for Distribution	3
Applications approved for registering foreign joint-stock companies	
1. Jeyad Holding Co. 2. Khaleeji Commercial Bank 3. Istithmar Holding Co. 4. Al Naeem Holding for Investment	4
Applications approved for registering private joint-stock companies	
1. Al Qudra Holding Co. 2. Awtad Co.	2

Application types approved in 2017	No. of Applications
Applications approved for licensing a registrar	1
1. First Abu Dhabi Bank	
Applications approved for capital increase	12
1. Emirates Islamic Bank	
2. United Insurance Company	
3. Arabtec Holding Co.	
4. Drake and Scull Co.	
5. Dar Al Takaful Co.	
6. National Central Cooling Co.	
7. Mubadala Investment Co.	
8. Mubadala Development Co.	
9. Dubai Bank	
10. First Abu Dhabi Bank	
11. Sharjah Islamic Bank	
12. Sharjah Cement and Industrial Development Co.	
Applications approved for capital reduction	4
1. Emirates Integrated Telecommunications Company - du	
2. United Insurance Company	
3. Arabtec Holding Co.	
4. Drake and Scull International Co.	
Applications by companies which have listed and traded pre-emption rights	4
1. United Insurance Company	
2. Arabtec Holding Co.	
3. Commercial International Bank.	
4. Dar Al Takaful Co.	
Applications approved for issuance of bonds and sukuk for public joint-stock companies	2
1. Sharjah Islamic Bank	
2. Sharjah Cement and Industrial Development Co.	
Applications for mergers and acquisitions	1
1. National Bank of Abu Dhabi and First Gulf Bank	
Applications for delisting local and foreign companies	2
1. Al Naeem Holding for Investment	
2. First Gulf Bank	

Corporate Governance

In line with the SCA's efforts to support the development and growth of the securities markets in the UAE as one of its strategic objectives, which is consistent with the vision and aspirations of the federal government, the SCA embraced the application of governance procedures in relation to the rules of good governance and sound business practices by launching a series of awareness campaigns to enhance public awareness about the principles of governance at the companies listed on the securities market.

The Disclosure and Governance Section team visits the companies which are subject to the provisions of the Decision of the SCA Board Chairman No. (7/Chairman) of 2016 concerning Institutional Discipline Standards and to monitor compliance with the governance controls and requirements.

In 2016, the SCA made amendments to the provisions of the Ministerial Decree No. (518) of 2009 concerning the governance controls and criteria of Institutional Discipline as amended. This decree was replaced with the Decision of the SCA Board Chairman No. (7/Chairman) of 2016 concerning Institutional Discipline Standards in order to include all the following amendments:

1. Controls and provisions of participating in the Board of Directors' meeting through modern technology.
2. Controls of concluding deals with the related parties.
3. The need for preparing a register of insiders regarding the securities transactions of the company's board members and employees.
4. The rules and controls of conflict of interests in the public joint-stock companies.
5. Provisions governing the annual General Assembly meetings of the public joint-stock companies and the special resolutions issued by them.
6. The controls required to ensure that the shareholders practice their rights.
7. The controls governing investors' relations in the public joint-stock companies.

Number of local public joint-stock companies which are subject to the governance controls and Institutional Discipline Standards, classified by economic sectors:

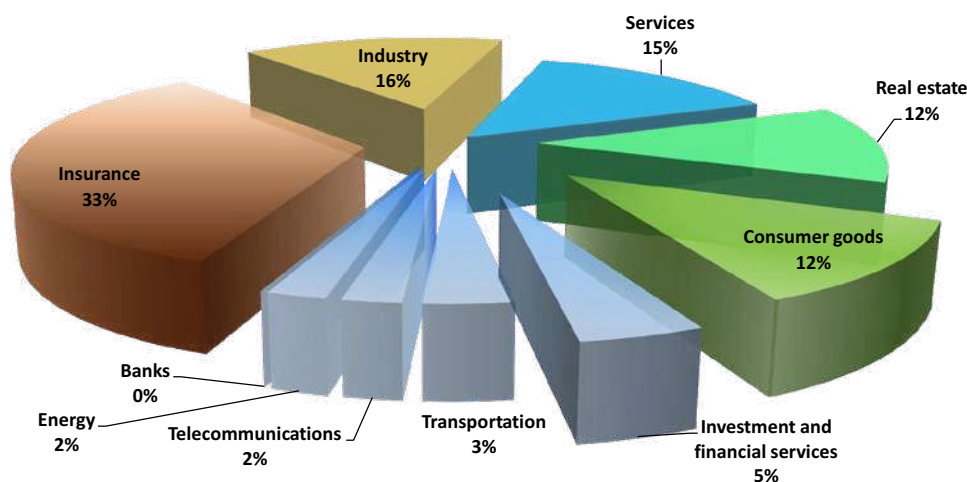
The number of companies which are subject to the Decision of the SCA Board Chairman No. (7/Chairman) of 2016 concerning the Standards of Institutional Discipline and Governance of the Public Joint-stock companies amounts to 90 local public joint-stock companies whose securities are listed on the financial markets, after excluding the banks, finance companies, financial investment companies, exchange companies, and cash brokerage firms which are regulated by the Central bank of the UAE as per clause (b) of Article (2) of the Decision of the SCA Board Chairman No. (7/Chairman) of 2016 concerning Institutional Discipline Standards as indicated in the table below:

Table (2)

Sector	Local public joint-stock companies subject to the Decision of the SCA Board Chairman No. (7/Chairman) of 2016
Insurance	30
Investment and Financial Services	4
Telecommunications	2
Real-estate	11
Industry	14
Services	13
Consumer Goods	11
Energy	2
Transportation	3
Total	90

Chart No. (1)

**Local public joint-stock companies subject to the Decision of the
SCA Board Chairman No. (7/Chairman) of 2016**



No. of companies which provided the SCA with the requirements for governance controls (in whole and in part)

- 90 companies (accounting for 100%) provided the SCA with the requirements for implementing the governance controls (in whole and in part).
- 87 companies (accounting for 96.7%) provided the SCA with the requirements of full implementation of governance controls.
- 3 companies (accounting for 3.33%) provided the SCA with the requirements of partial implementation of governance controls.

As shown in the following table:

Table (3)

Sector	Total No. of compliant companies	Companies which received approvals	Total companies which are partially compliant*
Insurance	30	29	1
Investment and Financial Services	4	4	0
Telecommunications	2	2	0
Real-estate	11	11	0
Industry	14	14	0
Services	13	11	2
Consumer Goods	11	11	0
Energy	2	2	0
Transportation	3	3	0
Total	90	87	3
Percentage	100%	96.7%	3.33%

*Three new public joint-stock companies were listed at the end of 2017. They are being monitored to ensure their compliance with the requirements of implementing governance controls in 2018.

No. of companies which provided the SCA with the governance report for 2016:

The SCA, being the sole supervisory body in the UAE which for following up implementation of the governance decision by the local public joint-stock companies listed on the UAE markets, sent a circular to these companies to prepare the 2016 governance report as per the form approved by the SCA in this respect and to make such report available for all the shareholders before the General Assembly meeting.

In 2017, 87 companies out of the total companies listed on the securities markets were obliged to implement the Decision of the SCA Board Chairman No. (7/Chairman) of 2016 concerning Institutional Discipline Standards. This decision excluded all the banks and companies licensed by the Central Bank of the UAE as well as the foreign companies.

The 87 companies issued the governance report for 2017 as shown in the table below.

Table (4)

Sector	Total No. of compliant companies	Companies which received approvals	Total companies which are partially compliant*
Insurance	29	29	0
Investment and Financial Services	4	4	0
Telecommunications	2	2	0
Real-estate	12	12	0
Industry	14	14	0
Services	10	10	0
Consumer Goods	11	11	0
Energy	2	2	0
Transportation	3	3	0
Total	87	87	0
Percentage	100%	100%	0.00%

* It is worth noting that by the end of 2017, three public joint stock companies were listed. These companies will be monitored to ensure their compliance to disclose Corporate Governance Report in 2018.

Supervision and Control of the Public Joint-Stock Companies

To put into action SCA's plan to supervise and control the listed local joint-stock companies and implement the operational plan for 2017 to ensure a healthy financial position of the local companies listed and their compliance with the provisions of the applicable laws and regulations in addition to monitoring compliance of the public joint-stock companies listed on the UAE securities markets with the governance controls and requirements, a team from the Disclosure and Governance Section visited the companies to review the steps taken in this respect and to review their financial standing.

In 2017, 15 companies in different sectors were visited. All the public joint-stock companies will be visited in the future as indicated in the following table:

Financial Statements

Disclosure by the public joint stock companies of the annual financial statements for 2016 and the interim financial statements for 2017:

Given that all the companies registered with the SCA and listed on the markets are obliged to provide the SCA with annual and quarterly financial statements in accordance with Article (7/36) of the Regulations as to Disclosure and Transparency, the public joint-stock companies disclosed their 2016 annual financial statements and their 2017 quarterly statements as indicated in the following table and chart:

Table (5)

Disclosure Type	Local Disclosure Percent- age	Total Disclosure Percent- age
Annual financial statements for 2016	100%	96.8%
Financial statements for the first quarter of 2017	99.1%	96%
Financial statements for the second quarter of 2017	99.1%	99.2%
Financial statements for the third quarter of 2017	99.1%	99.2%



General Assemblies

The General Assembly meetings of listed local public joint-stock companies held in 2017

The General Assembly meetings of public joint-stock companies are the highest authority in the organizational structure of such companies; therefore, the law dedicated special provisions for them and gave them the right to make key decisions.

The General Assembly meetings represent the annual meeting which brings together all the shareholders, boards of directors, and auditors of these companies to look into their activities and financial standing every year to discuss their balance sheets and to elect their board members, if necessary.

Recently, it was noted that there is an increased awareness among the shareholders in terms of their rights and duties in the General Assemblies. This was evident in their discussions with the board members during such meetings, which led in most cases to amending the decisions issued by the General Assemblies to take into account the shareholders' feedback and best interests.

One of the prominent issues which contributed to enhancing this role of the shareholders was the support by the SCA and adoption of the secret cumulative voting system which helped to protect the rights of minority shareholders and enabled them to get seats in the boards of directors.

The following report reviews the statistics of the General Assembly meetings held in 2017 by the local public joint-stock companies listed on the UAE markets.

**** A statement of the total number of General Assembly meetings held in 2017:**

In 2017, 149 General Assembly meetings for the public joint-stock companies were convened, including 139 General Assembly meetings for the listed local public joint-stock companies and 10 meetings for the non-listed local public joint-stock companies.

**** A statement of the total number of General Assembly meetings held in 2017 classified by the meeting venues:**

The emirate of Dubai topped the list of the number of general assembly meetings held with a total of 65 meetings. Dubai was followed by Abu Dhabi which came in second with a total of 48 meetings. Ras Al Khaimah followed with a total of 14 meetings then Sharjah was ranked fourth with a total of 13 meetings. Fujairah came in fifth with a total of 4 meetings, followed by Ajman with a total of 3 meetings and then Umm al-Quwain with a total of 12 meetings.

A statement of the total cash dividends and bonus shares by the companies which approved dividends in their General Assembly meetings held in 2017:

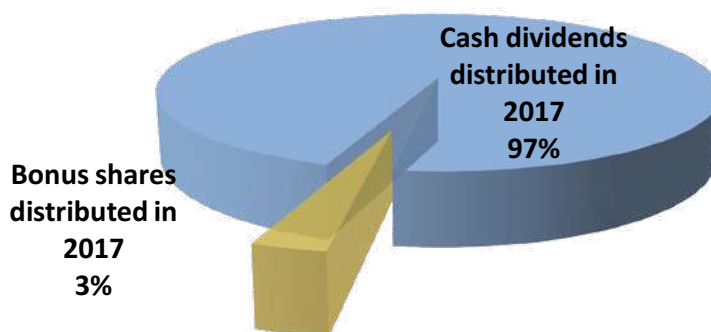
Total cash dividends and bonus shares for the public joint-stock companies amounted to around AED 33 billion. Total cash dividends approved by the General Assembly meetings held in 2017 amounted to about AED 32 billion while the total bonus share dividends amounted to around AED 1.1 billion as indicated in the table below:

Table (6)

In AED

Dividends	
Value of cash dividends in 2017	32,013,565,941.64
Value of bonus share dividends in 2017	1,068,209,898.00
Total	33,081,775,839.64

Chart No. (2)

Rate of cash dividends and bonus share dividends in 2017**A statement of the total cash dividends approved in the General Assembly meetings held in 2017 classified by sector:**

The total amount of cash dividends by the companies which approved distribution of cash profits in the General Assembly meetings held in 2017 amounted to about AED32 billion. The banking sector topped the list of all economic sectors in terms of the total amount of cash dividends which amounted to around AED16.6 billion, followed by the telecommunications sector with AED8.5 billion then the remaining sectors followed as indicated in the following table:

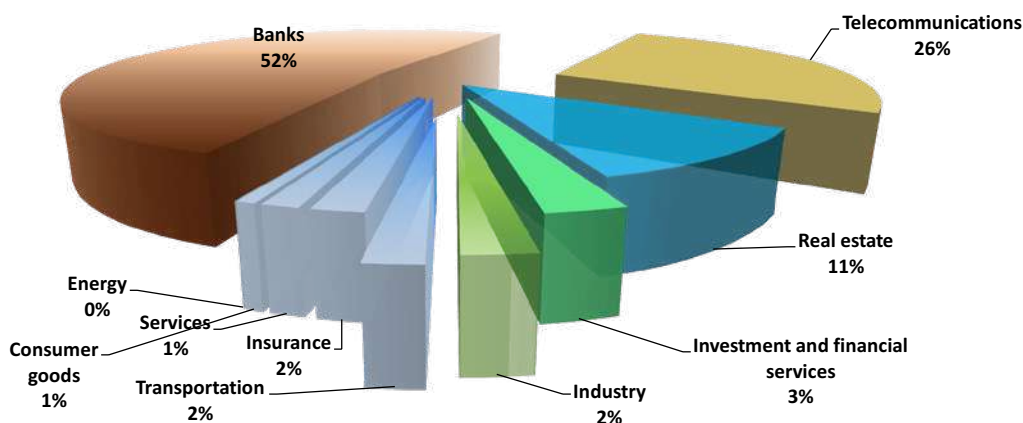
Table (7)

In AED

Sector	Rate of Cash Dividends	Amount of Cash Dividends
Banking	52.04%	16,659,957,388.4
Telecommunications	26.55%	8,500,590,117.23
Real-estate	11.00%	3,522,132,092.33
Investment and Financial Services	2.73%	874,848,095.0
Industry	2.21%	708,383,111.0
Transportation	1.75%	560,925,000.0
Insurance	1.77%	567,661,693.0
Services	1.28%	409,433,257.2
Consumer Goods	0.65%	206,890,000.00
Energy	0.00%	0
Total	100%	32,013,565,941.64

Chart No. (3)

Rate of Cash Dividends



A statement of the total bonus share dividends approved in the General Assembly meetings held in 2017 classified by sector:

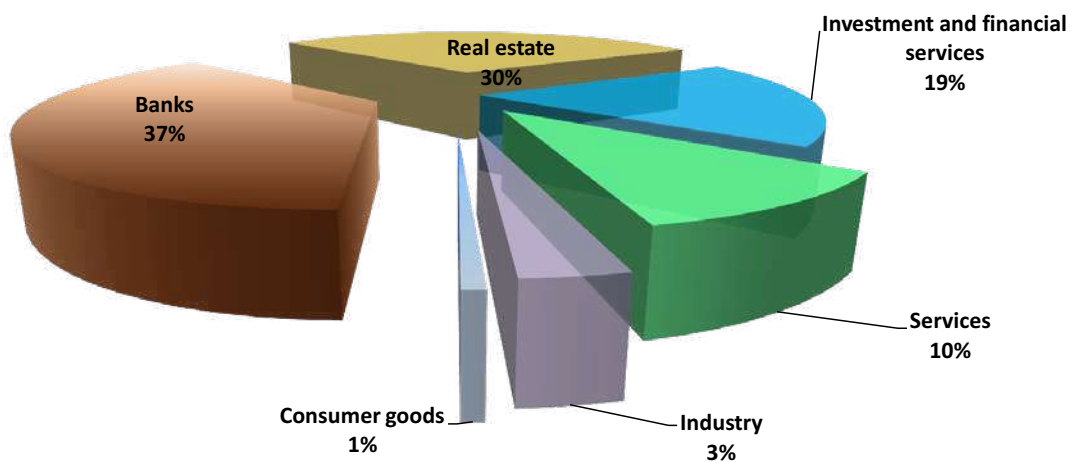
The total dividends by the companies which distributed profits through the bonus shares in the General Assembly meetings held in 2017 amounted to around AED1.1 billion. The banking sector topped all the economic sectors in terms of the total amount of bonus share dividends with AED394 million, followed by the real-estate sector with AED317 million, then the remaining economic sectors followed as indicated in the following table:

Table (8)

Sector	Rate of Cash Dividends	In AED
		Amount of Cash Dividends
Banking	36.95%	394,711,562.00
Telecommunications	0.00%	0
Real-estate	29.75%	317,743,713.00
Investment and Financial Services	18.95%	202,477,123.00
Industry	3.07%	32,760,000.0
Transportation	0.00%	0.00
Insurance	0.00%	0.00
Services	10.62%	113,400,000.00
Consumer Goods	0.67%	7,117,500.00
Energy	0 %	0.00
Total	100%	1,068,209,898.00

Chart No. (4)

Rate of Bonus Shares Dividends



Executive Summary

This report contains statistical data of the registered local and foreign companies, listed and non-listed, and the registration of auditors of the public joint-stock companies by the SCA until the end of 2017.

In 2017, the SCA registered a total of 5 public joint-stock companies, including a company which was offered in the end of 2016 and the procedures and registration thereof were completed in 2017. They also include a government public joint-stock company whose stocks were offered and listed. They also include a company which was converted to a public joint-stock company and its stocks were offered and listed. Furthermore, two government public joint-stock companies whose status was regularized were also registered with the SCA.

In 2017, approvals were issued to list and trade the rights issues of 3 public joint-stock companies and to increase the capital of 12 public joint-stock companies with a total value of AED67 billion. Furthermore, approvals were issued to decrease the capital of 4 listed public joint-stock companies and to register 5 public joint-stock companies and 2 private joint-stock companies on DFM and ADX.

A summary of the registration, public offering, and listing procedures in 2017

I. A statement of the companies registered in 2017

The SCA approved the registration of 5 public joint-stock companies, including two government companies whose status was regularized as a public joint-stock company registered with the SCA and three non-government companies. The total capital of all 5 companies amounted to AED74.4 billion.

Table (9)

Name of Company	Sector	Ownership Structure	Emirate	Capital
Orient UNB Takaful	Insurance	Non-government	Dubai	200,000,000
National Corporation for Tourism and Hotels	Services	Non-government	Abu Dhabi	680,400,000
Sweihan Energy Holding Co.	Energy	Government	Abu Dhabi	530,000,000
Mubadala Investment Co.	Investment and Financial Services	Government	Abu Dhabi	68,992,840,000
Emaar Development Co.	Real-estate	Non-government	Dubai	4,000,000,000
Total				74,403,240,000

Chart No. (5)

Capital of companies registered with the SCA by ownership structure (AED 1 billion)

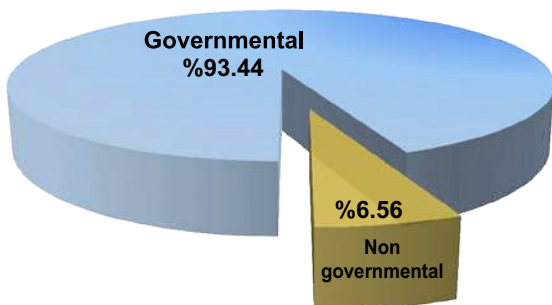
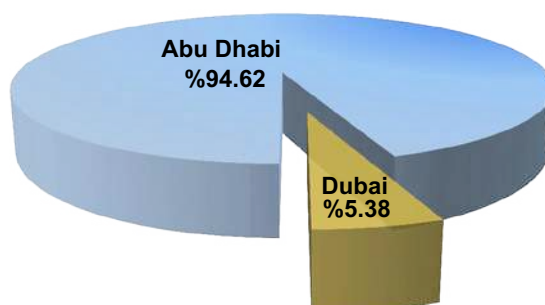


Chart No. (6)

Capital of companies registered with the SCA by emirate (AED 1 billion)



II. A statement of the companies which offered their shares for public subscription in 2017

The SCA approved the offering of shares of Emaar Development Company as a local public joint-stock company with a capital of AED4 billion and which operates in real-estate development. The offered portion of its shares amounted to 800 million, with a total value of AED4.8 billion. The shares of Emaar Development Company were listed on DFM and the market capitalization of the company at the time of offering amounted to AED24.1 billion.

The SCA approved the offering of shares of Abu Dhabi National Oil Company for Distribution as a local public joint-stock company with a capital of AED1 billion, divided into 12.5 billion shares. The offered portion of its shares amounted to 1.25 billion shares with a total value of AED3.125 billion. The shares of Abu Dhabi National Oil Company for Distribution were listed on ADX and the market capitalization of the company at the time of offering amounted to AED31.25 billion.

Table (10)

Name of Company	Capital	Value of Offered Shares	Market Capitalization
Emaar Development Company	4,000,000,000	4,824,000.000	24,120,000.000
Abu Dhabi National Oil Company for Distribution	1,000,000,000	3,125,000.000	31,250,000.000

III. A statement of the companies registered in 2017

Public joint-stock companies

Table (11)

Name of Company	Sector	State	Listing Market
Orient UNB Takaful	Insurance	UAE	DFM
Emaar Development Co.	Real-estate	UAE	DFM
Abu Dhabi National Oil Company for Distribution	Services	UAE	ADX
Jiyad Holding Co.	Services	Kuwait	DFM
Khaleeji Commercial Bank	Banking	Bahrain	DFM
Al Ithmaar Holding (BSC)	Investment and financial services	Bahrain	DFM
Al Naeem Holding Company for Investments	Investment and financial services	Egypt	DFM

Private joint-stock companies

Name of Company	Sector	State	Listing Market
Al Qudra Holding Co.	Real-estate	UAE	ADX
Awtad Co.	Services	UAE	DFM

IV. A statement of the companies which listed and traded rights issues in 2017

The SCA approved the listing and trading of the rights issues related to the capital increase of 3 public joint-stock companies through the issuance of nearly 1.65 billion new shares, equivalent to 1.65 billion rights issues.

Table (12)

Name of Company	No. of Shares
United Insurance	100,000,000
Arabtec Holding	1,500,000,000
Dar Al Takaful	50,000,000

V. A statements of the changes to the capital of the registered local public joint-stock companies other than the bonus shares in 2017

The companies which approved capital increase:

The SCA approved the increase of the capital of 12 public joint-stock companies through the issuance of new shares and with a total increase value of AED67.26 billion.

The companies which increased their capital other than the bonus shares in 2017

Table (13)

S/N	Name of Company	Method of Increase	Amount of Increase
1	Emirates Islamic Bank	New shares	1,500,000,000
2	United Insurance Company	New shares	100,000,000
3	Arabtec Holding	New shares	1,500,000,000
4	Drake and Scull	New shares	500,000,000
5	Dar Al Takaful	New shares	50,000,000
6	National Central Cooling	Conversion of bonds to shares	2,258,190,405
7	Mubadala Investment	New shares	27,535,590,000
8	Mubadala Development	New shares	27,535,590,000
9	Dubai Bank	New shares	320,000,000
10	First Abu Dhabi Bank	Merger	5,643,000,000
11	Sharjah Islamic Bank	Conversion of sukuk to shares	266,805,000
12	Sharjah Cement and Industrial Development	Conversion of sukuk to shares	55,295,795
Total			67,264,471,200

Companies which approved capital decrease:**Table (14)**

S/N	Name of Company	Reasons for Decrease	Amount
1	Emirates Integrated Telecommunications Company - du	Cancellation of a number of shares in favour of the employees' incentive shares	38,522,583
2	United Insurance Company	Amortization of accumulated losses	100,000,000
3	Arabtec Holding	Amortization of accumulated losses	4,615,065,000
4	Drake and Scull International	Amortization of accumulated losses	1,714,058,920
Total			6,467,646,503

VI. A statement of the issuance and listing of bonds and Islamic sukuk and listing thereof on the UAE financial markets in 2017**The issuance of bonds/ Islamic sukuk upon the approval of the General Assembly in 2017**

The SCA agreed that Sharjah Islamic Bank and Sharjah Cement and Industrial Development Co. issue sukuk which are convertible to shares. The value of sukuk issued by Sharjah Islamic Bank amounts to AED266.8 million and the value of those issued by Sharjah Cement and Industrial Development amounts to around AED55.3 million. The total value of both issues amounted to AED322.1 million.

Table (15)

S/N	Name of Company	Type of Issue	Amount of Issue in AED
1	Sharjah Islamic Bank	convertible sukuk	266,805,000
2	Sharjah Cement and Industrial Development Co.	convertible sukuk	55,295,795
Total			322,100,795

VII. A statement of the registrars of the private joint-stock companies registered with the SCA until the end 2017

The number of registrars of the private joint-stock companies licensed by the SCA up until the end of 2017 amounted to 5, namely:

Table (16)

S/N	Company	Licensing Date	Emirate
1	DFM	3 January 2010	Dubai
2	ADX	1 March 2010	Abu Dhabi
3	Finance House	30 June 2010	Abu Dhabi
4	Union National Bank	8 December 2010	Abu Dhabi
5	First Abu Dhabi Bank	4 July 2017	Abu Dhabi

Statistics of the public joint-stock companies registered with the SCA in 2017

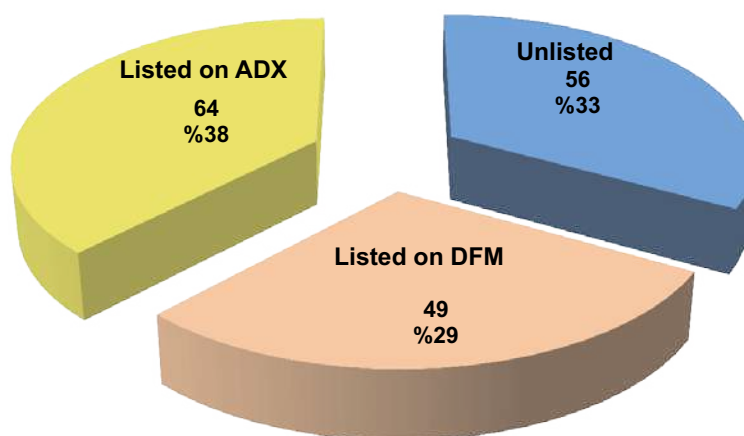
I. The local public joint-stock companies registered with the SCA until the end of 2017 classified based on the status of listing on the UAE securities markets

169 local public joint-stock companies are registered with the SCA, including 113 listed and 56 non-listed.

The companies are listed on ADX and DFM. The number of companies listed on the DFM amounts to 49 while the number of companies listed on ADX amounts to 64, as indicated in the following chart:

Chart No. (7)

Local public joint stock companies registered with the SCA by listing



II. The local public joint-stock companies registered with the SCA until the end of 2017 classified by ownership structure

The number of local public joint-stock companies registered with the SCA amounts to 169, including 112 non-government companies and 48 fully government-owned companies as well as 9 partially government-owned companies.

III. The local public joint-stock companies registered with the SCA until the end of 2017 classified by their sector in the financial markets and the status of their listing in the UAE securities markets

The insurance sector was ranked first with 53 registered companies, followed by the services sector with 30 companies, then the banking sector with 26 companies, then the industry sector with 19 companies, followed by the remaining sectors respectively as indicated in the following table:

Table (17)

Sector	Non-listed	Listed on DFM	Listed on ADX	Total
Insurance	5	13	17	35
Services	20	4	5	29
Banking	4	8	14	26
Industry	5	1	13	19
Energy	13	0	3	16
Investment and Financial Services	5	4	5	14
Real-estate	0	9	3	12
Consumer goods	2	6	3	11
Transportation	2	3	0	5
Telecommunications	0	1	1	2
Total	56	49	64	169

IV. The local public joint-stock companies registered with the SCA until the end of 2017 classified by sector and ownership structure

The services sector topped other sectors with 21 government companies while the insurance sector topped the other sectors with 34 non-government companies as indicated in the following table:

Table (18)

Sector	Government companies	Non-government Companies	Total
Services	20	9	29
Insurance	1	34	35
Banking	2	24	26
Investment and Financial Services	5	7	12
Telecommunications	0	2	2
Real-estate	0	12	12
Industry	4	15	19
Consumer goods	0	13	13
Energy	14	2	16
Transportation	2	3	5
Total	48	121	169

V. The local public joint-stock companies registered with the SCA until the end of 2017 classified by emirate

The emirate of Abu Dhabi topped the list with a total of 84 registered companies, followed by Dubai with 51 registered companies, then Ras Al Khaimah with 13 companies then the other emirates as per the rating indicated in the following table:

Table (19)

Emirate	Non-listed	Listed on DFM	Listed on ADX	Total
Abu Dhabi	49	1	34	84
Dubai	5	45	1	51
<i>Ras Al Khaimah</i>	0	0	13	13
Sharjah	1	1	10	12
Fujairah	1	0	4	5
Ajman	0	2	0	2
Umm al- <i>Quwain</i>	0	0	2	2
Total	56	49	64	169

VI. The local public joint-stock companies registered with the SCA until the end of 2017 classified by emirate and ownership structure

Abu Dhabi topped the list in terms of the number of government companies registered with SCA, with a total of 46 public joint-stock companies while Dubai topped the list in terms of the number of non-government companies, with a total of 50 public joint-stock companies.

Table (20)

Emirate	Government Companies	Non-government Companies	Total
Abu Dhabi	46	38	84
Dubai	1	50	51
Sharjah	0	12	12
Ras Al Khaimah	0	13	13
Fujairah	1	4	5
Ajman	0	2	2
Umm al- <i>Quwain</i>	0	2	2
Total	48	121	169

Statistics of the capital of the public joint-stock companies registered with the SCA until the end of the first half of 2017

I. Capital of the local public joint-stock companies registered with the SCA until the end of 2017 by the status of listing on the UAE securities markets

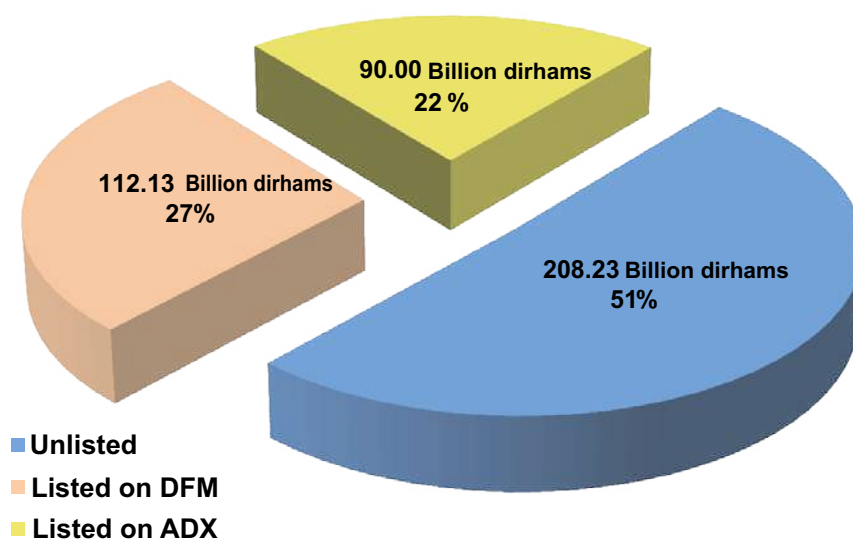
The total capital of the local public joint-stock companies registered with the SCA amounted to around AED410.3 billion, including AED89.9 billion representing the capital of companies registered with ADX. The capital of companies registered with DFM amounted to AED112 billion. The capital of non-listed companies amounted to around AED208.2 billion as indicated in the following table:

Table (21)

2017	Non-listed	Listed on DFM	Listed on ADX	Total
Capital of local registered companies	208,229,290,150	112,128,894,905	89,997,716,354	410,355,901,409

Chart No. (8)

Capital of local public joint stock companies registered with the SCA by listing



II. Capital of the local public joint-stock companies registered with the SCA until the end of 2017 by ownership structure and listing on the UAE securities markets

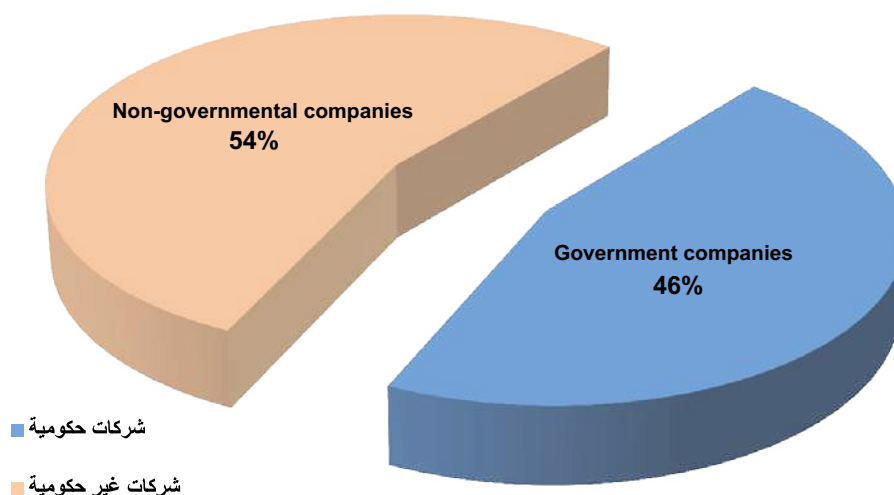
The total capital of the local public joint-stock companies registered with the SCA amounted to AED410.3 billion, including AED187.8 billion representing the capital of government companies and AED222 billion representing the capital of non-government companies as indicated in the following table:

Table (22)

2017	Non-listed	Listed on DFM	Listed on ADX	Total
Government companies	186,863,020,650	0	1,000,000,000	187,863,020,650
Non-government companies	21,366,269,500	112,128,894,905	88,997,716,354	222,492,880,759
Total	208,229,290,150	112,128,894,905	88,997,716,354	410,355,901,409

Chart No. (9)

Capital of local joint stock companies registered with the SCA by ownership structure



III. Capital of the local public joint-stock companies registered with the SCA until the end of 2017 by sector and listing on the UAE securities markets

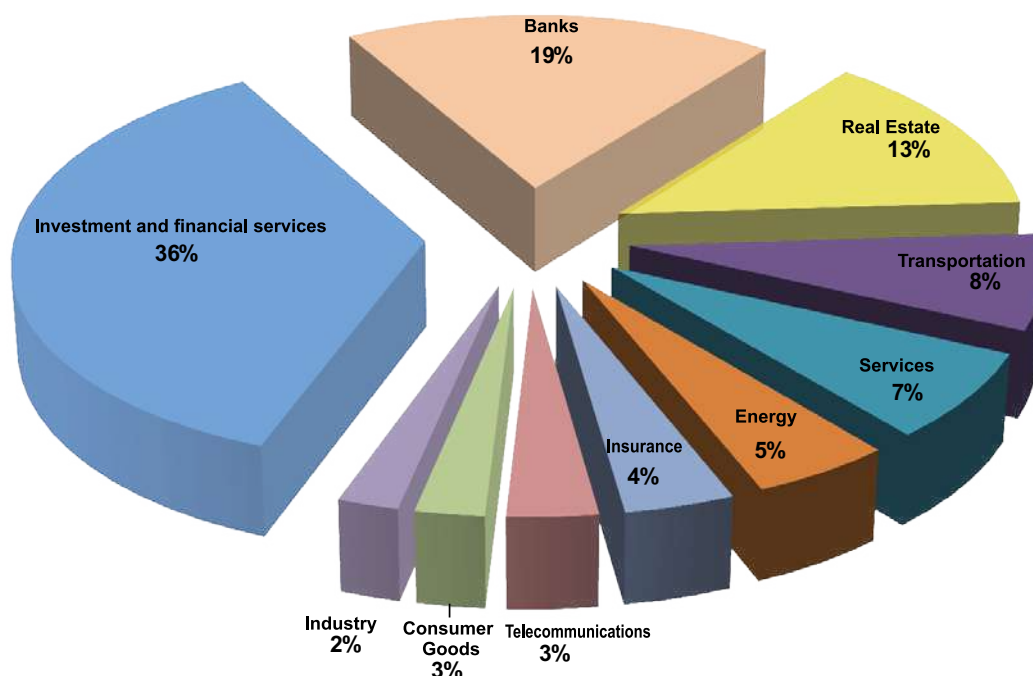
The investment and financial services sector ranked the first position among the registered local companies, with a total capital of around AED148 billion, followed by the banking sector, with a total capital of AED77.6 billion, then the real-estate sector, with a total capital of AED55 billion, followed by the remaining sectors in the order shown in the following table:

Table (23)

Sector	Non-listed	Listed on DFM	Listed on ADX	Total
Investment and financial services	130,059,430,000	15,658,268,776	2,534,389,687	148,252,088,463
Banking	16,890,000,000	23,758,750,181	36,951,421,295	77,600,171,476
Real-estate	0	42,862,566,763	12,266,530,689	55,129,097,452
Transportation	24,917,907,100	6,682,466,666	0	31,600,373,766
Services	19,197,315,120	5,815,529,124	3,163,889,694	28,176,733,938
Energy	7,416,368,430	0	14,042,923,422	21,459,291,852
Insurance	9,059,667,000	3,747,076,237	3,150,439,180	15,957,182,417
Telecommunications	0	4,532,905,988	8,696,754,000	13,229,659,988
Consumer Goods	20,000,000	8,712,531,170	1,296,400,000	10,028,931,170
Industry	668,602,500	358,800,000	7,894,968,387	8,922,370,887
Total	208,229,290,150	112,128,894,905	89,997,716,354	410,355,901,409

Chart No. (10)

Capital of local public joint stock companies registered with the SCA by sector



IV. The capital of local public joint-stock companies registered with the SCA until the end of 2017 classified by emirate and listing on the UAE securities markets

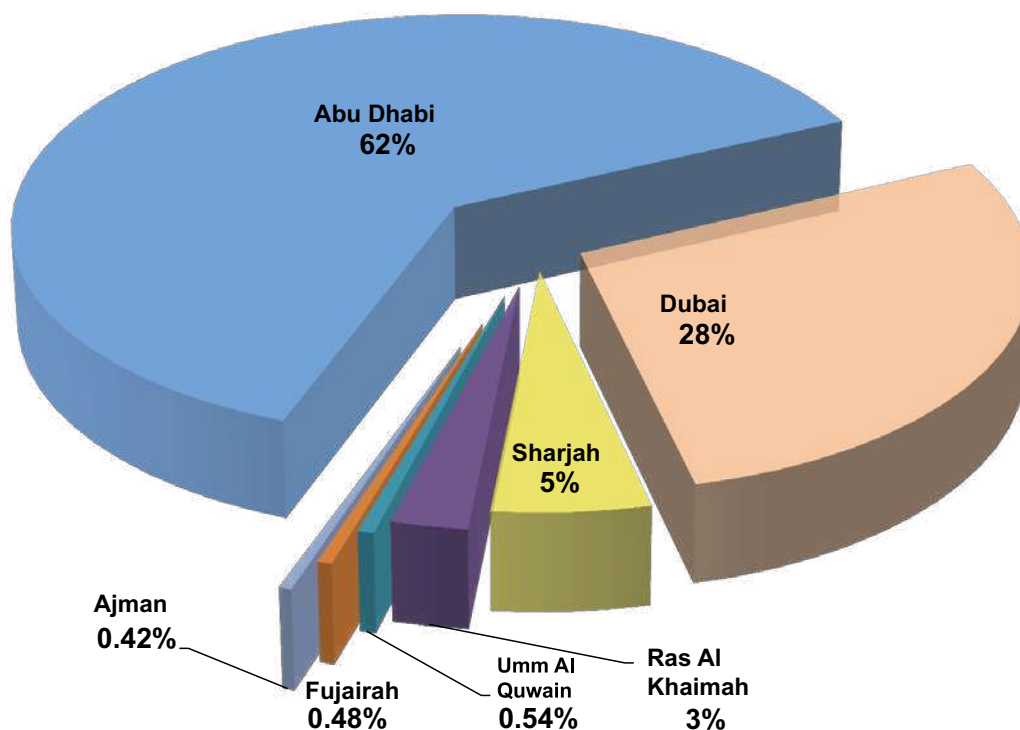
Abu Dhabi topped the list, with a total capital of registered companies of AED256.2 billion, followed by Dubai, with a total capital of AED116.4 billion, then Sharjah, with a total capital of AED21 billion, followed by the remaining emirates in the order shown in the following table:

Table (24)

Emirate	Non-listed	Listed on DFM	Listed on ADX	Total
Abu Dhabi	195,101,020,650	2,715,529,124	58,401,291,378	256,217,841,152
Dubai	13,081,667,000	103,036,343,281	330,939,180	116,448,949,461
Sharjah	36,602,500	4,666,700,000	16,748,208,115	21,451,510,615
Ras Al Khaimah	0	0	10,347,898,298	10,347,898,298
Umm al-Quwain	0	0	2,211,000,000	2,211,000,000
Fujairah	10,000,000	0	1,958,379,383	1,968,379,383
Ajman	0	1,710,322,500	0	1,710,322,500
Total	208,229,290,150	112,128,894,905	89,997,716,354	410,355,901,409

Chart No. (11)

Capital of local public joint stock companies registered with the SCA by Emirate



V. The capital of local public joint-stock companies registered with the SCA until the end of the year classified by ownership structure and emirate

Abu Dhabi was ranked first in terms of the government companies registered, with a total capital of AED187.8 billion, followed by Dubai, with a total capital of AED50 billion. As to the non-government companies registered, Dubai topped the list, with a total capital of AED116.4 billion, followed by Abu Dhabi, with a total capital of AED68.4 billion, followed by the remaining emirates in the order shown in the following table:

Table (25)

Emirate	Government Companies	Non-government companies	Total
Abu Dhabi	187,803,020,650	68,414,820,502	256,217,841,152
Dubai	50,000,000	116,398,949,461	116,448,949,461
Sharjah	0	21,451,510,615	21,451,510,615
Ajman	0	1,710,322,500	1,710,322,500
Umm al-Quwain	0	2,211,000,000	2,211,000,000
Ras Al Khaimah	0	10,347,898,298	10,347,898,298
Fujairah	10,000,000	1,958,379,383	1,968,379,383
Total	187,863,020,650	222,492,880,759	410,355,901,409

Statistics of the joint-stock companies listed on the UAE securities markets until the end of 2017

I. A statement of the number and nationality of the public joint-stock companies registered with the SCA until the end of 2017

The number of companies registered from 2001 until the end of 2017 amounted to 161. The total number of UAE companies registered amounted to 122. The total number of Kuwaiti registered companies amounted to 22, followed by 6 Bahraini companies. The number of registered Jordanian and Sudanese companies amounted to 3 for each.

Number and nationality of local and foreign public joint-stock companies registered with the SCA until 2017

Table (26)

Nationality	2001-2014	2015	2016	2017	Total
UAE	119		0	3	122
Kuwait	20		1	1	22
Bahrain	5			1	6
Sudan	3				3
Jordan	3				3
Oman	1				1
Palestine	1				1
Qatar	1				1
Egypt	2				2
Total	155	0	1	5	161

II. A statement of the number and nationality of registered and listed companies by the listing market and the emirate until the end of 2017

The number of companies listed on ADX amounted to 66, representing 51% of the total companies listed on the UAE markets, whereas the number of companies listed on DFM amounted to 64, representing 49% of the total number of companies listed on the UAE markets.

Table (27)

Nationality	DFM	ADX	Total
UAE	49	64	113
Kuwait	10	0	10
Bahrain	4	0	4
Sudan	1	1	2
Jordan	0	0	0
Oman	0	0	0
Palestine	0	0	0
Qatar	0	1	1
Egypt	0	0	0
Total	64	66	130

III. A statement of the number of companies listed by sector until the end of 2017

Table (28)

Sector	Listed on DFM	Listed on ADX	Total
Banking	12	13	25
Insurance	14	17	31
Investment and Financial Services	10	4	14
Telecommunications	2	3	5
Real-estate	9	4	13
Industry	2	12	14
Services	4	7	11
Consumer goods	6	4	10
Energy	0	2	2
Transportation	5	0	5
Total	64	66	130

IV. The public joint-stock companies registered and not listed on the UAE markets until the end of 2017

There is one registered and not listed company until the end of 2017

Table (29)

Name of Company	State	Sector	Registration Year
General Ceramics	UAE	Industry	2010

V. A statement of the number of private joint-stock companies registered and listed on the UAE financial markets until the end of 2017

The number of private joint-stock companies registered with the SCA and listed on the UAE financial markets amounted to 5, with a total capital of AED4.5 billion.

The local private joint-stock companies registered and listed until 2017

Table (30)

Name of Company	Listing Market	Emirate	Capital
Manazil Real Estate	ADX	Abu Dhabi	2,600,000,000.00
The National Investor	ADX	Abu Dhabi	577,500,000.00
AlSafwa Mubasher Financial Services	DFM	Dubai	563,841,748.00
Al Qudra Holding	ADX	Abu Dhabi	808,984,000.00
Awtad Co.	DFM	Dubai	150,000,000.00
Total			4,550,325,748.00

Statistics of the auditors of public joint-stock companies registered with the SCA until the end of 2017

The SCA started implementing a decision to registering the auditors of public joint-stock companies and mutual funds in its register, as per the SCA Board of Directors' Decision No. (25) of 2015, which was issued by H.E. Engineer Sultan Bin Saeed Al-Mansoori, SCA Board Chairman. Under this decision, the auditors not registered in the SCA's register may not audit the accounts or prepare reports on the regular or annual accounts or the financial statements of public joint-stock companies or mutual funds. The number of auditors of public joint-stock companies registered with the SCA until the end of 2017 amounted to 10 auditing firms.

Table (31)

S/N	Name of Auditor	Nationality	Date of Registration with the SCA
1	Grant Thornton International Ltd – foreign branch	Foreign	3 January 2016
2	Rödl Middle East	Local	11 January 2016
3	Talal Abu-Ghazaleh & Co. International (foreign branch)	Foreign	11 January 2016
4	Deloitte & Touche (M.E.)	Foreign	6 January 2016
5	KPMG Lower Gulf Limited	Foreign	6 January 2016
6	PricewaterhouseCoopers- Foreign branch	Foreign	18 January 2016
7	Ernst & Young Middle East- National company	Local	20 January 2016
8	Mazars Chartered Accountants – civil works	Local	1 February 2016
9	BDO Chartered Accountants & Advisors	Foreign	20 February 2016
10	Horth Mac - Civil Business Company	Foreign	21 April 2016

Key achievements in 2017

- Registration of 292 foreign mutual funds in 2017 for 56 foreign mutual fund legal representatives.
- Issuance of 789 approvals to promote foreign mutual funds in 2017 for 19 local promoters.
- Launch of the online service to receive applications for registration of foreign mutual funds.

I. Key statistics of local mutual funds in 2017

Number of local mutual funds for 2017 by fund manager

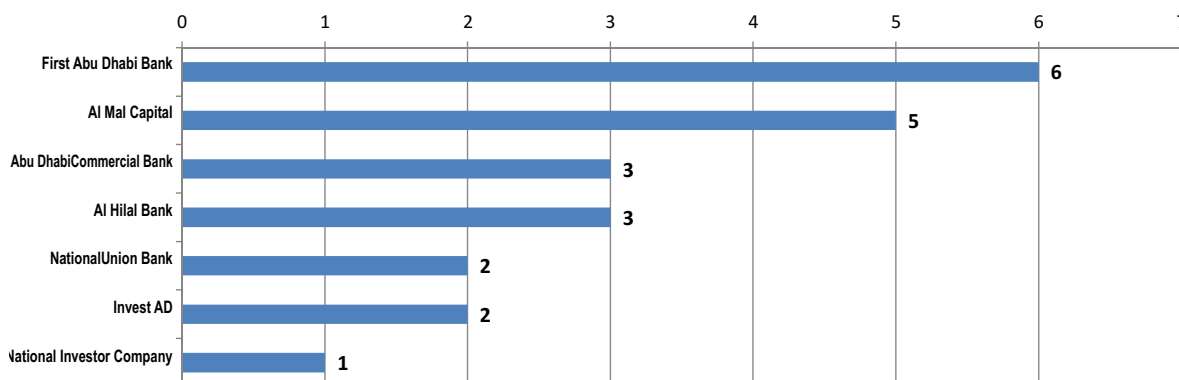
Following is a review of the number of existing local mutual funds at the end of the year and names of the managers of these funds.

Table (32)

S/N	Fund Manager	Number of Funds
1	First Abu Dhabi Bank	6
2	Al Mal Capital	5
3	Abu Dhabi Commercial Bank	3
4	Al Hilal Bank	3
5	National Union Bank	2
6	Invest AD	2
7	National Investor Company	1
	Total number of local mutual funds	22

Chart No. (12)

Number of Local Mutual Funds



Net asset value of existing local funds at the end of the year by fund manager

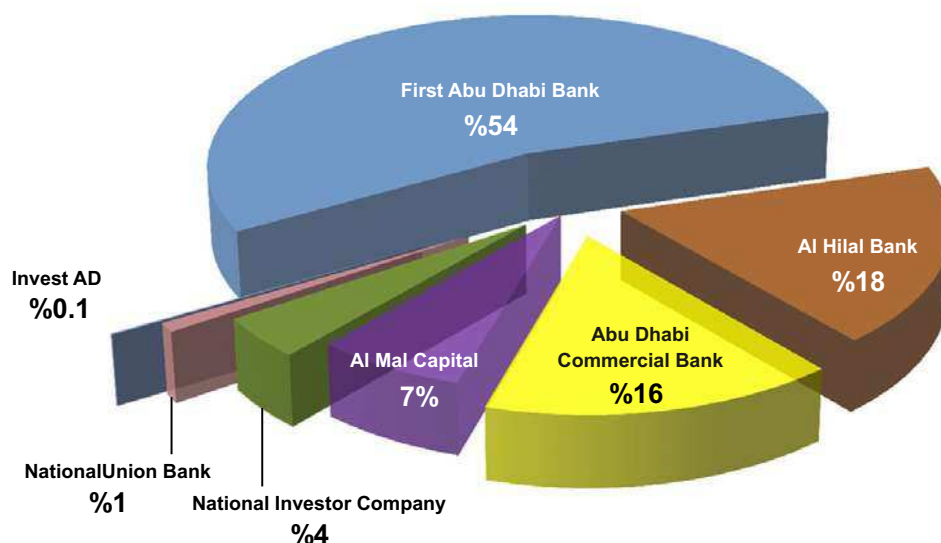
Following is a review of the total net asset value of local funds managed by each fund manager. Abu Dhabi Bank ranked first, with a total of AED 692 million as net asset value for (6) mutual funds

Table (33)

S/N	Fund Manager	Net Asset Value (AED Million)
1	First Abu Dhabi Bank	692
2	Al Hilal Bank	235
3	Abu Dhabi Commercial Bank	204
4	Al Mal Capital	87
5	National Investor Company	54
6	National Union Bank	12
7	Invest AD	2
Total Net Asset Value of Local Mutual Funds		1,286

Chart No. (13)

Net Asset Value of Local Mutual Funds



Distribution of ownership of existing local mutual funds by the end of the year by investors from inside and outside the UAE

Following is a table showing the distribution of ownership of local mutual fund units among investors within the UAE at about AED 102 billion and investors from outside the UAE in units valued at AED 105 million.

Table (34)

S/N	Investors in local funds	Net Asset Value (AED Million)
1	Investors from within the UAE	1,181
2	Investors from outside the UAE	105
	Total	1,286

Distribution of investments of existing local mutual funds at the end of the year inside and outside the UAE

Following is a table showing the value of investments of local and international mutual funds inside and outside the UAE. The value of local fund investments in the UAE amounted to AED 665 million compared to AED 621 million outside the UAE.

Table 35

S/N	Investments of local funds	Net Asset Value (AED Million)
1	Investments of local funds within the UAE	665
2	Investments of local funds outside the UAE	621
	Total	1,286



Names of local mutual funds and management companies, and their net asset value at the end of the year

Following is an illustrative table of the names of existing local funds, the names of fund managers and the net asset value at the end of the year:

Table (36)

S/N	Fund Manager	Name of Fund	Value of the Fund (AED million)
1	Al Mal Capital	Al Mal Fund for UAE Stocks	37
2	Al Mal Capital	Al Mal Fund for Liquidity	14
3	Al Mal Capital	Al-Faris Private Equity Fund (under liquidation)	0
4	Al Mal Capital	Al Mal Real Estate Fund	37
5	Al Mal Capital	Al Mal Fund for Shariah-Compliant Saudi Stocks (under liquidation)	0
6	Invest AD Asset Management PJSC	Invest ED Fox UAE Fund	1
7	Invest AD Asset Management PJSC	Bluestone Fund	1
8	National Union Bank	UNB Union Fund	4
9	National Union Bank	Al-Samaha Islamic Fund	8
10	Abu Dhabi Commercial Bank	Arab Index Fund of Abu Dhabi Commercial Bank	8
11	Abu Dhabi Commercial Bank	Al Nokhatha Fund	177
12	Abu Dhabi Commercial Bank	Abu Dhabi Commercial Bank Fund for MSCI UAE Index	20
13	National Bank of Abu Dhabi	NBAD Islamic Funds - NBAD Islamic Fund for Asset Development in the MENA Region *	107
14	National Bank of Abu Dhabi	NBAD Asset Development Funds - NBAD Fund for Asset Development in the United Arab Emirates	123
15	National Bank of Abu Dhabi	NBAD Asset Development Funds - NBAD Fund for Asset Development in the Middle East and North Africa *	20
16	National Bank of Abu Dhabi	NBAD Asset Development Funds - NBAD Fund for Income and Asset Development in the Middle East and North Africa*	138
17	National Bank of Abu Dhabi	NBAD Asset Development Funds - NBAD Fund for Trading in the United Arab Emirates	139
18	National Bank of Abu Dhabi	NBAD Fund for Investment in Sukuk	155
19	National Investor Company	National Investor Equity Fund in the United Arab Emirates	54
20	Al Hilal Bank	Al Hilal Global Balanced Fund	58
21	Al Hilal Bank	Al Hilal GCC Equity Fund	35
22	Al Hilal Bank	Al Hilal Global Sukuk Fund	143
Total			1,286

II. Most important statistics of foreign mutual funds registered with the SCA

Distribution of foreign funds registered during the year by month of registration

Following is a review of the number of foreign mutual funds registered with the SCA during 2017 distributed over the months of the year.

Table (37)

Month	Registered foreign funds
March	13
April	1
May	1
June	10
July	31
August	5
September	9
October	34
November	37
December	151
Total	292

Distribution of foreign funds registered during the year by the legal representative of the fund

The following table shows the names of the entities that have registered foreign mutual funds with the SCA during the year, indicating the number of funds registered by each entity as follows:

Table (38)

S/N	Legal representative of the foreign mutual fund	Number of registered funds
1	BlackRock Investment Management (UK) Limited	39
2	Franklin Templeton International Services S. 'a r. I.	36
3	Schroder Investment Management (Luxembourg) S.A	21
4	FIL Investment Management (Luxembourg) S.A.	17
5	Bonnard Lawson (Dubai Branch)	14
6	Emirates NBD Asset Management Limited	13
7	AllianceBernstein L.P	9
8	Curtis, Mallet-Prevost, Colt & Mosle LLP	8
9	Pictet Asset Management (Europe) S.A.	8
10	Allianz Global Investors GmbH	7
11	Goldman Sachs Asset Management Global Services Limited	7
12	Invesco Asset Management Limited	7
13	MFS Investment Management Company (Lux) S.A.R.L	7
14	First Abu Dhabi Bank	6
15	HDFC Asset Management Company Limited	6
16	ICICI Prudential Asset Management Company Limited	6

S/N	Legal representative of the foreign mutual fund	Number of registered funds
17	Deloitte Tax & Consulting	5
18	Mashreq Capital (DIFC) Limited	5
19	IIFL Capital Pte Ltd.	4
20	Pacific Capital Partners Limited	4
21	PIMCO Global Advisors (Ireland) Limited	4
22	Pioneer Asset Management S.A.	4
23	Rasmala Investment Bank Limited	4
24	SBI Funds Management Private Limited	4
25	Robeco Luxembourg S.A.	3
26	Tata Asset Management Limited	3
27	Abu Dhabi Commercial Bank	2
28	Al Mal Capital	2
29	Alpha Real Capital LLP	2
30	Kotak Mahindra (UK) Limited	2
31	Mirae Asset Global Investments (Hong Kong) Limited	2
32	Neuberger Berman Europe Limited	2
33	NGAM S.A	2
34	Nomura Asset Management UK Limited	2
35	Principal Global Investors (Ireland) Limited	2
36	Sundaram Asset Management Company Limited	2
37	UTI International (Singapore) Private Limited	2
38	Arqaam capital Limited	1
39	Aspect Investment Partners (DIFC) Limited	1
40	AXA Funds Management S.A.	1
41	AZ Fund Management S.A.	1
42	Candriam Luxembourg	1
43	CIMB-Principal Islamic Asset Management (Ireland) Plc	1
44	Comgest Asset Management International Limited	1
45	DSP BlackRock Investment Mangers Pvt. Ltd.	1
46	Franklin Templeton Investment (ME) Limited	1
47	Franklin Templeton Investments Australia Limited	1
48	GAM Investment Management (Switzerland) Ltd	1
49	Jupiter Asset Management Limited	1
50	Kotak Mahindra Asset Management Company Ltd	1
51	Mapels & Calder	1
52	NN Investment Partners Luxembourg S.A.	1
53	Reliance Asset Management (Singapore) Pte Ltd	1
54	Standard Life Investments Limited	1
55	Tata Asset Management (Mauritius) Private Limited	1
56	UTI Asset Management Company Limited	1
Total		292

Distribution of foreign funds registered during the year by their domicile of incorporation

Following is a table of the foreign mutual funds registered with the SCA during the year, distributed by the nationality of such funds. Funds established in Luxembourg were ranked first, with a total of 207 funds.

Table (39)

S/N	Domicile of incorporation of the foreign mutual fund	Number of registered funds
1	Luxembourg	207
2	Ireland	36
3	India	24
4	Cayman Islands	6
5	Dubai International Financial Center	5
6	Bermuda	4
7	France	2
8	United kingdom	2
9	Bahrain	2
10	Jersey	2
11	Mauritius	1
12	Switzerland	1
Total funds		292

Distribution of foreign funds registered during the year by nature of offering in the UAE

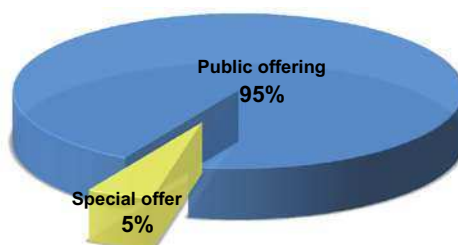
Following is a review of the number of foreign mutual funds registered during the year for public offering purposes totaling 278 funds, as well as 14 funds registered for private offering purposes.

Table (40)

Nature of fund offering in the UAE	Number of registered funds
Public offering	278
Private offering	14
Total Funds	292

Chart No. (14)

Distribution of foreign funds registered during the year



Number of promotion approvals issued during the year by the month of approval issue
Following is a review of the number of promotion approvals issued for foreign mutual funds registered during the year, distributed over the months of the year as follows:

Table (41)

Month	Number of promotion approvals issued
June	36
July	79
August	13
September	25
October	89
November	64
December	483
Total	789

Number of promotion approvals issued during the year by local promoter

Following is a review of the names of the local promoters of foreign mutual funds registered with the SCA and the number of promotion approvals issued for each promoter during the year. ADCB ranked first with 162 approvals, Mashreq bank came in second with 151 approvals and then Citibank followed with 144 approvals.

Table (42)

S/N	Local promoters of foreign mutual funds	Number of promotion approvals issued
1	Abu Dhabi Commercial Bank	162
2	Mashreq Bank	151
3	Citibank NA	144
4	Standard Chartered Bank	78
5	Bargil Geojit Securities & Bonds (LLC)	46
6	Emirates NBD	44
7	HSBC Bank Middle East Limited	41
8	First Abu Dhabi Bank	30
9	Samba Financial Group - Dubai Branch	29
10	National Bank of Ras Al Khaimah	24
11	Noor Bank	10
12	Abu Dhabi Islamic Bank	7
13	Emirates Islamic Bank	6
14	Commercial Bank of Dubai	5
15	National Union Bank	4
16	Al Mal Capital	3
17	Ajman Bank	2
18	Dubai Islamic Bank	2
19	Becktic & C - Representative Office	1
	Total promotion approvals issued during the year	789

I. At Market Level:

Indexes:

The following table and chart illustrate the movement of indexes of major global markets and the GCC markets, which show a decline in the performance of the indexes of the stock markets in the UAE by the end of 2017 compared to 2016, based on the data of a number of GCC markets as shown in the table.

Performance of indexes of global stock market

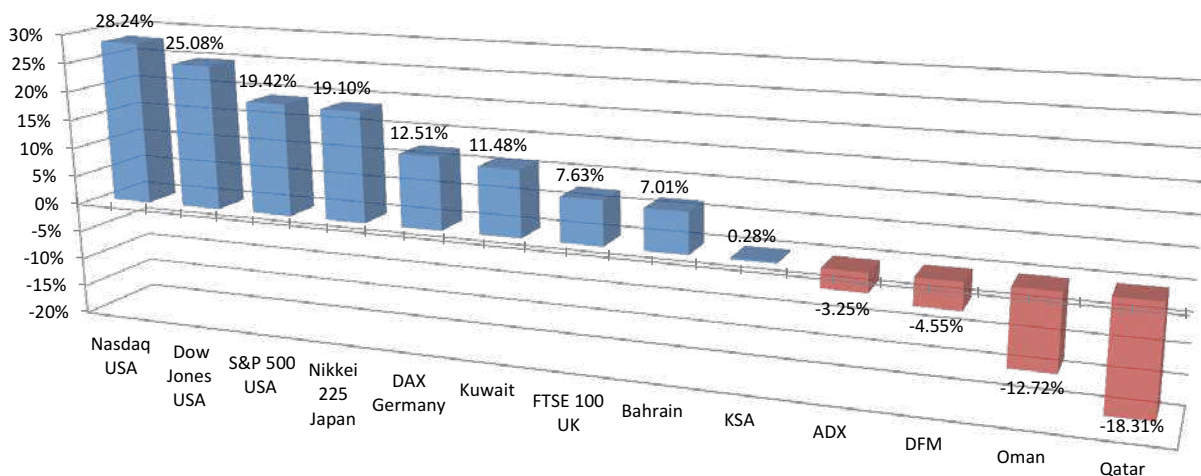
Table (43)

Markets	Change
United States - Nasdaq	28.24%
United States - Dow Jones	25.08%
United States - S & P 500	19.42%
Japan - Nikkei 225	19.10%
Germany - DAX	12.51%
Kuwait	11.48%
United Kingdom - FTSE 100	7.63%
Bahrain	7.01%
Saudi Arabia	0.28%
Abu Dhabi Securities Exchange	-3.25%
Dubai Financial Market	-4.55%
Sultanate of Oman	-12.72%
Qatar	-18.31%

Trading Values:

Chart No. (15)

Performance of global stock market indices



The following table shows the average daily trading volume of Abu Dhabi Securities Market and Dubai Financial Market for 2017, which indicate that the value of the average trading volume of the UAE markets amounted AED 652.46 million for both markets.

Table (44)

Average Daily Trading Volume (in AED Million)	
Abu Dhabi Market	192.36
Dubai Market	460.1
Total	*652.46

* Includes locally listed companies, dual listing companies, bonds, and private companies

The following table shows the percentage of change in the average daily trading volume during 2016 and 2017, which demonstrate a decline of about 11% in 2017 compared to 2016.

Table (45)

Average Daily Trading Volume (in AED Million)		
Average for 2017	Average for 2016	Percentage of change
652.46	730.00	-10.6%



Sectoral Performance:

The following tables, and the charts below, illustrate the performance of stock prices and trading values of listed companies classified by sector in 2017 for the Abu Dhabi and Dubai financial markets:

Abu Dhabi Securities Market:

Table (46)

Sector	Index Closure in 2016	Index Closure in 2017	Percentage of Change	Market Value in AED	Value Traded in AED
Banks	7,549.49	7,494.70	-0.73%	205,529,193,795	15,301,074,911
Telecommunications	4,657.70	4,335.63	-6.91%	180,171,014,743	5,689,518,583
Energy	1,087.38	1,443.48	32.75%	42,112,529,972	5,142,471,462
Real Estate	4,282.97	3,567.98	-16.69%	20,459,271,376	12,635,336,554
Industry	2,026.28	2,050.17	1.18%	10,470,881,812	997,813,078
Insurance	1,904.32	2,163.44	13.61%	9,211,906,132	721,943,191
Services	2,727.32	2,444.74	-10.36%	8,716,280,348	302,943,426
Consumer Goods	2,982.54	2,206.57	-26.02%	4,386,860,000	2,146,115,152
Investment and financial services	2,664.59	2,647.03	-0.66%	4,330,356,215	830,536,315

Chart No. (16)

Percentage of Change in the Indexes of Abu Dhabi Securities Exchange

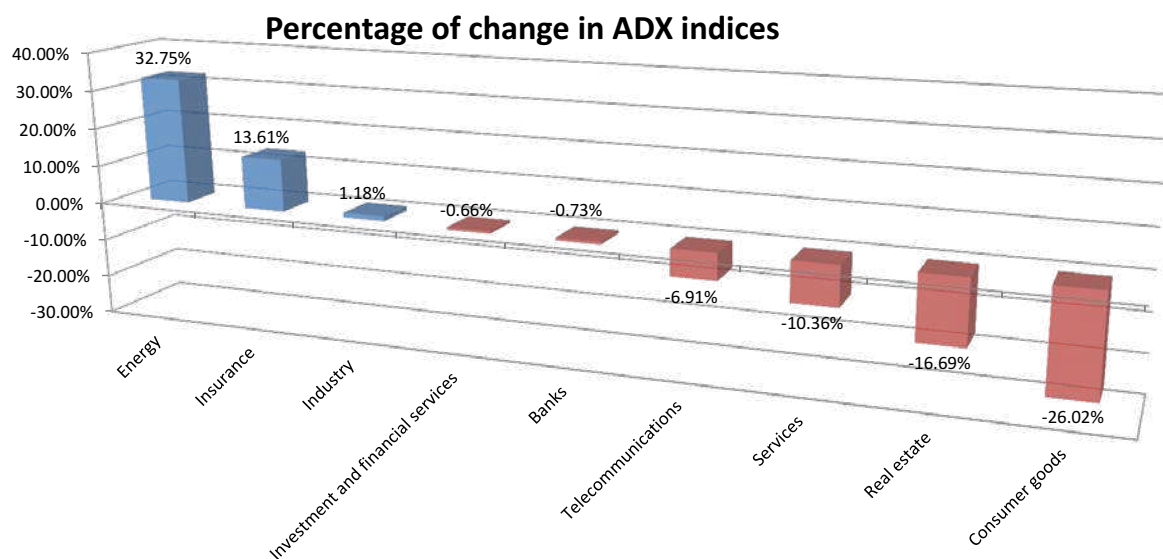


Chart No. (17)

Market Capitalization of Abu Dhabi Securities Exchange

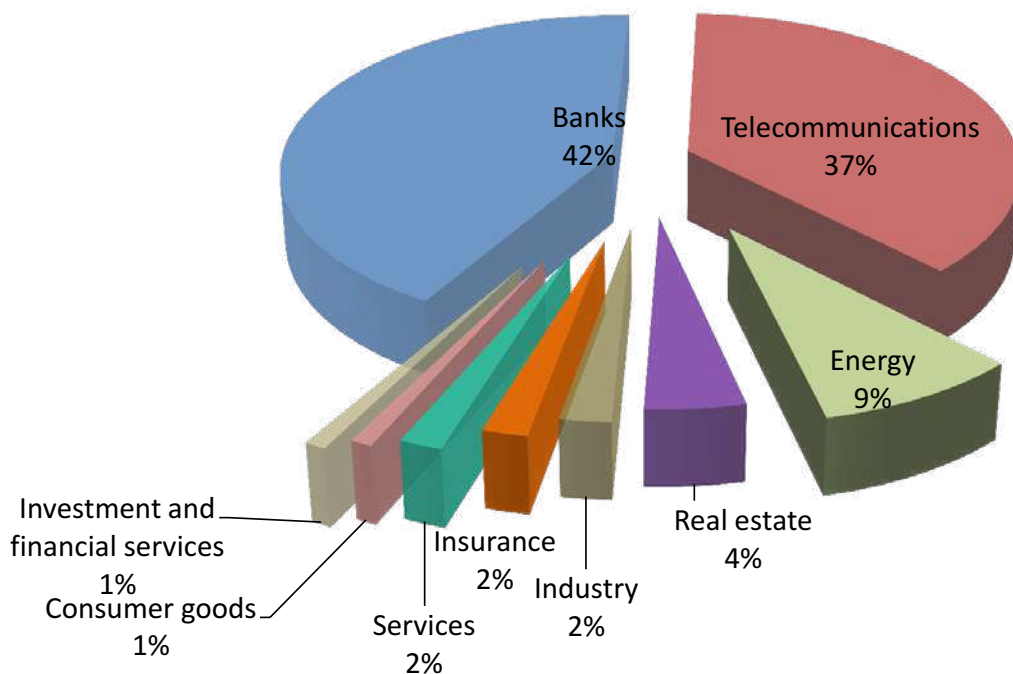
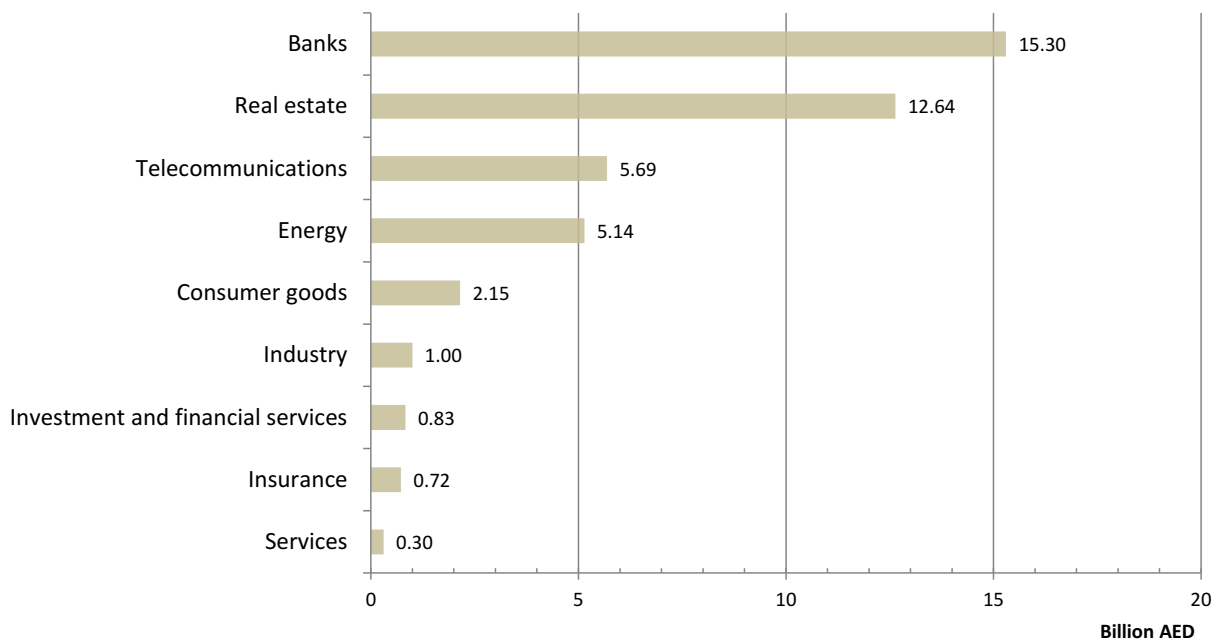


Chart No. (18)

Volume traded by sector in the Abu Dhabi Securities Market



Dubai Financial Market:

Table (47)

Sector	Index Closure in 2016	Index Closure in 2017	Percentage of Change	Market Value in AED	Value Traded in AED
Transportation	826.04	820.99	-0.61%	24,223,561,293	4,947,884,441
Banks	2,262.95	2,333.21	3.10%	165,205,351,294	33,144,326,214
Real Estate	7,164.40	6,719.75	-6.21%	132,038,848,008	44,975,998,091
Telecommunications	1,046.51	860.84	-17.74%	23,635,093,715	4,498,162,408
Investment and financial services	3,730.41	3,737.61	0.19%	22,867,387,063	11,736,443,545
Services	569.30	718.82	26.26%	9,062,263,006	5,952,945,099
Consumer Goods	779.38	366.85	-52.93%	7,298,513,745	4,535,969,116
Insurance	1,527.70	1,556.93	1.91%	5,711,579,957	4,427,410,913
Industry	119.40	119.40	0.00%	3,719,430,558	42,877,911

Chart No. (19)

Percentage of Change in the Indexes of Dubai Financial Market

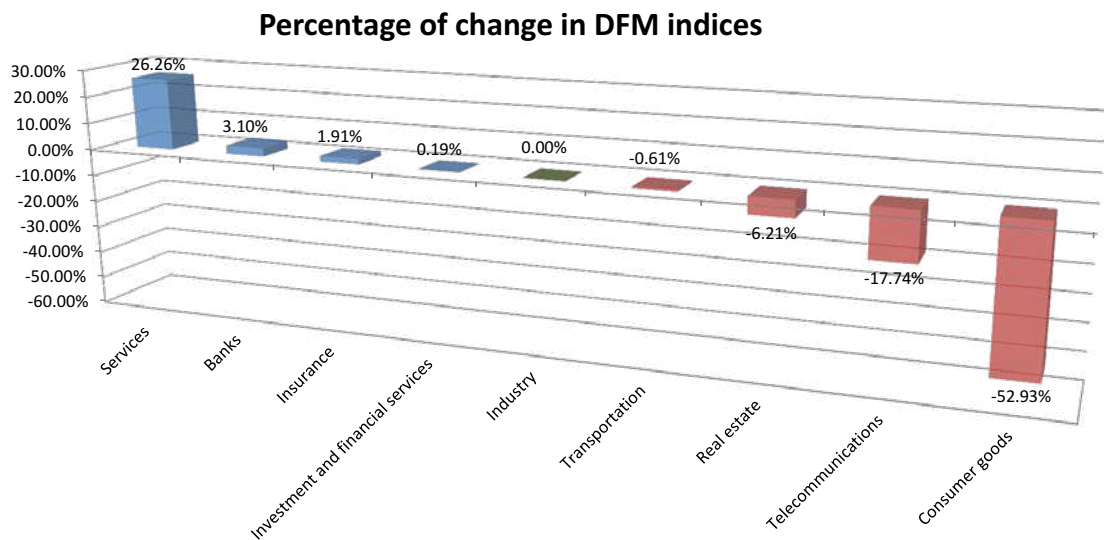


Chart No. (20)

Market Capitalization of Dubai Financial Market Sectors

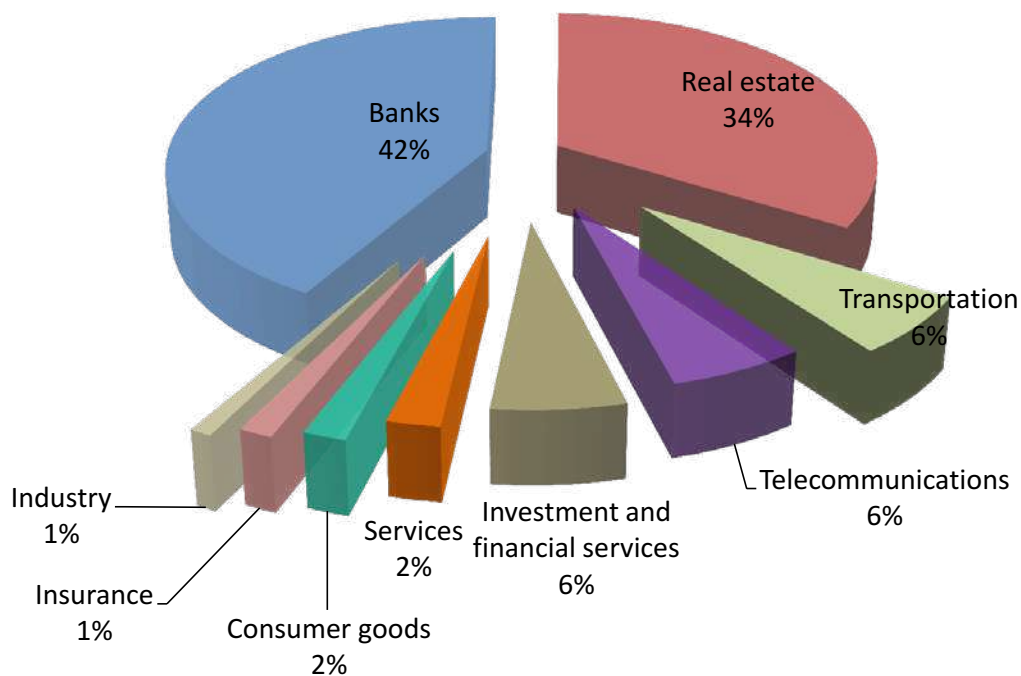
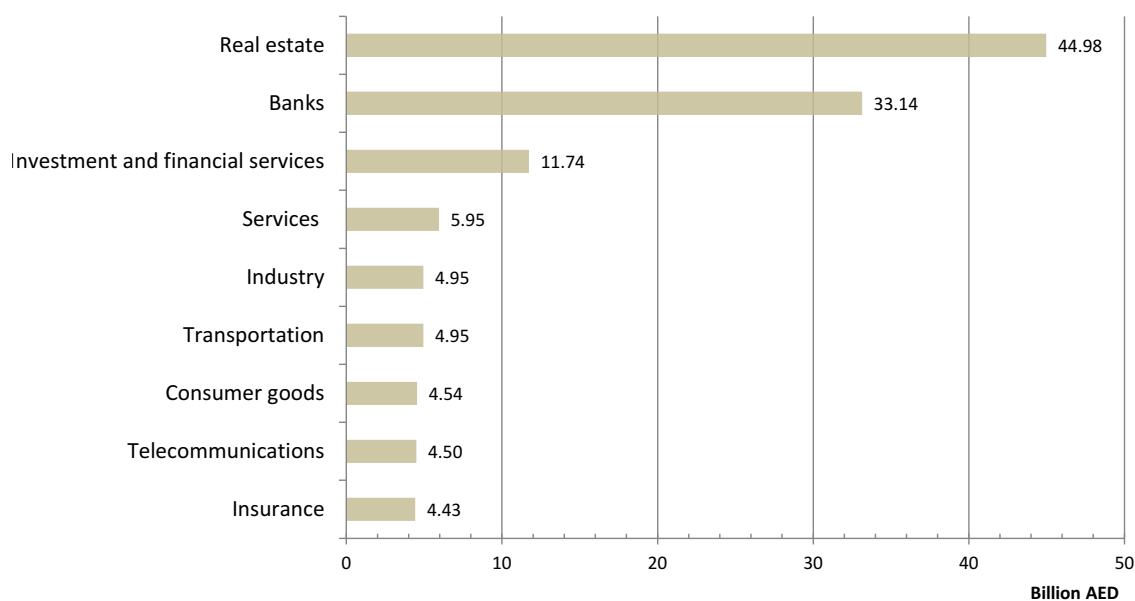


Chart No. (21)

Traded Value by Sector in Dubai Financial Market



Price/Earnings (P/E) and Dividend Yield

Table (48)

P/E Ratio (Ratio of market value to profitability)			Ratio of dividends distributed to market value Dividend Yield		
2016	2017	Change	2016	2017	Change
Abu Dhabi Securities Exchange			Abu Dhabi Securities Exchange		
18.96	14.50	-23.52%	4.89	5.33	9%
Dubai Financial Market			Dubai Financial Market		
11.11	12.61	13.50%	3.69	3.32	-10.03%

From the above table, we can see that in Dubai Financial Market, the P/E index increased during the year 2017 compared to the previous year, while the Dividends Yield decreased.

However, in Abu Dhabi Securities Exchange, the Dividend Yield increased but the P/E index decreased.

Net Foreign Investment Flow:

The above data show the foreign investment flows into the UAE markets in 2017. They have amounted in both markets to the value of AED 132.5 million.

Table (49)

Net Foreign Investment Flow – in AED in 2017	
Abu Dhabi	1,757,663,345.19
Dubai	-1,613,013,092.53
Net gross for both markets	144,650,252.66

Net Institutional Investment:

The following table shows the net institutional investment in the UAE equity markets. These investments experienced positive flow in 2017 amounting to AED 2,862.28 million

Table (50)

Net Institutional Investment Flow - in AED in 2017	
Abu Dhabi	1,931,298,047.00
Dubai	930,976,234.42
Total	2,862,274,281.42

II. At Listed Companies Level

The following table shows the top five companies that accounted for the highest value trades in 2017, which came from the banking and real estate sectors, with GFH Group in the lead.

Most traded companies by value

Table (51)

Company	Value Traded in AED
The GFH Group	21,535,740,598
Emaar	12,410,400,165
First Gulf Bank	8,812,573,572
Drake & Scull	8,769,718,746
Union Properties	8,118,333,297

The following table shows the top five outperforming companies in terms of stock prices in 2017, with the Emirates Islamic Bank in the lead.

Top Companies by Price

Table (52)

Company	Percentage of Change %	Value Traded in AED
Emirates Islamic Bank	615.3	1,289,100
Drake & Scull	370.8	8,769,718,746
Gulf Investment	103.39	3,895,411
Arabtec Holding Company	81.7	7,338,373,430
Al Wathba National Insurance Company	70.68	776,225

The following table shows the five most underperforming companies in terms of stock prices in 2017, with Marka Company experiencing the highest decline in its share prices.

Top Declining Companies by Price

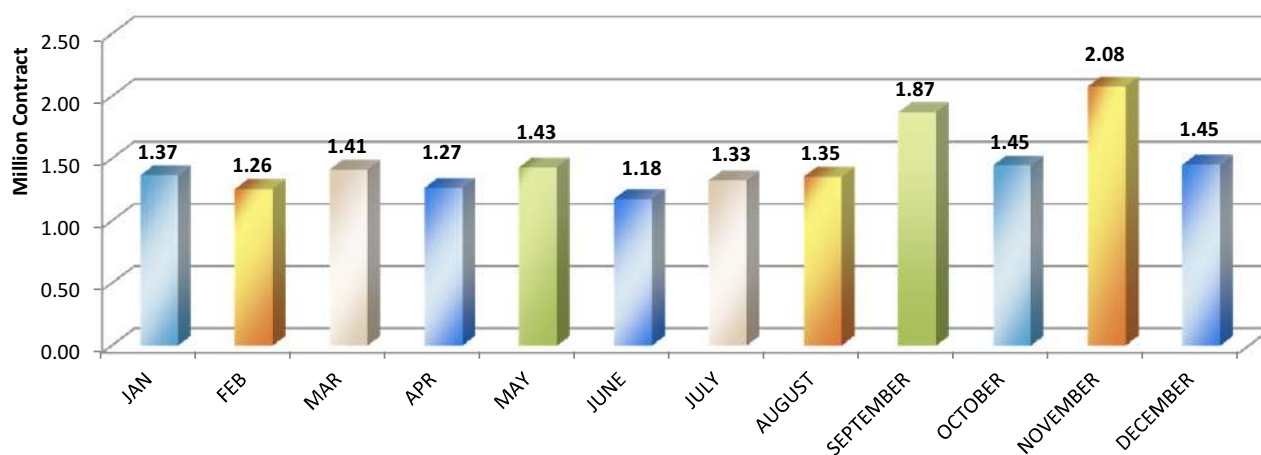
Table (53)

Company	Percentage of Change %	Value Traded in AED
Marka Company	-63.99	522,590,322
Oman and Emirates Investment Holding	-54.31	38,504
Commercial International Bank	-53.77	5,399,778
Al Safwa Direct Financial Services	-51.35	440,468,120
DXB Entertainments	-51.15	4,009,532,958

- The Securities and Commodities Authority (SCA) oversees the Dubai Gold and Commodities Exchange (DGCX) by virtue of its vested powers to oversee and control securities in the UAE. In 2006, a memorandum of understanding was signed between the SCA and DGCX to promote disclosure and transparency of transactions in a manner to serve the interests of investors.
- Oversight of the DGCX - the only one of its kind in the region – is performed through a platform of regulatory work to ensure the integrity of transactions and settlement of all accounts after obtaining the necessary approvals.
- The DGCX was established pursuant to the SCA Decision No. 157 of 2005, whereby the DGCX obtained on 15 November of that year a license to operate as an exchange after the SCA had reviewed its internal regulations and bylaws. The first trade to take place in DGCX was on 22 November of the same year.
- Following is a review of the key achievements realized in the UAE's commodity trading market during 2016:

Chart No. (22)

Number of Contracts Traded per month during 2017



I. The efforts of the SCA to develop the commodity market:

1. The SCA has continued to work with DGCX in order to achieve better efficiency in the process of licensing, renewal and cancellation of licenses of commodity brokerage firms. All new licenses, renewals and cancellation applications were processed and completed using the SCA E-services.
2. Three new commodity brokerage firms were licensed by the SCA during the year.
3. The year 2017 saw the SCA approving a diverse range of contracts for listing on the DGCX. They include:
 - 44 single stock futures based on Indian listed shares.
 - Listing of the Dubai Shanghai Gold Futures contract which is a futures contract based on Gold but denominated and settled in Chinese Yuan
 - The DGCX has applied the earlier conditions for trading in Single Stock Futures contracts that investors should have cash or investments in financial assets of a minimum value of AED 100,000 and an experience of at least 2 years of trading in a market where stock futures are listed and traded. These conditions were maintained for the new 44 listed single stock futures contracts, to ensure that investors have the knowledge and capacity to understand the risks of trading in stock futures on foreign listed shares.

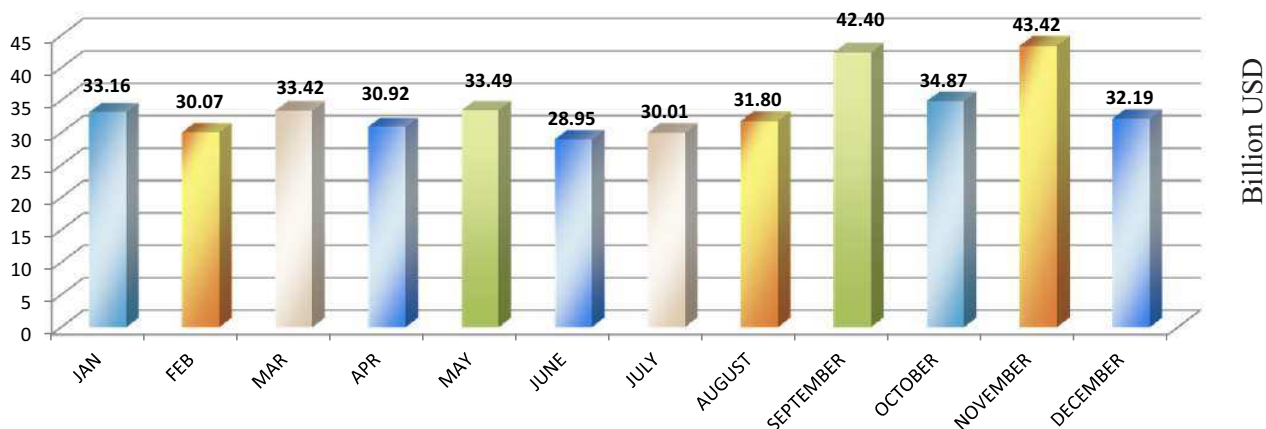
II. Achievements of DGCX:

Awards, Recognition and New Products:

1. The DGCX and the Dubai Central Clearing Center (DCCC) obtained the approval of the Financial Services Regulatory Authority (FRSA), the regulator of the Abu Dhabi Global Market (ADGM), to operate as a remote Exchange and Clearing House.
2. DGCX was awarded 'Exchange of the Year' Award by the Futures Options World (FOW), the Global Investor MENA Awards 2017.
3. In an innovative initiative in this industry, DGCX launched the first-ever offshore Chinese-linked gold derivative in international markets. The listing of Shanghai Gold Futures (DSGC) on the DGCX platform attracted interest and participation from traders worldwide.

Chart No. (23)

Value of traded contracts per month during 2017



III. Key achievements in the area of Commodity Trading:

1. DGCX concluded the year 2017 with gross trading volumes of over 17.44 million contracts.
2. The total notional value traded on DGCX was USD 404.7 Billion.
3. The trading volume achieved by DGCX in 2017 was its 2nd highest annual trading volume in 12 years of operations.
4. The highest daily trading volume for 2017 was recorded on September 27, 2017 amounting to 202,571 contracts.
5. The highest increase in traded contracts was recorded in the trading of the G6 currencies – an increase of 85% over the volumes of 2016.
6. DGCX launched the following new products in 2017:
 - Shanghai Gold, where 34,518 contracts were traded.
 - Calendar Spreads, where 1,658,019 contracts were traded.
 - 44 additional Indian SSF, total SSFs traded 1,353,725 contracts.
7. With the recognition of DGCX and DCCC by ADGM, ADGM domiciled companies would be able to access DGCX's trading and clearing platforms.
8. DGCX also signed an MOU with Abu Dhabi Securities Exchange (ADX) to collaborate in the area of creating a unified national clearing house in the UAE.

Table (54)

Number and value of executed contracts compared to past years

Year	Value (in Million US Dollars)	Number of traded contracts	Rate of change in the number of executed contracts
2005-06	15.46	617,898	
2007	34.68	907,469	47 %
2008	57.43	1,142,493	26 %
2009	78.71	1,503,905	32 %
2010	104.18	1,925,463	28 %
2011	185.13	4,044,138	110 %
2012	372.83	9,601,553	137 %
2013	448.25	13,759,255	43 %
2014	349.93	11,789,063	-14 %
2015	379.80	14,505,316	23 %
2016	430.50	19,669,786	36 %
2017	404.69	17,439,658	-11.3 %

Chart No. (24)

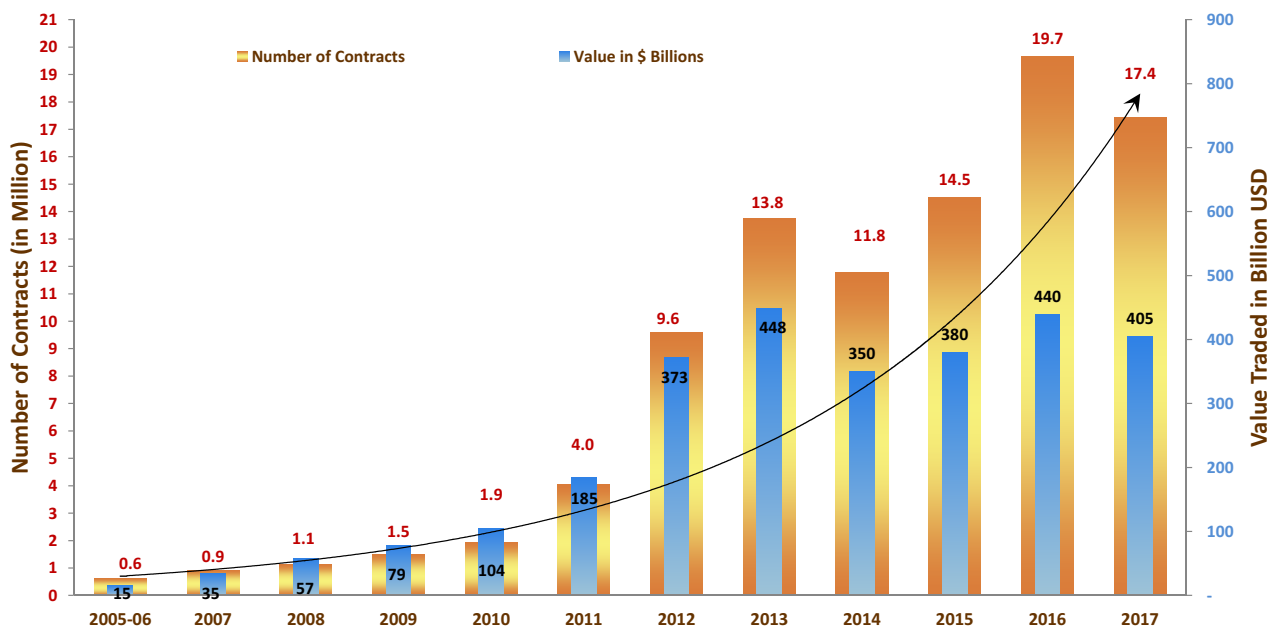
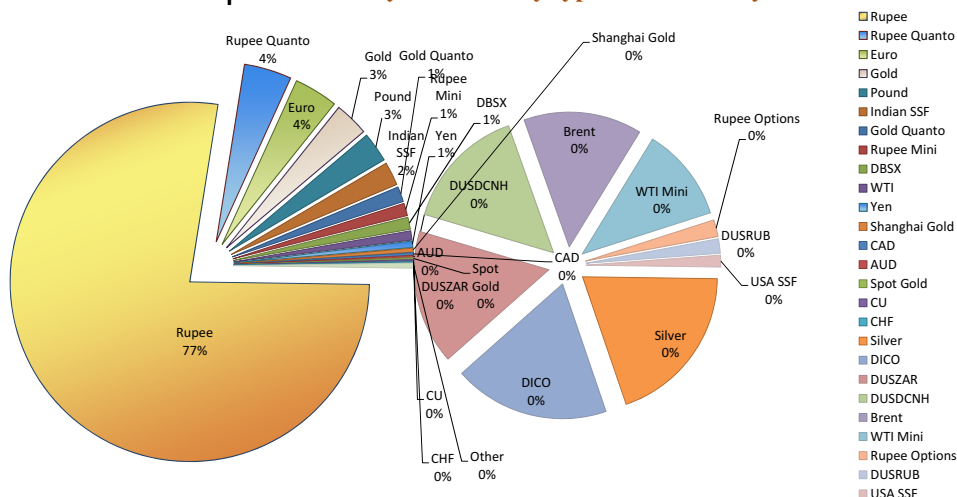


Table (55)
Trading Statistics – comparison between 2016 and 2017

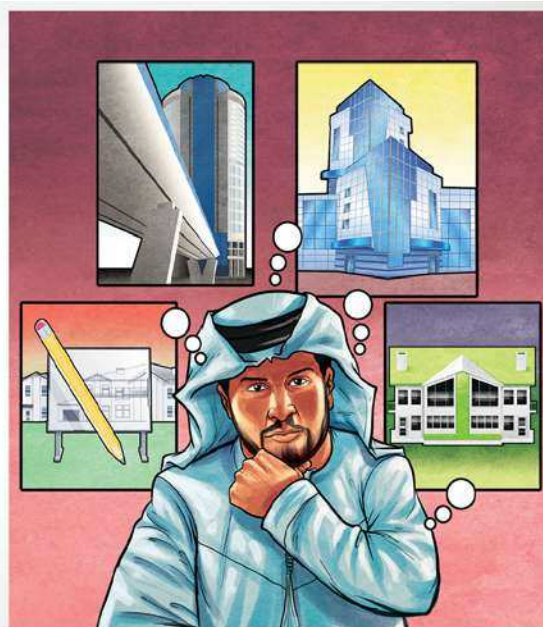
Commodity	Volume		% change	Value (USD m.)		% change	No of Trades		% change
	2017	2016		2017	2016		2017	2016	
Gold	310,195	447,599	-30.70%	12,470.99	18,086.54	-31.05%	130384	180275	-27.67%
Gold Quanto	190,713	281,241	-32.19%	5,542.81	8,273.66	-33.01%	62568	87525	-28.51%
Shanghai Gold	34,518	-	-	1,436.65	-	-	7343	-	-
Spot Gold	14,513	4,981	191.37%	583.72	193.65	201.43%	2327	2930	-20.58%
Silver	20,982	37,770	-44.45%	355.71	644.61	-44.82%	7873	18397	-57.20%
Silver Quanto	0	16,600	-	0.00	643.59	-	0	13328	-100.00%
Euro	275,723	122,150	125.72%	15,965.45	6,761.27	136.13%	54563	37806	44.32%
Pound	169,056	137,457	22.99%	10,910.80	9,239.86	18.08%	50845	51479	-1.23%
Rupee	10,216,672	11,670,100	-12.45%	312,793.95	346,158.83	-9.64%	4277557	6426693	-33.44%
Rupee Mini	1,479,565	1,068,257	38.50%	4,545.32	3,167.97	43.48%	230290	358759	-35.81%
Rupee Options	302,576	334,823	-9.63%	36.96	39.95	-7.48%	39845	78837	-49.46%
Rupee Quanto	2,647,629	5,042,013	-47.49%	17,316.14	33,918.87	-48.95%	277971	461380	-39.75%
Yen	50,549	21,496	135.16%	2,260.48	1,003.40	125.28%	12409	10494	18.25%
AUD	19,179	8,628	122.29%	738.77	320.74	130.33%	4287	5578	-23.14%
CAD	23,427	4,054	477.87%	914.49	152.46	499.82%	4432	3133	41.46%
CHF	9,940	1,879	429.00%	511.78	95.40	436.44%	2131	1399	52.32%
CU	17,818	7,632	133.46%	543.98	190.71	185.24%	7558	5373	40.67%
Brent	4,211	39	10697.44%	258.35	2.16	11849.28%	1254	39	3115.38%
WTI	66,426	103,486	-35.81%	3,362.06	4,304.89	-21.90%	34556	63289	-45.40%
WTI Mini	41,131	63,467	-35.19%	205.73	277.47	-25.85%	17624	29660	-40.58%
DICO	34,882	8,371	316.70%	340.46	77.95	336.77%	8729	3339	161.43%
DBSX	140,615	174,984	-19.64%	4,399.77	4,612.81	-4.62%	97546	127194	-23.31%
Indian SSF	1,353,725	76,618	1666.85%	8,569.14	228.94	3642.93%	673183	20422	3196.36%
USA SSF	3,654	14,873	-75.43%	25.71	41.19	-37.57%	2058	4091	-49.69%
DINREUR	45	-	-	0.28	-	-	9	-	-
DINRGBP	-	-	-	-	-	-	-	-	-
DUSDCNH	5,433	13,039	-58.33%	272.51	653.71	-58.31%	1384	3469	-60.10%
DUSKRW	-	-	-	-	-	-	-	-	-
DUSRUB	624	40	1460.00%	31.48	2.01	1463.55%	266	40	565.00%
DUSZAR	5,857	8,189	-28.48%	293.88	410.37	-28.39%	1039	632	64.40%
Total	17,439,658	19,669,786	-11.34%	404,687.36	439,503.02	-7.92%	6,010,031	7,995,561	-24.83%

Chart No. (25)

Value of traded commodity contracts by type of commodity



Dear investor,
Ensure that the investment of you money is managed by investment management companies licensed by the sca



Dear Investor,

- Make sure to have your funds managed by investment management companies licensed by the SCA.
- Exercise your rights as an investor by discussing the financial statements during the shareholders general assembly meetings and by exercising your right to vote and approve resolutions.
- Bondholders have the right to receive bond interests on a regular basis and to receive the principal debt at maturity, the preferential right to receive consideration of their debt over the shareholders in case the company is liquidated, and initiate a civil action against a company's board of directors if they sustain damage. A bondholder may not vote in the general assembly or receive a share of the profits.
- Seek assistance from the market or SCA if you sustain any damage from dealing in securities and such damage is not settled amicably with the brokerage firm. File a complaint to claim your right and note that you can complain against the decision issued in this respect within 30 days from the date of notification. Do not hesitate to claim your right.
- If you have any inquiry about a listed joint-stock company in which you hold shares, you can get information about the company through its website or you can contact the Investor Relations Department in that company.
- Watch out for the announcements which may be delivered to you through social media or other electronic channels inviting you to deal with financial services companies. Do not deal with such companies unless you make sure they are licensed by the SCA or official supervisory authorities released.
- Beware of the evaluations issued by companies or individuals that are not licensed by the SCA to provide such financial consultancy or financial analysis. Remember that a brokerage firm and broker's representative are not allowed to provide recommendations unless they have an additional license from the SCA to provide such financial consultancy and analysis.
- Make sure to check the license of the brokerage firm or financial service provider before dealing with them. You can do so using the SCA website www.sca.gov.ae.
- When you deal with a brokerage firm, make sure to obtain a copy of the agreement you conclude with it and delete the spaces, if any. Also make sure to check your account with the brokerage firm regularly in the manner agreed upon in the agreement.
- Always issue the purchase and sale orders in

person, whether through the written order or the company registered phone to avoid trades executed (purchase and sale of shares) in your account without your consent.

- Make sure to hear a regular dial tone when you contact the brokerage firm registered phone. Do not use personal, unregistered phone numbers using to preserve your rights.
- Make sure to personally fill in all the data of the sell and buy orders before signing and delivering them to the brokerage firm so that they are not used in a way that exposes you to the risks of your account being tempered with.
- When you deal with security brokerage firms, make sure to list the following basic data in the buy and sell orders:
 - Order date; time of delivering the order to the brokerage firm; security type, number, and price; and the order expiry date.
- Review all the data recorded in your account statement with the brokerage firm before signing. Do not sign blank buy or sell orders to avoid abuse.
- To protect your investments, always remember that you are solely responsible for preserving your online trading password. Make sure it is not lost or published in any way which would undermine your rights against your will.
- Make sure to obtain a detailed quarterly account statement from your brokerage firm once you detect a movement on the account during this period. Reserve your right to request a detailed account statement or a statement of your balances of securities whenever you need.
- Registering your bank account number with the brokerage firm enables you to receive all the dividends smoothly and guarantees the rights of the shareholders who did not receive their dividends.
- Brokerage firms and broker's representatives are not allowed to manage any trading account until they obtain an additional license from the SCA in the area of investment management.
- If you do not have sufficient expertise and knowledge to manage your savings or investments, it is better to hire a financial consultancy and analysis company or an investment management company licensed by the SCA.
- To protect your savings, avoid dealing with the unregulated portfolios managed by unlicensed individuals. Make sure the portfolio is formally licensed and that it is supervised by the regulatory and supervisory body in the UAE and that it is committed to disclosing its financial statements.
- Review all the data contained in your account statement with the brokerage firm before signing.

Dear investor,
Dear investor,
Carefully review all data recorded in your statement of account with the broker before signing thereon.



- The financial markets are exposed to ups and downs and more gains mean more risks, so be careful and seek long-term investment which protects you from daily fluctuations. Concentrate on diversity which minimizes risk.
- Make sure to diversify the shares of companies and sectors included in your investment portfolio while giving priority to the shares that suite your investment policy in order to control the investment risks.
- Holding shares in a listed company gives you the pre-emptive right to subscribe in the increase shares in case the general assembly decides to increase the capital in proportion to the percentage of shares you hold. Furthermore, you have the right to financially benefit from the pre-emptive right by selling the same in the market during the specified term.
- If you have any securities-related complaint you should first seek settlement with the concerned party. If the issue is not resolved, you can file a complaint to the SCA.
- Develop a clear plan to invest in shares by accurately setting your targets and the entry and exit policy. Do not make emotional decisions in the sale and purchase cases.
- When you make a decision to sell or buy in the capital market, rely on the regular disclosures of the financial reports and analysis thereof, or hire a financial analysis specialist.
- Diversify the shares of companies and sectors included in your investment portfolio and give priority to the shares with lower risks then the shares with higher return.
- Rely on the financial analysis conducted by objective and approved financial analysts when you make your investment decision and beware of the misguiding or misrepresented media messages.
- Making a sound investment decision requires good knowledge with the material information of the issuer of the share, the market to trade in, and the economic conditions and internal and external events.
- Reporting your bank account number to the financial market would make it easy to transfer the dividends thereto, and ensure direct, immediate, and timely cashing of such dividends, as well as saving the time and effort needed to receive the dividend cheques and deposit the same in the banks.
- Make sure to receive financial consultation from a financial consultancy company licensed by the SCA.

Dear investor,
Make sure that you receive
your investment consultation
from consulting firms licensed
by the sca



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