

Aimed at further enhancing investors' trading activities:

DFM launches the Regulated Short Selling (RSS) Service

- **HE Essa Kazim: "The new service is carefully designed to give investors the opportunity to short securities while safeguarding the market from any unsolicited repercussions"**
- **Seven brokerage firms applied for license to provide the new service to their customers**

Dubai 17 December 2017: As part of its efforts to provide market participants with new tools to further strengthen their trading activities, better utilize their resources, and further enhance market liquidity, Dubai Financial Market (DFM) today launched the Regulated Short Selling (RSS) Service after completion of all regulatory, technical and procedural preparations.

The Regulated Short Selling enables investors to short securities listed on DFM through selling borrowed shares with a commitment to return to the lender based on the mutually signed agreement. To implement RSS, the brokerage firm has to ensure that the borrowed securities are located on the client's account prior to placing a short selling order, with exception of DvP clients, as a lending confirmation is sufficient to proceed with the order. The RSS complements the Securities Lending and Borrowing activity whereby approved lenders can lend securities to approved borrowers for settlement of RSS trades.

The exchange is currently processing license requests from seven brokerage firms and they will provide this new service to their customers once receiving the approval and completing the technical testing.

The DFM has earlier secured the approval of the Securities and Commodities Authority (SCA) to introduce the regulations of Short Selling. The exchange has successfully completed extensive preparation stage over the past few months that included the consultations with market participants on the operating model and the necessary technical enhancements in order to ensure the full readiness of DFM's systems and regulation.

The DFM also implemented a widespread awareness campaign including organizing series of educational workshops to raise awareness amongst market participants. Brokerage firms have showed strong interest during these sessions in a clear evidence of their enthusiasm towards the new service.

HE Essa Kazim, Chairman of Dubai Financial Market said: "As part of DFM's strategy to diversify its products and services, we are delighted to announce the completion of our preparations to introduce this significant tool to our market participants in a step aimed at increasing their capabilities and helping them to strengthen their trading activity and further enhance trading liquidity. Over the past few months, we have implemented wide-ranging enhancements for the systems and regulations to ensure full readiness for such significant development in accordance with international best practices and in coordination with market

participants. We have carefully designed this new service to give investors the opportunity to short listed securities while safeguarding the market from any unsolicited repercussions on the market.”

The RSS will be available on a selected list of eligible DFM-listed securities that will be reviewed every six months in accordance with international recommendations. The list will also include all ETFs once listed on the market as well as various listed securities that are included in UAE indices of international index compilers provided as long as the security is maintaining its position on the index.

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About Dubai Financial Market: Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 Billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae