

DFM introduces the General Clearing Membership (GCM) service

- Emirates NBD accredited as the first service provider
- Maryam Fekri: “The new service enables brokerage firms to outsource clearing and settlement role to a licensed bank, reducing their operational cost and focusing on trading membership”

Dubai, 26 November 2017: Dubai Financial Market (DFM) announced the launch of the General Clearing Member (GCM) service enabling approved local banks to provide brokerage firms with clearing and settlement service, following the completion of various technical and regulatory arrangements as well as tuning the business model to accommodate the new service.

With this step, brokerage firms can now outsource the clearing and settlement functions to a GCM and focus their operations on the trading membership function only.

It is noteworthy that the regulations of the Securities and Commodities Authority (SCA) enables brokerage firms to operate as trading and clearing member or as trading member only, noting that the latter requires less collateral requirements as well as any other operational cost.

The DFM has accredited Emirates NBD Bank as the first GCM service provider in line with SCA's approval to the bank to become GCM in local markets. Consequently, the bank has signed agreements with its brokerage subsidiary, Emirates NBD Securities and Delma Brokerage to provide clearing services to both companies.

Maryam Fekri, Chief Operating Officer (COO) and Head of Clearing, Settlement and Depository Division of DFM said: "We are delighted to launch the General Clearing Member service as well as to welcome Emirates NBD as the first GCM service provider on DFM. This step underlines DFM's efforts to further develop its business model in line with international best practices of clearing, settlement and depository. We look forward to see DFM-licensed brokerage firms utilizing this new service, which provides them the necessary flexibility and reduces their financial and operational commitments. Brokerage firms can now undertake the trading member role and outsource the clearing and settlement role to a GCM."

As the first approved General Clearing Member for the UAE equity markets, we are pleased to support DFM's 'go live' as Trading Members can now avail our trusted clearing and settlement services," said Tariq Bin Hendi, Executive Vice President and Head of Products and Advisory,

Emirates NBD Group. “As our service offering meets the key industry requirement, we are confident of onboarding and servicing more Trading Members in the near future.”

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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. 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. Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited.

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