

DFM announces the list of securities eligible for Regulated Short Selling (RSS) trading

Dubai 9 January 2018: Dubai Financial Market (DFM) today announced the list of securities eligible for trading as part of the Regulated Short Selling (RSS) Service. The DFM has recently launched this service 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.

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 RSS list includes the following 19 securities based on the semiannual review of January 2018:

AIR ARABIA
Ajman Bank

AMANAT HOLDINGS
Amlak Finance
Arabtec Holding Company
DAMAC Properties Dubai
Deyaar
Dubai Financial Market
Dubai Islamic Bank
Dubai Investment
Drake & Scull International
DXB Entertainments
EMAAR Properties
EMAAR MALLS
Gulf Finance Group
AL SALAM-BAHRAIN BANK
SHUAA Capital
Union Properties
AFKAR S&P UAE UCITS ETF

The above-mentioned securities have been selected based on the following criteria:

1. Securities included in any UAE Index issued by a rating agency will be automatically eligible for RSS and shall be removed on the effective date of its exclusion if the rating agency undertakes such an action.
2. Securities included in any DFM derivative program will also be automatically eligible for RSS.
3. All ETFs are automatically eligible for RSS immediately upon listing
4. Securities listed on the market and meet all the following criteria will be eligible for RSS activities:
 - a. Securities with market capitalization of not less than AED 1 billion and an aggregate turnover during the preceding 12 months to market capitalization ratio of not less than 50%.
 - b. Securities with value traded not less than AED 100 million throughout the evaluation period.
 - c. Securities with shares traded not less than 500,000 shares throughout the evaluation period.

- d. Securities with number of transactions not less than 150 transactions throughout the evaluation period.
 - e. Securities traded on 50% of the total trade days throughout the evaluation period.
 - f. Securities with number of free float shares available for trading not less than 50% of the total number of company's shares listed.
 - g. Availability of at least 5 percentage points of the ownership limit allowed for foreign investors.
 - h. Subject to the approval of SCA, the exchange may exempt any security from meeting any of the above-mentioned requirements.
5. Right issues and covered warrants are not eligible for short selling.
 6. The list of eligible securities will be reviewed every 6 calendar months or if there is a review by the rating agency. The updated "Eligible Securities List" will be published after the completion of the periodic review of the previous six months of trading unless otherwise necessary or determined by the Exchange.
 7. Previously eligible RSS securities will ceased to be eligible for RSS on the next trading day after notification by DFM. SLB transactions for these securities may remain outstanding. However, no new loans for RSS shall be permitted.

-Ends-

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