

## DFM signs MoU with the National Bonds to reinforce collaboration on Islamic financial services

- Agreement facilitates trading of the National Bonds through DFM-licensed brokers
- H.E. Essa Kazim: “This MoU is a steppingstone for a widespread cooperation and creates an efficient platform for the trading on the National Bonds scheme”
- Mohammed Qasim Al Ali: “The agreement enables the expansion of our diversified customer base and facilitates their access to our growing menu of products & services”

**Dubai, 31 March 2019:** As part of its endeavor to strengthen its leading position as the first Sharia’a-compliant exchange globally, the Dubai Financial Market (DFM) today announced that it has signed a Memorandum of Understanding (MoU) with the National Bonds Corporation (PJSC). This significant step underlines the joint efforts of DFM and NBC to fortify Dubai’s

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position as the capital of Islamic economy globally. The agreement creates the framework for series of Islamic financial services' initiatives the two sides plan to implement in the coming period. It also enables NBC's accessibility to DFM's numerous services including, trading, depository, custody as well as dividend distribution.

According to this MoU, the parties will establish an electronic linkage for efficient trading of NBC's leading Sharia'a compliant savings bonds through DFM's licensed brokerage firms. DFM's current and potential investors as well as holders and potential clients of the national bonds will be able to seamlessly purchase and redeem their bonds through brokerage firms. The DFM will also manage the dividend distribution process to bond holders.

His Excellency Essa Kazim, Chairman of DFM has signed the MoU with Mr. Mohammed Qasim Al Ali, Chief Executive Officer of National Bonds Corporation, in the presence of senior representatives from both sides.

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The new arrangements will provide DFM investors with a flexible tool to utilize any excess liquidity in purchasing national bonds, achieving returns from this investment, while being able to promptly liquidate their investment in order to seize other opportunities on listed securities.

Additionally, the new service will add value to the brokerage firms as part of efforts to diversify their services and sources of income.

Commenting on this, His Excellency Essa Kazim, Chairman of DFM: “Dubai’s position as the capital of Islamic economy globally has been relentlessly strengthening since the launch of this leading initiative by His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai early 2013. Considering the active contribution of the Islamic financial services as one of the key sectors supporting this initiative, we are delighted to sign this MoU today, as a steppingstone for a widespread cooperation and many joint initiatives. The main objective is to diversify DFM’s product offering as well as creating an effective platform for National Bond’s clients. We look forward to swiftly implement the projects of this MoU employing DFM’s innovative services of trading, depository, custody and

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dividend distribution as well as the vast experiences of NBC, which will ultimately benefit various market participants in general and the DFM investor base of approximately 844 thousands as well as NBC's clients in particular.”

Mohammed Qasim Al Ali, National Bonds CEO, said: “The Agreement signing comes in alignment with the wise leadership’s vision aimed at transforming Dubai into the capital of the Islamic economy and with our vision in “National Bonds” regarding the key role of Sharia-compliant financial institutions in innovating, supporting, and contributing to development of the national economy.

He added: “The signed Agreement would enable the expansion of our diversified customer base and will facilitate their seamless access to our growing menu of products & services. It would further provide DFM customers with the opportunity to invest their dormant cash that is sitting idle with their brokers in National Bonds various products which will earn them competitive returns and the excitement of winning in our AED 37 million rewards program.

“This Agreement and the other agreements to be executed with our strategic partner DFM would enhance our ability to reach out to a larger segment of the UAE community and abroad.

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We will continue to explore with DFM other out of the box initiatives that would create more liquidity and investment opportunities for their valued customers.” Al Ali pointed out.

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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](http://www.dfm.ae)

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