

In cooperation with Dubai Clear and Nasdaq Dubai:

## DFM plans to launch equity derivatives platform as part of its product offering diversification strategy

- The new platform will be launched in October 2020 with futures contracts on five DFM-listed equities
- H.E. Essa Kazim: “A key milestone that will add new impetus to Dubai’s leading position as dynamic capital markets hub”
- Hassan Al Serkal: “Robust regulatory framework creating an attractive environment for investors and brokers”
- Hamed Ali: “The new platform caters to the growing demand from investors in the UAE and beyond for new investment tools”
- Maryam Fekri: “Dubai Clear’s CCP infrastructure provides the platform with world-class clearing solutions”

**Dubai, 29 September 2020;** As part of its strategy to diversify product offerings and attract further investments, Dubai Financial Market (DFM) today announced that it has reached the final stages of preparations to launch an equity derivatives platform (DFM Derivatives Platform), in cooperation with Dubai Clear and Nasdaq

Dubai as well as leading brokerage firms, enabling investors to diversify and hedge their portfolios and access leverage.

The platform will be launched in October 2020, introducing equity futures contracts on single stocks with tenure of 1, 2 and 3 months. The inaugural contracts will include five of the most liquid equities listed on DFM namely: Emaar Properties, Dubai Islamic Bank, Emirates NBD, Emaar Development and Emaar Malls.

A futures contract is an agreement between two sides to buy or sell at a specific price on future date. Each DFM contract will be based on 100 underlying shares. The platform will be further enriched in due course with a range of derivatives products including index-based futures contracts.

His Excellency Essa Kazim, Chairman of DFM, said: “As part of DFM’s constant efforts to diversify its product offerings, we are leveraging the vast experience and capabilities of DFM Group’s members including; DFM, Dubai Clear and Nasdaq

Dubai, to launch a comprehensive derivatives platform as a key milestone in DFM's momentous journey. The platform will play an essential role in broadening and deepening the market, adding new impetus to Dubai's leading position as a dynamic capital markets hub."

Hassan Al Serkal, Chief Executive Officer (CEO) of DFM, said: "DFM's diverse investor base represents 207 nationalities and the derivatives platform will enable them to diversify their portfolios, manage risk and gain from the leverage. We have developed a robust regulatory framework in line with international best practices that creates a favorable environment for active participation from investors and licensed brokers in futures trading and market making, noting that leading brokerage firms have shown enthusiasm to join the platform as 'Launch Partners'.

It is noteworthy that investors will be able to trade equity contracts by opening an account with a DFM-licensed derivatives member.

Hamed Ali, CEO of Nasdaq Dubai and Deputy CEO of DFM said: “Nasdaq Dubai’s derivatives market has achieved success and continuous development over the past years since its launch in September 2016 through the introduction of UAE-single stock and index-based contracts as well as Saudi single stock and index contracts. This growth is a testament to the strong demand from investors in the UAE and beyond for futures and we are confident that this asset class is poised to gain further momentum with the launch of the new DFM platform offering market participants new investment tools and opportunities.”

DFM equity futures will be seamlessly cleared on the CCP of DFM’s subsidiary, Dubai Clear, using Nasdaq Dubai Operational and IT infrastructure.

Maryam Fekri, CEO of Dubai Central Clearing & Depository Holding (DCCD) said: “As the region’s first fully operational independent central counterparty (CCP) company for equity clearing, Dubai Clear is pleased to take part in this significant initiative and support DFM’s derivatives strategy by providing world-class clearing solutions. The introduction of a CCP ensures efficient use of collateral by Clearing

Members to optimize market liquidity in an efficient and safe manner in accordance with international best practices.”

DFM will organize series of webinars and awareness sessions for brokers and investors to explain the details of contracts, trading rules and clearing arrangements for the new equity derivatives platform.

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