

DFM admits SHUAA Capital and Al Ramz Capital as registered Market Makers and Liquidity Providers

- **Hassan Al Serkal: “New service enables issuers to assign a licensed company to provide liquidity on its shares in order to enhance liquidity and achieve supply and demand balance”**
- **Jassim Alseddiqi: “SHUAA looks forward to playing a key role in enhancing market liquidity”**
- **Abdel Hadi Al Sa’di: “Market Making represents an essential function for capital markets to become efficient and more active”**

Dubai, 18 April 2017: As part of its efforts to reinforce its business framework for the benefit of various participants including; issuers, investors and brokerage firms, Dubai Financial Market (DFM) today announced the introduction of Liquidity Provision Service (LP). The new service enables issuers to mandate a licensed company to provide LP services on a specific share in order to enhance liquidity, market depth and achieve balance between buy and sell.

The DFM has registered SHUAA Capital International and Al Ramz Capital to become Market Makers and Liquidity Providers in line with the Securities and Commodities Authority (SCA) decision 49/2012 pertaining Liquidity Provision. Consequently, both companies as well as any potential companies that might be licensed are entitled to sign agreements with any listed company in order to provide liquidity on the issuer’s shares. Liquidity Providers are obliged to

sign agreements with the listed company and attain the exchange's approval prior to practicing Liquidity Provision on any listed share.

The registration of both companies is in line with the recent SCA's arrangements that led to the transfer of licensing capacity to the markets including the Liquidity Provision noting that a Liquidity Provider must be also be a Market Maker .

Commenting on this, Hassan Al Serkal, Chief Operating Officer (COO) and Head of Operations Division of DFM said: "Through its momentous journey and in order to fortify its leading position amongst regional exchanges, DFM spares no effort to provide its participants with new services and tools to actively trade in the market. We have thoroughly considered various aspects related to Liquidity Provision and prepared the necessary regulations in line with best practices and in full coordination with the licensed companies. This service provides issuers with a new tool to enhance liquidity of shares and achieve balance between buy and sell through mutual agreements with one or more Liquidity Provider. In fact, many companies are looking to provide the service, today we are delighted to welcome the first two companies, SHUAA Capital and Al Ramz Capital, which have been licensed to provide the service. There are more companies to follow during the coming period, which will play an integral role in realizing the benefits of this service for listed companies, investors and brokerage firms alike."

Jassim Alseddiqi, Chairman of SHUAA Capital, said: "The shares of a significant number of fundamentally strong public companies often experience low trading volumes and an illiquidity

discount. As a Market Maker, SHUAA Capital will help to attract more liquidity for these firms and give them more visibility.

Alseddiqi added: “For SHUAA, this move represents another promising revenue stream. Our unique expertise in this field coupled with our exceptional technological capabilities allow us to further serve companies as liquidity providers and market price stabilisers after Initial Public Offerings. We look forward to playing a key role in enhancing liquidity and maintaining tight spreads on shares across the UAE and regional markets.”

Abdel Hadi Al Sa’di, Chief Operating Officer (COO) of Al Ramz Capital, said: “Al Ramz is honored to partner with Dubai Financial Market to introduce advanced financial instruments. Market Making represents a major milestone toward evolving into a developed market; in addition of being an essential function for capital markets to become efficient, more active, and more compatible with institutional requirements. We look forward to be an active part of all future developments in our capital markets.”

It is noteworthy that the SCA’s regulations pertaining to Liquidity Provision stipulates that the ownership of a Liquidity Provides cannot exceed 5% of the listed company’s shares and the issuers has the right to assign multiple Liquidity Providers.

- 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

Atef Fathy

Vice President – Head of Media & Public Relations

Dubai Financial Market

Tel: 04-3055334

Email: afathy@dfm.ae