



سوق دبي المالي  
DUBAI FINANCIAL MARKET

**The Financial Market of Choice**

# DFM THE ISLAMIC MARKET



## About DFM

### **Established:**

26<sup>th</sup> March 2000

### **Vision:**

The Financial Market of Choice

### **Mission:**

To create a fair, efficient and transparent marketplace that provides choices through the best utilization of available resources in order to serve all stakeholders.

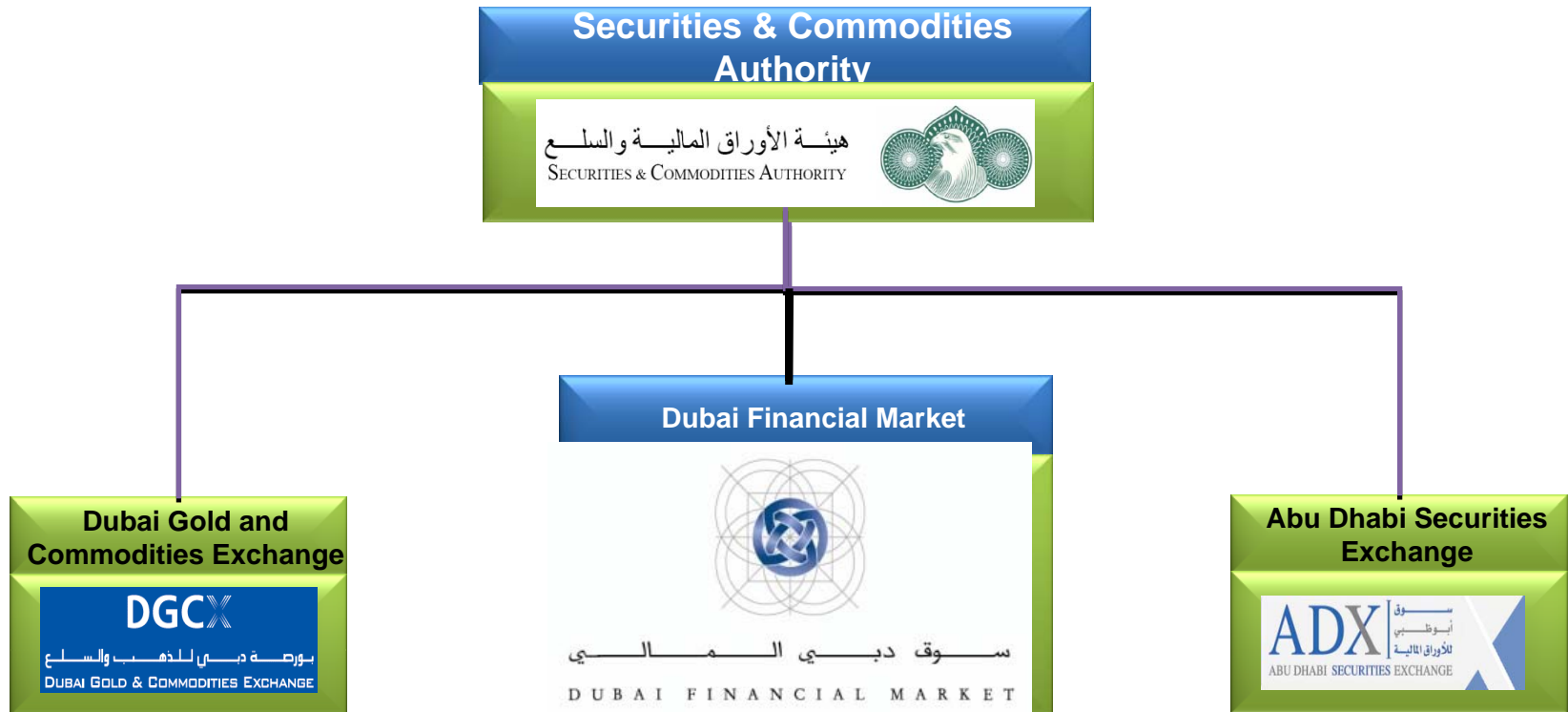


## Objectives

- ✓ Providing the opportunity to invest in securities in a manner that better serves the national economy.
- ✓ Regulating the process of trading in securities ensuring the protection of investors from unfair and improper practices.
- ✓ Creating highest liquidity in the marketplace through the interaction of supply and demand based on fair and equitable trading practices between investors.
- ✓ Organizing the transfer of securities ownership through the Clearing, Depository and Settlement Department, which operates an electronic system ensuring efficiency and timeliness of transfers.
- ✓ Implementing rules of professional conduct and discipline between brokers and DFM staff to maintain a high level of integrity and provide them with proper training.
- ✓ Collecting data and statistics about securities and issuing reports based on this information.

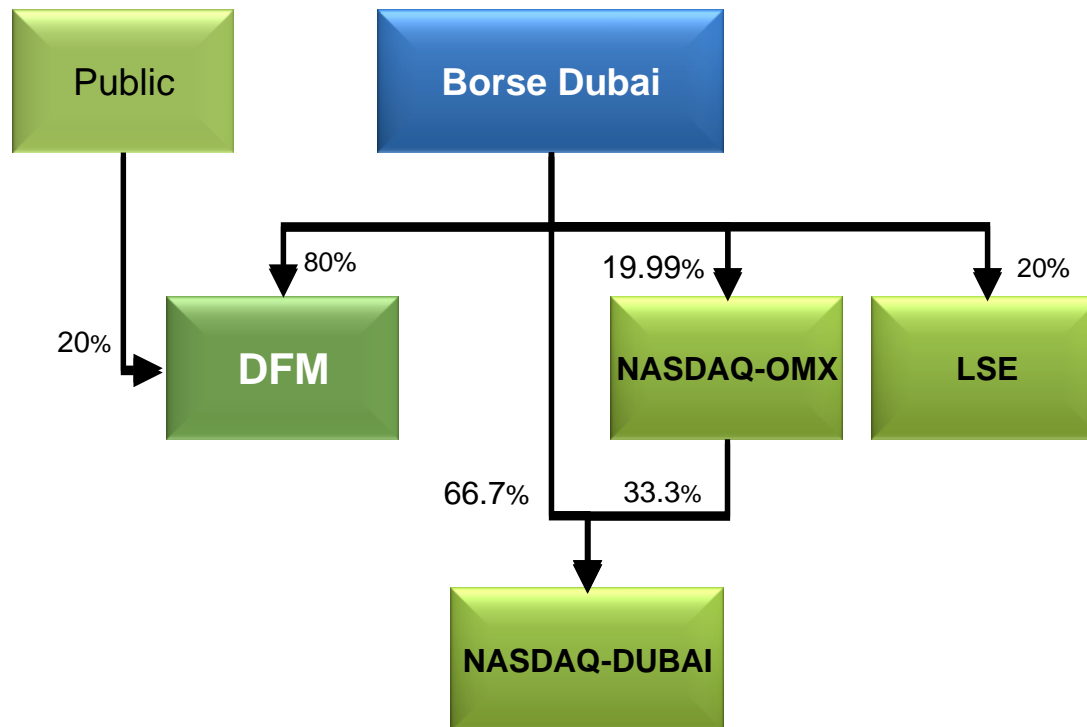


# UAE Capital Market Structure





# Dubai Capital Market





**DFM – P.J.S.C.**

<b>Date of Listing:</b>	<b>Mar 7, 2007</b>
<b>Sector:</b>	<b>Invest. &amp; Fin. Services</b>
<b>Authorized Capital:</b>	<b>8,000,000,000.00 AED</b>
<b>Issued Shares:</b>	<b>8,000,000,000.00</b>
<b>Par Value/Share:</b>	<b>1.00</b>
<b>Ownership</b>	<b>80 % owned by Bores Dubai and 20 % public</b>



DFM – P.J.S.C.



The International

Islamic Stock Market



## Overview

- The Dubai Financial Market (DFM) announced in 2006 that it has commenced the process of converting itself into Islamic stock market, after it obtained approval of the Coordination Committee for the Islamic Institution Fatwa & Shariah Control Board in the UAE.
- in 2007 Shariah committee issued a fatwa approving this step and stating that DFM is Shariah-compliant.





## Purpose

- The vital decision made by DFM aims at attracting a wide spectrum of local and international companies that would like to be listed on a Shariah compliant stock market.
- Attracting all domestics and International investments that wish to comply with the provisions of Shariah law.



## Fact

- The fact that 98 per cent of DFM's revenues generated from trading fees accrue from companies that are Shariah compliant and only two per cent from conventional companies.
- In addition, DFM's excess liquidity was always channeled into Shariah compliant investments.
- DFM helps the conventional companies convert to Islamic Shariah complaint.



## Conventional Services

- DFM will continue to render its conventional services to those who wish to have them.
- For this purpose, the market will continue listing of all types of domestic and international companies.
- DFM will maintain two separate books of accounts for each type of revenue and will share the details with investors on a regular basis to maintain its perpetual policy of transparency.



- DFM Articles of association stipulates the appointment of a Fatwa & Shariah Board overlooking the market and validating the compliance of its operation with Shariah rules.
- The Shariah Board include three Shariah scholars specialized in Fiqh al-Mu'amalât with due academic qualifications and experience in Islamic finance industry. One or more experts in the fields related to Islamic finance with no voting right may be added to the Board membership.



## The Shariah Board Shall be in charge

- Issuance of resolutions and pronouncements.
- Endorsement of the financial structures and the new products.
- Supervision and performance of Shariah audit of the executed transactions through the internal Shariah audit.



## Fatwa and Shariah Supervisory Board achievements

- In 2008, the Fatwa and Shariah Supervisory Board of DFM review the standards that the Market shall abide by to classify and categorize the listed companies, into Shariah compliant and non-compliant companies. This is done to facilitate for traders investing into the shares of the Shariah-compliant companies.
- The Shariah Board, issued new standards for the acquiring and trading of shares, in line with principles of Islamic Shariah after studied the standards issued by other institutions. The Market has endorsed and applied new standards; meanwhile, the new standards are considered as a reference by most Islamic banks, financial institutors and funds, as they have been in line with the new conditions and well suited to the latest developments in the field of Islamic finance.



## Fatwa and Shariah Supervisory Board achievements

- Moreover, the Shariah Board has started looking into issues related to the standards governing the ownership and trading of Sukuk.
- Shariah Board, according to the latest available quarterly financial accounts, provided DFM with a list of companies which were operating in compliance with the Shariah .



## Fatwa and Shariah Supervisory Board achievements

- The Shariah Board, examines on quarterly basis all the companies which shares are being traded in DFM, in terms of their articles of association and their contract of incorporation to identify their purposes on the basis of the Shariah requirements.
- It also studies the audited financial statements of accounts to calculate the financial proportions stipulated by the standards of a acquiring and trading of the company shares.





## Fatwa and Shariah Supervisory Board

- For any inquiries please contact DFM Shari'a Board coordinator **Mr. Osman Hussain** Tel. +9714 3055663, Fax: +9714 3055566 or Email: [ohussain@dfm.ae](mailto:ohussain@dfm.ae)



# Thank You

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