

SMI Markets: United Arab Emirates

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CMIRR Markets: United Arab Emirates

SCA Amends Market Regulation

In an update to a previous market newsflash, the UAE Security and Commodities Authority (SCA) has amended the broker's regulations as follows:

- Margin trading can be practiced without the need to identify the corresponding securities (amendment to article 9);
- SCA extended its right to adjust the amount of the bank guarantee that applies to a broker in case of default (amendment to article 23);
- It is obligatory for all listed companies to submit their initial reports to the SCA (amendment to article 36).

The aforementioned changes to regulations will become effective from the date of publication in the official gazette, which has yet to be announced.

On a separate note, the advisory board of SCA recommended the merger of the Dubai Financial Market (DFM) and the Abu Dhabi Securities Exchange (ADX) into one UAE exchange market. However, no additional information has been given on this matter at this stage.

Market Information Impact

United Arab Emirates

This information affects the data contained in the Stock Market sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

United Arab Emirates

Market Rating: BBB

Market Flash Impact: On Watch

The approved amendments should improve the overall transparency of the UAE securities market. Moreover, the recommendation to merge DFM with ADX into one entity, if implemented both stock markets would witness significant growth. This will also improve the depth and sophistication of the UAE securities markets and make it more attractive to foreign institutional investors.

Related Flash: [Authorities to Issue Margin Trading Licenses, 27/10/2010 \(click to view\)](#)

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