

CSDs: DFM (United Arab Emirates)

Date: 07 Jun 2011

SMI Markets: United Arab Emirates

CMIRR Markets: United Arab Emirates

Penalty Structure for Late Confirmation of Trades at DFM and ADX

Abu Dhabi Exchange (ADX) and Dubai Financial Market (DFM) have announced the penalty structure for late confirmation of trades under the new DVP settlement arrangements. The penalty structure will take effect from 4 September 2011 (trade date) for DFM and from 29 June 2011 (trade date) for ADX. The penalties will be levied on the custodians' clients. The penalty rates are as follows:

	Late confirmation on T+2	Late confirmation on T+3	Late confirmation on T+4
DFM	Nil	0.05% of trade value or AED 500 (whichever is higher)	0.25% of trade value or AED 2,500 (whichever is higher)
ADX	0.50% of trade value (maximum AED 25,000)	0.75% of trade value (maximum AED 37,500)	1 % of trade value (maximum AED 50,000)

DFM has also announced the fee rates for buy-in, with immediate effect, as follows:

- shares: 0.00275% (minimum AED 65)
- bonds: 0.000275% (minimum AED 65)

CSD Risk Impact

DFM (United Arab Emirates)

CSD Rating: A-

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A-

Flash Impact = Positive

The penalties are expected to reduce the probability of trade rejection by the custodians due to non-confirmation of trades by their clients. The impact is positive for Liquidity Risk.

Market Information Impact

United Arab Emirates

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

Infrastructure Risk Ratings Impact

United Arab Emirates

Market Rating: BBB
Market Flash Impact: Stable

Impacted Risk Type: Liquidity Risk
Current Rating = BBB
Flash Impact = Positive

The penalties are expected to reduce the probability of trade rejection by the custodians due to non-confirmation of trades by their clients.
The impact is positive for Liquidity Risk.

Related Flash: [New DVP Model to Be Introduced at DFM and ADX - Update, 03/05/2011 \(click to view\)](#)

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