

CONSULTATION PAPER NO 1 OF 2015

NASDAQ DUBAI BUSINESS RULES

- **RULEBOOK 1 – EQUITIES, VERSION 10.1 ('RULEBOOK 1'); AND**
- **RULEBOOK 2 – DERIVATIVES, EXCHANGE TRADED COMMODITIES, DEBT SECURITIES, STRUCTURED PRODUCTS AND COLLECTIVE INVESTMENT FUNDS, VERSION 10.1 ('RULEBOOK 2')**

26 FEBRUARY 2015

WHY ARE WE ISSUING THIS PAPER?

1. This consultation paper summarises the proposed changes to the existing NASDAQ Dubai Business Rules for Equities, Version 9.1 ('Rulebook 1') and NASDAQ Dubai Business Rules for Derivatives, Exchange Traded Commodities, Debt Securities, Structured Products and Collective Investment Funds, Version 9.1 ('Rulebook 2').
2. Redlined versions reflecting proposed amendments to Rulebooks 1 and 2 are attached.

WHO SHOULD READ THIS PAPER?

3. This consultation paper is primarily of interest to existing and potential Members of NASDAQ Dubai and may be of interest to other stakeholders.

TERMINOLOGY IN THIS PAPER

4. Defined terms are identified throughout this consultation paper by the capitalisation of the initial letter of a word or of each word in a phrase. Unless otherwise defined herein, defined terms have the meaning as defined by the NASDAQ Dubai Business Rules.

PROPOSED AMENDMENTS

5. **Members Record Keeping:** Introduction of Rules in Rulebook 1 and Rulebook 2 requiring Members to keep books and records of trade information and Customer instructions for a minimum of six (6) years.
6. **Market Maker Reporting:** Introduction of Rules for Market Makers to provide NASDAQ Dubai, upon request, with reports of profits, losses, the overall size of their portfolio and other information related to the Market Makers activity.
7. **Customer Transaction Confirmation Notes:** Introduction of Rules relating to Customer transaction confirmation note specifications. The Rules implement standards to ensure Customers of Members receive adequate information about their on-exchange transactions.
8. **Periodic Statements:** (Rulebook 2 only) – Introduction of Rules relating to uncovered open Derivative positions. Where a Member operates a Customer's account the Member must promptly provide that Customer with a detailed monthly statement of account. In addition, where a Member holds or controls a Customer's collateral for the purpose of covering Derivative positions, the Member must send the Customer a statement containing a list of the collateral held or controlled and the market value of that collateral as at the date of reporting.
9. **Other:** All other changes are minor amendments or corrections of typographical errors.

HOW TO PROVIDE COMMENT?

10. All comments should be forwarded to NasdaqDubai.legal@nasdaqdubai.com on or before 28 March 2015.
11. You may wish to identify the organisation you represent in providing your comments. NASDAQ Dubai reserves the right to publish any comments you provide, unless a request to the contrary is expressly made.

WHAT HAPPENS NEXT?

12. Once all comments are received, NASDAQ Dubai will consider if any further amendments are required to this proposal. We may then proceed to enact the changes to the Business Rules, subject to regulatory approval. A Notice will go out to announce the finalisation and enactment of the rule changes.

NASDAQ DUBAI