



# Disclosure and Transparency Rules

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# Introduction

The Dubai Financial Market's Board of Directors;

Having reviewed the Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, as amended,

And the Dubai Decree No. (14) of 2000 concerning the Establishment of the Dubai Financial Market, as amended,

And the Regulations issued by the Securities and Commodities Authority in accordance with the Federal Law No. (4) of 2000 concerning the Emirates

Securities and Commodities Authority and Market, as amended,

And the SCA Board of Directors' Resolution No. (3) of 2000 concerning the Regulations of Disclosure and Transparency, as amended,

And the resolutions and rules issued by the Dubai Financial Market's Board of Directors;

Hereby issues the following rules concerning Disclosure and Transparency:

## Definitions

The following words and expressions shall have the meanings assigned thereto hereunder, unless the context indicates otherwise:

SCA	The Securities and Commodities Authority
The Market	Dubai Financial Market
The Company	The Company or Party whose securities are listed in the Market
Control	The ability to influence and control – directly or indirectly – the appointment of the majority of the Board of Directors' members, the resolutions issued by the Board or the resolutions passed by the General Assembly. Through the ownership of a percentage of the Company's shares or by agreement or any other arrangement that leads to such influence.
Securities	Shares, bonds and notes issued by joint stock companies, bonds and notes issued by the Federal Government or Local Governments, public authorities and public institutions of the State, and any other financial instruments accepted by the Authority.
Disclosure and Transparency Regulations	SCA's Resolution No. (3) of 2000 concerning Disclosure and Transparency Regulations



<b>Type of the Entitlement</b>	Cash dividends, bonus shares, capital increase/decrease, stock split
<b>Entitlement date</b>	Date of the last trading session during which the right is transferred to the buyer of the share.
<b>Ex-Dividend Date</b>	The date of the trading session following the entitlement date session, where dividends exclude the owner or buyer of the share in such session.
<b>Register Closing Date</b>	Date of settlement
<b>Decision's Effective Date</b>	The date determined by dual listing companies
<b>Market Members</b>	Brokers operating in the Market, shareholding companies and other parties which securities are listed therein
<b>Mother Company</b>	The company that establishes and oversees another company
<b>Subsidiary Company</b>	The company with at least half of its capital is owned by another company
<b>Sister Company</b>	The company which is part of the same group as another company
<b>Affiliate Company</b>	<p>The company which is linked to another company by a contract of cooperation and coordination.</p> <p>Person who have an agreement or arrangement with a view to owning, influencing or controlling directly or indirectly more than 30% of the securities.</p> <p>The natural person and his minor children, and the legal person affected or controlled by him, either directly or indirectly, by one of them through the ownership of a percentage (more than 30% of his capital) or control of the same percentage</p>
<b>Associated Group</b>	<p>Relatives (up to the second degree) unless they prove that there is no agreement or arrangement between them for the purpose of ownership, influence or control - directly or indirectly - of more than 30% of the securities.</p> <p>When the ownership of the related group is taken into account, securities registered in the consolidated accounts and other forms of ownership or direct or indirect control, owned by the natural person and his minor children, and the legal person affected or controlled by him directly or indirectly, More than 30% of its capital) or control the same percentage.</p>



## General Provision

### Article (1)

If the ownership of a natural person whether alone or with his minor children, or if the ownership of a corporate/legal person added to it the ownership of an Associated Group, reaches any of the following percentages, then each such person shall immediately notify the Market:

1. A percentage of (5%) or more of the shares of a company listed on the Market.
2. A percentage of (10%) or more of the shares of a Mother Company, Subsidiary Company, Sister Company or Affiliate Company of a company listed on the Market.

Moreover, such natural person or corporate/legal person shall disclose each (1%) change above the disclosure requirements set forth above.

### Article (2)

The Company shall abide by all Articles set forth in these Rules, and all subsequent amendments thereof. The Company shall comply to approve all undertakings and obligations in this regard.

### Article (3)

1. The Company shall abide by the following rules upon disclosure:
  - a. Disclosure shall be made in a clear format, in both Arabic and English languages,
  - b. Disclosure does not include any advertisement or promotional expressions that aim to promote the Company or its products, and
  - c. Not to publish any data or information that does not accurately reflect the Company's status. All published information should be supported by documents provided to the Market upon request.
2. The Company is responsible for the truthfulness of all information set in the Disclosure.

### Article (4)

The Listed Company undertake to notify the Market of any material updates or any information or data that may affect the Company's share price, before being published in the media or disclosed to any other party, until it is disclosed by the Market.



## Article (5)

The Company shall:

1. Appoint a contact with the Market, who has the authority to make decisions on immediately responding to all queries posed by the Market, SCA or the Company's shareholders.
2. Provide the Market with the details of the contact person, particularly the name, address, title and direct phone number. The Company shall immediately notify the Market of any change to such data in the future.
3. Notify the Market of the details of the third party, if any, in charge of public relations and promotion in order to prepare and publish its press releases including an official authorization from the company to that third party.

## Article (6)

The disclosure sent to the Market, should be signed by the person(s) authorized by the Board of Directors, on the Company letterhead.

## Board of Directors and Insiders

### Article (7)

Taking into consideration the provisions of Article (12) of the Standards of Institutional Discipline and Governance of Shareholding Companies, issued pursuant to SCA's Resolution No. 7/R.M. of 2016, as well as the provisions of Article (14) of SCA's Resolution No. (2) of 2001 related to the regulations on Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities; the Board of Directors and Market Insiders shall notify the Market of their trading of such Company in accordance with the following procedures:

1. Before initiating the execution of buying or selling orders, the Market shall be provided with an annually-updated list of the names of the Chairman and Directors of the Company, the General Manager and Insider employees. The list shall include the investor number of the aforementioned persons, as well as any changes that occurred in this list during the year.
2. The aforementioned notification shall include the name of the person wishing to trade, the type of trading intended (selling/purchasing) and the quantity of shares to be traded.
3. The Notification shall be sent via email or fax.
4. Approval of the Director General of the Market, or whoever designated on his behalf, shall be obtained.
5. The aforementioned persons shall disclose to the Market, in advance, any trading in Securities of the Parent Company, a Subsidiary Company or a Sister Company, if the said companies are listed on the Market.



## **Announcement of Dates and Times of board of Directors' Meetings**

### **Article (8)**

The Company shall announce to the Market the date and time of its Board of Directors' meeting, at least two working days before the day of the meeting, including the meeting agenda.

The Company shall provide the Market with the results of the meeting immediately after its conclusion, and before commencement of trading sessions on the day following the Board meeting.

The Market announces the result of the meeting and resumes trading on the Company's Security that has been previously suspended.

In case the discussion and adoption of the periodic / annual financial statement was one the agenda of the meeting of the Board of Directors, the Company shall disclose such Statements directly after the perusal and consent the Board of Directors of the company.

## **Board of Directors Decisions by passing**

### **Article (9)**

The Board of Directors of the Company may issue a decision of the Board of Directors by passing in accordance with the conditions and procedures stipulated in Article (7) of the Chairman of Authority's Board of Directors' Resolution No. (7 R.M) of 2016 Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies taking into account the following:

1. Abide by the same procedures related to the meetings of the Board of Directors in accordance with the provisions of Article (36/11) of the authority's board of directors' decision no. (3) of 2000 concerning the regulations as to disclosure and transparency.
2. Disclosure of the date, timing and details of the Board of Directors' decision by passing to the market at least two business days prior to the day on which the decision is to be issued.
3. Disclosure of the details of the decision issued by the board of directors of the company by passing to the market on the day on which the decision is issued.
4. Decisions shall be made by the Chairman or the person authorized by the Board of Directors.
5. The passing decision shall not be considered a meeting according to the provisions of paragraph (d) of Article (7) of the decision of the Chairman of the Board of Directors No. (7 / R) for the year 2016 on the standards of institutional discipline and the governance of public shareholding companies, which stated: "The passing decision is not considered a meeting, hence the minimum number of meetings of the Board of Directors stated in the Articles of Association of the Company shall be maintained".

In the event that the Company does not comply with the provisions of paragraphs 2 and 3, the Company's file shall be referred to the Authority for consideration and appropriate action in accordance with the laws and regulations after the Market has addressed the Company to explain the reasons that prevented being Abide by the disclosure obligation.

The market will suspend trading on the company's shares if the details of the decision issued by the board of directors of the company by passing are not disclosed to the market. The suspension shall be from the day following the day on which the decision is to be issued until the decision is announced or disclosed.

The shares of the Company shall not be suspended from trading in the event of by passing board meeting being held.



## **Announcement of invitation to the General Assembly Meeting**

### **Article (10)**

1. Upon SCA's approval, invitation to attend the General Assembly Meeting shall be sent to all shareholders via announcement in at least two daily local newspapers, one of which is an Arabic publication at least fifteen (15) days before the said General Assembly Meeting, and the publication shall include the Meeting's agenda. Copies of the invitation shall be sent to both the SCA and the Market.
2. The company shall announce with the General Assembly invitation that the window for nomination for membership of Board of Director is open agenda included the election of Board of Directors' members, the Company shall invite nominations to the Board along with the invitation to attend the General Assembly Meeting.
3. The Company shall provide the Market with a list of Board nominees at least five days before the date of the General Assembly Meeting.
4. The Company shall notify the Market with the resolutions passed during the General Assembly upon its conclusion.
5. The Market shall announce the resolutions passed during the General Assembly, and resumption of trading of the Company's Security that has been previously suspended.
6. In case the General Assembly does not convene or the meeting is postponed, the Company shall notify the market of the new General Assembly date.

## **General Assembly resolutions in relation to shareholders' equity**

### **Article (11)**

In case the General Assembly passes a resolution related to Shareholders' Equity, the submitted summary of this resolution shall include:

1. Type of Entitlement
2. Percentage and value of Entitlement
3. Date of Entitlement



## **Interim and annual financial statements**

### **Article (12)**

1. Pursuant to Article (36) of the SCA's Disclosure and Transparency Regulations, Parties and Listed Companies shall provide the Market with the following information and reports: interim financial reports (quarterly, semi-annual) reviewed by the Company's external auditor, within 45 days from the end of the specified time period, signed by the Board of Directors or the person authorised to sign on its behalf.
2. Summary of Final Account -preliminary financial statements which are unaudited and un-reviewed - within forty-five days from the end of the financial year, signed by the Board of Directors or the person authorized to sign on its behalf.
3. Annual Financial Reports - audited by the external auditor of the company, within 90 days from the end of the financial year, signed by the Board of Directors or the person authorised to sign on its behalf.
4. The financial statements and reports shall be sent in an electronic format, or copy, signed by the Company's authorized signatory and the auditor, or can be sent via fax. The reports above should be prepared in accordance with international accounting standards, which are issued by the International Accounting Standards Board (IASB), in both Arabic and English languages. Such reports should include the Board of Directors' and the auditor's reports, a balance sheet, an income statement, a cash flow statement, a changes in equity statement, and clarifications relating to the financial statements.

### **Article (13)**

Disclosure of the Company's financial statements should observe the following:

1. Financial statements shall be submitted before the pre-opening trading hours or thereafter, to avoid suspension of Securities trading.
2. Financial statements shall not be disclosed to any other parties before being published on the Market's website.
3. The Company shall take necessary measures to ensure the confidentiality of its financial statements and prevent the intentional or unintentional leaking of any information before being disclosed to Market traders.

## **Press release on financial results or disclosure of preliminary financial statements**

### **Article (14)**

The press release on financial results or the disclosure of preliminary financial statements shall be published before the opening trading session or after trading hours, to avoid suspension of Securities trading.

Preliminary financial statements shall include the following information as a minimum requirement:

1. Total assets
2. Shareholders' equity
3. Revenues
4. Net operating profit
5. Net profit for the period
6. Earnings per Share
7. Summary of the Company's performance for the financial period





## Material information

### Article (15)

1. The Company shall notify the Market of any material information that has significant effect on its activities or its financial position, and subsequently may affect the trading price of its securities. For example but not limited to the following to:
  - Any change in the Company's structure of ownership, investment policies, investment objectives, investment limits or borrowing limits.
  - Any new projects or major transactions concluded or nullified by the Company, that may have a material effect on its activity and business results, with no prejudice to the provisions of Article (35) of the Disclosure and Transparency Regulations.
  - Non-recurring transactions/ operations.
  - Huge debts on the Company (which are equal to or exceed 50% of the book value of net assets).
  - Occurrence of Substantial losses related to the activity or others (which are equal to or exceed 20% of the book value of net assets).
  - Any material changes in the composition of the Board of Directors or the Senior Management.
  - Significant/critical lawsuits.
  - Resolution to liquidate the Company.
  - Partnerships with other parties.
  - Amendments to the Company's Articles of Association.
  - Changes in the Company's capital structure.
  - Material changes in the Company's main activities.
  - Agreements to buy or sell to or from a Board of Directors' Member (or their spouse, children, parents or brothers) or to or from a major shareholder, unless these transactions fall within the ordinary policies of the Company, and as long as the definition and description of the parties in such transactions are mentioned in the subscription statement(Prospectus). Taking into account the provisions of Article (12/bis) and Article (12/bis/1) of the Ministerial Resolution No. (518) of 2009 concerning Governance Rules and Corporate Discipline Standards.
  - Selling or buying the Company's shares (equities) by the Company.
  - Releasing founders' shares.
  - Selling or buying the assets or liabilities of the Company of value and importance.
  - The Company shall notify the Market of any change in the information submitted in its listing application as soon as the change is made.
  - Credit rating reports obtained by the company.
  
2. The Company shall immediately notify the Market of any decisions related to:
  1. Any change in its investment policies, investment limits or borrowing limits
  2. Changing the Company's external auditors
  3. Change in the Company's control ratios
  4. Any change in the Board of Directors related to the Chairman, Members or duration of the Board
  5. Change of the Company's registered address
  6. The Company shall notify the Market of all announcements and notifications sent to its shareholders, including documents and notifications related to mergers and acquisitions, notifications of shareholder meetings, agency and authorization forms, reports or any similar documents. financial period



## **Procedure for disclosure of material information**

### **Article (16)**

If the Company is going through significant and contingent developments that are not considered general knowledge and have an effect on its activity or financial position, or on the trading of its securities, then the Company shall disclose such developments in accordance with the following procedures:

1. The Company takes the necessary internal measures to prevent leaking of any information included in its statement, before the disclosure of such statement.
2. The Company takes the necessary controlling measures to ensure that Company insiders who are aware of the Company's confidential information, including material developments, may not trade the Company's Securities based on such information before it is disclosed.
3. Material developments shall be disclosed in the form of an official press release issued by the Company to the Market.
4. The Company shall immediately notify the Market of any material developments, and shall not provide its shareholders or traders with a statement of such developments until such disclosure is coordinated with the Market.
5. If material developments occur during public holidays, the Company shall notify the Market and the SCA immediately upon resumption of work and before the beginning of the first trading session following the said holiday..

## **Press Conferences**

### **Article (17)**

1. The Company shall notify the Market of the dates of any press conferences the Company plans to hold in order to disclose any statements or information that may have an effect on the Company's share price, at least two working days before the press conference.
2. Based on the summary submitted by the Company, the Market announces the outcomes of the Company's press conferences before the Company's shares resume trading, in case trading of the shares was suspended.



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## **Suspension of trading**

### **Article (18)**

Trading in the Security is suspended under the following circumstances:


1. If the Board of Directors meeting coincides with the trading session, trading of the Security is suspended from the time of the meeting until results and resolutions of the meeting are disclosed.
2. If the General Assembly meeting coincides with the trading session, trading of the Security is suspended from the time of the meeting until results and resolutions of the meeting are disclosed.
3. When the press release on financial results or preliminary financial statements is received during the trading session, necessary measures are taken to suspend trading of the Company's shares for a maximum of 30 minutes until the mentioned results are announced.
4. Trading of the listed Company's shares is suspended if the Market receives, during the trading session, information related to material developments affecting the Company that should be published immediately. Trading is resumed after such information is disclosed.
5. If a press conference coincides with the trading session, trading of the Company's shares is suspended from the time the press conference commences and until the Company submits to the market a summary of the press conference outcomes.


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