

NASDAQ DUBAI
FIXED INCOME TRADING PLATFORM

1. Introduction

NASDAQ Dubai is the largest exchange for Sukuk and conventional bonds listings in the GCC, with a total nominal value of USD 12.9 billion currently listed. As one of the world's leading international exchanges, backed by first-class regulation, NASDAQ Dubai has made it a priority to further develop its services in the fixed income sector.

It has now achieved this by launching a platform for trading Sukuk and bonds. It aims to become the first platform in the Middle East to trade these asset classes on a significant scale.

On-exchange fixed income trading is growing rapidly, with turnover on exchanges worldwide growing to USD 26.4 trillion in 2012 from USD 18.3 trillion in 2008.

The launch of the platform is an important step forward in Dubai's intention to expand as a global centre for Sukuk activity and become the international centre of the Islamic economy. The platform is designed to offer investors an efficient and transparent trading channel for NASDAQ Dubai-listed Sukuk and bonds for the first time. It follows a number of significant listings on NASDAQ Dubai in 2012 and so far in 2013, with more in the pipeline, which points towards further expansion of the market's tradable products in the near future.

**Source: World Federation of Exchanges*



2. Features

This electronic and automated platform allows institutional, professional and private wealth clients* to trade Sukuk and bonds Admitted to Trading on NASDAQ Dubai.

This is an order driven market model with the presence of price makers and price takers to provide liquidity. Trading takes place in the currency in which the securities are listed. The minimum market value of securities in any one trade varies from one Sukuk or bond to another, as decided by each issuer at the time of listing. For the dollar securities tradable at the opening of the platform, the minimum is either USD 100,000 or USD 200,000.

The platform is designed to increase transparency and efficiency in the price formation mechanism and promotes higher liquidity.

NASDAQ Dubai's order matching platform with Euroclear links enables the straightforward transfer of securities between market participants.

The platform operates on the X-Stream trading system Sunday-Thursday from 10AM to 2PM; these hours will be extended soon to encourage international participation in the market.

**Wealth clients must have net assets of at least USD 500,000 and be experienced in fixed income trading.*



3. Benefits of Platform for Investors

	Live price data is available to the public for the first time through NASDAQ Dubai's website, shining a spotlight on what is happening in the market. Over the counter (OTC) prices by contrast are not made public and vary between banks. This transparency should encourage investors to take part in NASDAQ Dubai's market.
Transparency	Some brokers have agreed to act as price makers and price takers, ie offering buy and sell quotes at the same time. This tends to keep spreads tight and promotes accurate price discovery.
Tighter spreads	Investors can trade quickly and easily through brokers just like they trade shares. This replaces cumbersome OTC practices such as trading by telephone.
Simplicity	Trading takes place on NASDAQ OMX's first class X-Stream trading platform, which is used for NASDAQ Dubai's equities and by exchanges worldwide. Settlement is handled seamlessly by the international central securities depository Euroclear.
Efficiency	
Competitive costs	
Liquidity	The simplicity and efficiency of trading procedures, and NASDAQ Dubai's competitive fee structure for its brokers, enable the brokers to keep trading costs for investors low.
Regulation	Bringing many investors together on one efficient market will encourage more and more trading in a virtuous circle that will continue to support tight spreads and accurate price discovery.
	OTC trading is done directly between two parties without supervision from an exchange. The NASDAQ Dubai fixed income trading platform is a fully regulated market and both brokers and issuers are subject to rules designed to ensure a transparent, fair and orderly market.

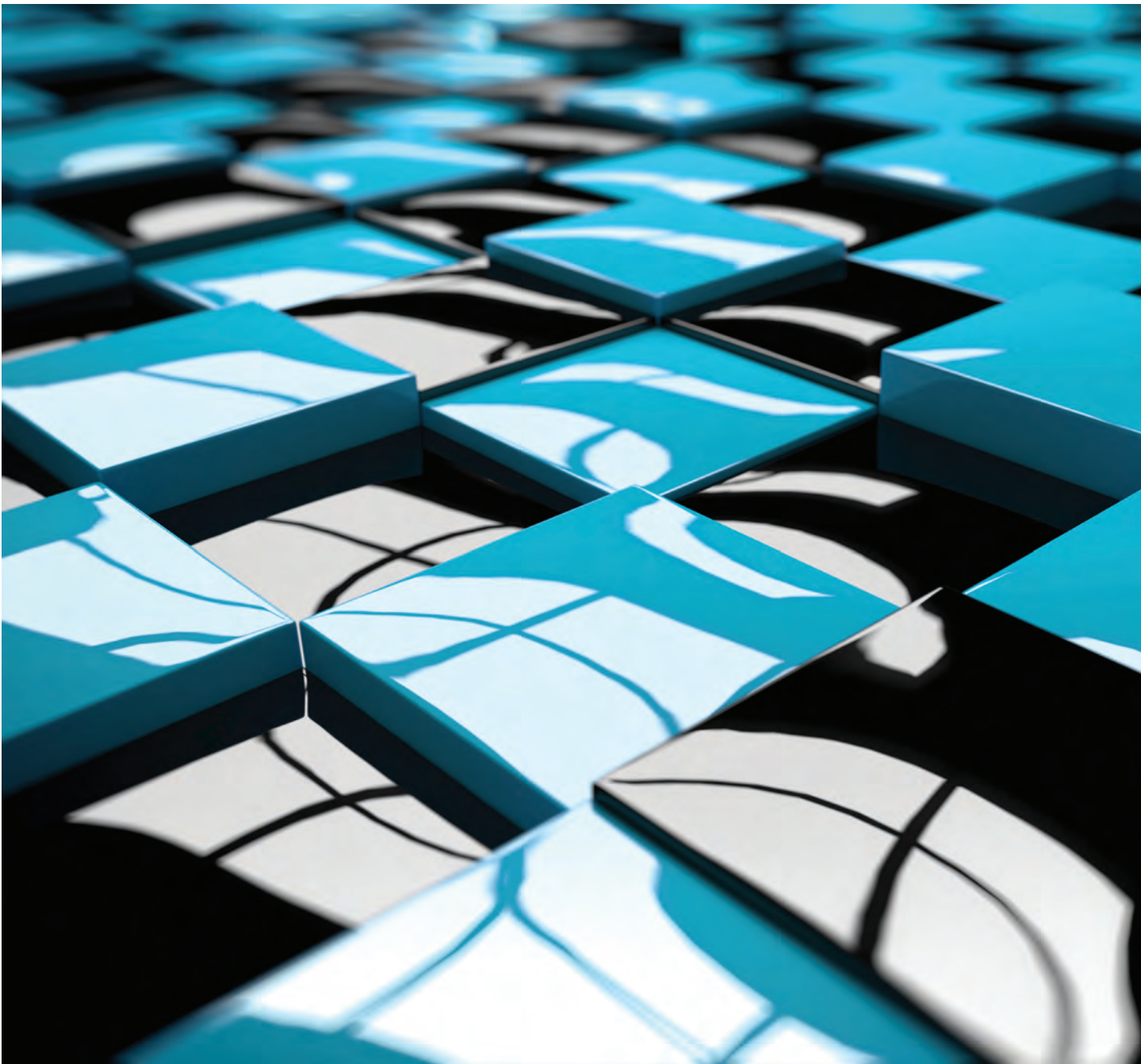
4. Potential Benefits of Sukuk and Bonds for Investors

Regular income	Ability to earn better returns than bank deposits	Potentially safer investment compared to equity	Capital appreciation potential	Portfolio risk diversification
Fixed income securities can provide a regular income stream through coupon payments.	The yield premium can be particularly attractive during periods of declining or low interest rates.	If a company goes bankrupt, debt holders are generally ahead of shareholders in the queue to be paid.	Positive events affecting the economy, industry or issuing company can reward investors with increases in the security price.	Fixed income can offer diversification with low volatility across a range of maturities and industries away from more cyclical asset classes such as equities.

5. How Investors can Trade on the Platform

Trading on the market is easy. Investors just go through a broker that is both a Member of NASDAQ Dubai and also a participant in its Sukuk and bond market. An investor may also contact its wealth or account manager at their bank or financial advisor, who will arrange for trading on the market.

See NASDAQ Dubai's website www.nasdaqdubai.com for an updated list of participating Members.



6. Benefits of Platform for Market Participants

Speed of transactions

Straight through processing results in increasing the speed of transactions.

Efficiency of operations

Our automated trading platform enhances the overall operations.

Promoting tighter spreads

Price makers and takers provide 2-way quotes, which increase liquidity and reduce bid/offer spreads.

Adding transparency of the price formation mechanism and order depth

Market participants contribute by entering their buy and/or sell orders.

Ensuring more competitive trading costs

The trading fee structure is very competitive especially vs. the Inter-Dealer Broker (IDB) market.

Easy settlement services

Connections with the international central securities depository Euroclear facilitate the settlement process.

The platform operates on the X-Stream trading system

It is the same already used for NASDAQ Dubai equities which make its usage very convenient.

Regulation of brokers and issuers

NASDAQ Dubai provides a world class regulatory framework with rules that regulate its participants.



7. FAQs for Investors

Which investors can trade?

The market is open to institutional, professional and private wealth investors locally, regionally and internationally.

Which securities can be traded?

Most of the Sukuk and conventional bonds that have been Admitted to NASDAQ Dubai's market can be traded. When the platform opened in May 2013, 7 Sukuk and 5 conventional bonds with a nominal value of USD 10.9 billion were tradeable. See www.nasdaqdubai.com for latest information.

How can I trade?

Trading is easy. Investors can go through a broker that is both a Member of NASDAQ Dubai and also a participant in its Sukuk and bond market. See www.nasdaqdubai.com for an updated list. Investors can also contact their wealth or account manager who can arrange for trading.

Is there a minimum trade size?

The minimum market value of securities in any one trade varies from one Sukuk or bond to another, as decided by each issuer at the time of listing. For the dollar securities tradable at the opening of the platform, the minimum is either USD 100,000 or USD 200,000.

How much does it cost to trade?

That is between you and your broker. Just like when you trade shares.

How will I know which securities to trade?

Live prices and other trading data can be seen at www.nasdaqdubai.com and are also available from brokers and other data providers.

When can I trade?

From Sunday-Thursday 10AM to 2PM; these hours will be extended soon to encourage international participation in the market.

8. FAQs for Market Participants

Is NASDAQ Dubai regulated?

NASDAQ Dubai operates with standards comparable to those of leading international exchanges in New York, London and Hong Kong. The exchange is regulated by the Dubai Financial Services Authority (DFSA), which is the independent regulator of all financial and ancillary services conducted in and from the DIFC.

Which brokers can trade?

NASDAQ Dubai Members licensed to trade fixed income securities by their regulator are eligible to trade securities on the platform.

How will settlement occur?

NASDAQ Dubai provides settlement instructions to Euroclear Bank in accordance with its settlement operating procedures. NASDAQ Dubai Members must have a direct settlement account with Euroclear. If they do not, they will have an option to use services offered by NASDAQ Dubai custodians. NASDAQ Dubai will calculate the transaction value after adding an accrued interest component to the trade value and provide settlement instructions to Euroclear Bank on a T+1 basis for settlement on T+3. Securities will be quoted on the NASDAQ Dubai platform in terms of a percentage of face value.

How can a new Member connect on the platform?

Connectivity can be achieved through a leased line or VPN for UAE brokers. Other alternatives are currently under implementation for regional and international brokers.

9. Listed Securities

Selected Sukuk and Bonds Members can trade on NASDAQ Dubai:



The market data is available on the website: www.nasdaqdubai.com/marketdata

NASDAQ Dubai Limited

Dubai International Financial Centre | The Exchange Building
Level 7 | Dubai | United Arab Emirates

For Fixed Income:
dcm@nasdaqdubai.com
+971 4 305 5468

For Membership and Brokerage Firms:
membership@nasdaqdubai.com
+971 4 305 5463

For general inquiries:
info@nasdaqdubai.com
+971 4 305 5455



Follow us on LinkedIn:

<http://www.linkedin.com/company/nasdaq-dubai>





