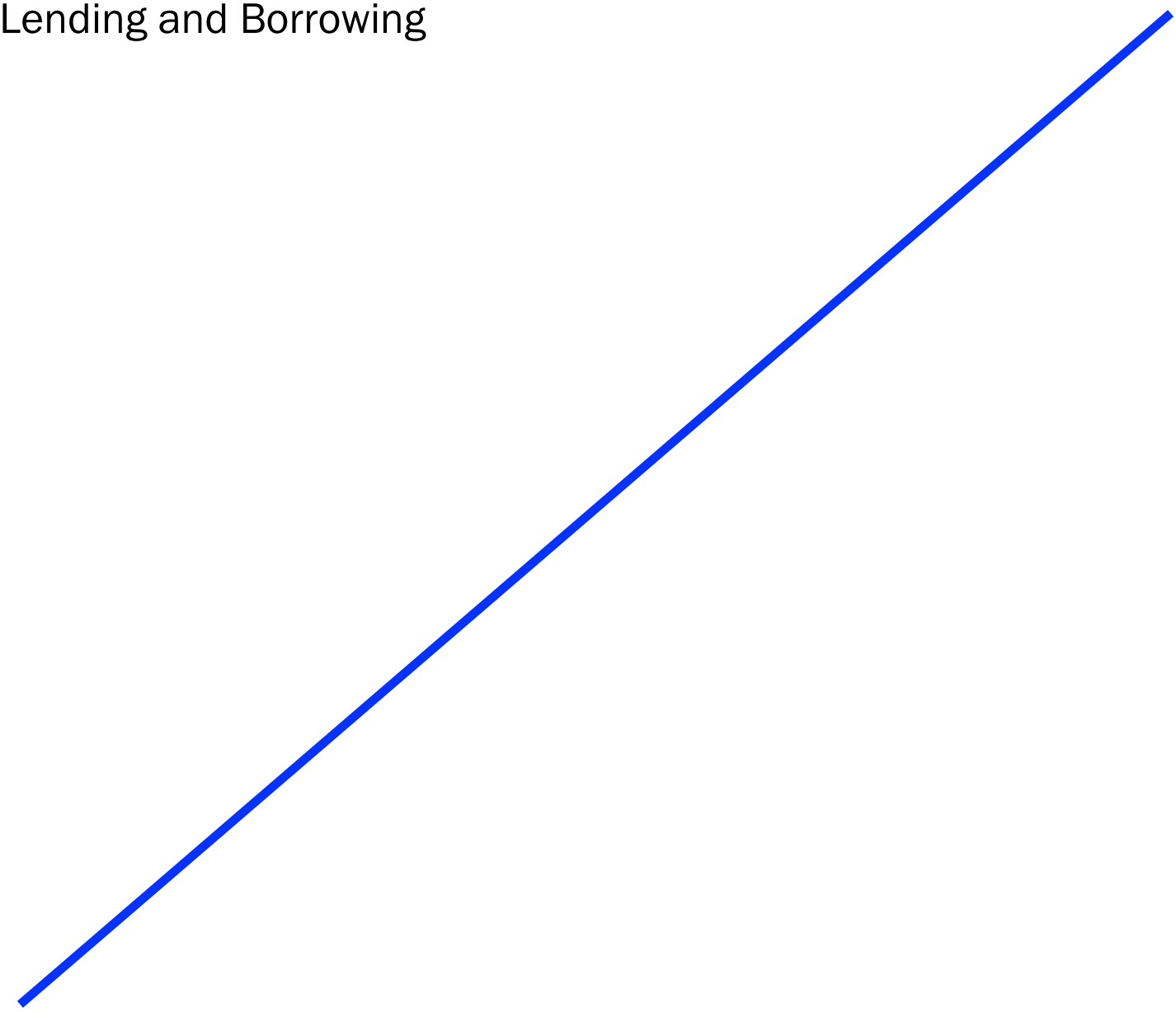
2022
Procedures for Securities Lending and Borrowing



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1. Document History

No.	Date	Description of Changes
1.	28/01/2014	First issue.
2.	24/10/2016	Updates and amendments.
3.	04/04/2017	i. Created new Section 29 for accreditation of a ~~Trading Member~~Trading Broker Member or a Clearing Member or a Local Custodian intending to engage in SLB activity. ii. Updated the SLB model by introducing Lending Representative and Borrowing Representative whose roles are only to submit SLB loan instructions. iii. Differentiate conducting SLB activity from submission of loan instructions. iv. Remove the terminology of Borrowing Agent and replaced with Borrower who may borrow for itself or for its investor clients. v. Introduced the term Qualified and Non-Qualified investor clients. vi. Consolidate the SLB General Procedures document and the Operations Procedure document into this document.
4.	05/12/2017	i. Clarified that Dubai Clear will charge VAT on the SLB Intermediation Fee and that Lenders charging fees onshore will be subjected to VAT. ii. Inserted failed trade settlement penalties to Section 28.6.
5.	01/08/2019	iii. Updated the terms in documents with Dubai Clear new terms.
6.	07/12/2020	i. Updated formatting of document. ii. Minor updates to form formats.
7.	11/04/2021	Updated for minimum fees.
8.	30/09/2021	Updated cut-off timings due to revised trading and operations hours.
9.	09/08/2022	Updated the following: i. Replaced the term 'a company' where the term should be 'market'; ii. Replaced the term Exchange with Market; iii. Clarified section 3.10 and 5.16 regarding use of Agent Lender. iv. Section 5.14 regarding tax; v. Sections 6.3 and 6.4 regarding SLB Agreement have been deleted as Section 7 will be applicable. vi. Section 6.5 by clarifying position of onward lending by a Borrower; vii. Section 6.6 regarding holding of long borrowed securities in the SLB Account and use of SLB Account; viii. Section 7 regarding submission of SLB Agreement; ix. Section 7.2; x. Section 25.
10	14/10/2022	Replaced all forms in Appendixes with the new format

2. Introduction

2.1. It is recommended that readers go through the process flows in *Appendix 1* before reading this procedure document.

2.2. The objective of this document is to provide readers an overview of the updated Dubai Clear SLB model and the relevant operational procedures for compliance.

2.3. The SLB model allows Lenders and Borrowers to agree on loans bilaterally, either on the basis of offshore/offshore, offshore/onshore or onshore/onshore.

2.4. Lenders and Borrowers must be registered with the Clearing Entity(Dubai Clear) through a Lending Representative/Borrowing Representative.

2.5. Any Member intending to engage in SLB activity must first apply for approval from the Clearing Entity before commencing SLB activity.

2.6. The features and mechanics of the Dubai Clear SLB Model are explained in greater details in the next sections.

2.7. The procedures have been updated with the following:

2.7.1. creation of Lending Representatives and Borrowing Representatives whose roles are merely to submit loan instructions and not engage in SLB activities.

2.7.2. removal of the Borrowing Agent terminology and expanded the definition of a Borrower.

2.7.3. an approval procedure by the Clearing Entity if a Member intends to engage in SLB activities onshore;

2.7.4. minimum requirements to be complied with by a Member in applying for approval to conduct SLB activities; and

2.7.5. disciplinary actions for Lenders selling securities out on loan but cannot deliver securities for settlement of sell trade.

3. Definitions

The following is a list of common terminologies and/or abbreviations and their definition used in this document.

3.1. Borrower means an investor who has a NIN and who is borrowing securities from a Lender in accordance with the SLB rules and procedures, and:

3.1.1. is a Qualified Investor who borrows securities from a Lender; or

3.1.2. is Member borrowing securities for itself or for its investor clients.

3.2. Borrowing Representative(BR) means a Member acting as the onshore representatives of the Borrower for submitting loan instructions to the Clearing Entity.

3.3. Borrowing requests means a request for loan creation by the Borrower submitted by the BR.

3.4. Clearing Member means a member of the Clearing Entity.

3.5. Clearing Entity means the clearing house of the ~~Exchange~~Market including any other name as it may be referred to responsible for conducting clearing and settlement operations and issuing orders for the payment of funds due to clearing members.

3.6. Collateral means cash, securities or other collateral deposited by the Borrower to the Lender against loaned securities according to the percentage of the value of loaned securities in accordance with the SLB Rules and procedures.

3.7. Dubai CSD means Dubai CSD LLC.

3.8. Dubai Clear means Dubai Clear LLC or the Clearing Entity.

3.9. DVP investor client means an investor client using a Local Custodian for custody of assets and/or settlement of trades. ~~Exchange means Stock Exchange or whatever name the stock a company~~market ~~operator may be named.~~

3.10. Lender means any investor holding a NIN and who is willing to lend securities in accordance with the SLB Rules and procedures and shall include an Agent Lender.

3.11. Lending Agent(LA) means a Member approved by the Clearing Entity to engage in the business of lending securities for a Lender in the UAE.

3.12. Lending Representative(LR) means a Member acting as the onshore representatives of a Lenders for submitting loan instructions to the Clearing Entity.

3.13. Lending requests means a loan creation by the Lender submitted by the LR.

3.14. Local Custodian means a Custodian Member of Dubai CSD or Settlement Agent of Dubai Clear.

3.15. Loan instruction means an instruction or request by the Lending Representative/Borrowing Representative, in a manner prescribed in the Clearing Entity's procedures from time to time, as the case may be, for:

3.15.1. registration of Lender/Borrower;

3.15.2. loan creation;

3.15.3. loan recall;

3.15.4. loan return;

3.15.5. update of loan expiry date.

3.16. Loan Transaction means either a loan creation, loan recall or loan return.

3.17. Loan creation means creation of a Loan Transaction and where loaned securities is transferred from the Lender's depository account to the Borrower's depository account at a date agreed between the Lender and Borrower for delivery of loaned securities.

3.18. Loan recall means a request by the Lender to the Borrower to return loaned securities before the loan expiry date.

3.19. Loan return means the Borrower returning loaned securities to the Lender on the loan expiry date or a return of loaned securities initiated by the Borrower before the loan expiry date.

3.20. Loan expiry date is the date set by Clearing Entity in its SLB System for loaned securities to be returned to the Lender. Where a Loan Transaction has an indefinite tenure, the Clearing Entity will create an indefinite loan expiry date.

3.21. Loaned securities means securities underlying the loan transaction.

3.22. Market means Dubai Financial Market [DFM] or whatever name DFM may be named.

~~3.22.~~3.23. Member means either a ~~Trading Member~~Trading Broker Member or a Clearing Member or a Local Custodian or local financial institution or any entity as may be approved by the Clearing Entity from time to time.

~~3.23.~~3.24. NIN means the Investor Number which all investors must have before a depository account is assigned to the investor to hold ~~exchange listed~~ securities listed on the Market.

~~3.24.~~3.25. Non-Qualified Investor (NQI) means an investor that is not a Qualified Investor Client.

~~3.25.~~3.26. Offshore means outside the UAE including in the DIFC free zone.

~~3.26.~~3.27. Onshore means in the UAE.

~~3.27.~~3.28. Qualified Investor (QI) means an investor that can manage its own investments by itself and is:

~~3.27.1.~~3.28.1. The federal government, local governments, governmental institutions and agencies, or the companies fully owned by any of them.

~~3.27.2.~~3.28.2. A DVP investor client.

~~3.27.3.~~3.28.3. A person licensed to practice a commercial activity, provided that investment is one of its purposes.

3.28.4. A natural person with solvency who acknowledges that his/her annual income is not less than AED1 million or that the net value of his/her financial assets (excluding his/her property value) - amounts to AED5 million and who declares that he/she has enough knowledge and experience, whether individually or by using a financial consultant, to evaluate the Prospectus, the benefits and risks associated with or arising from any investments.

~~3.27.4.~~3.28.5. The investor represented by an investment manager licensed by SCA.

~~3.27.5.~~3.28.6. A Member.

~~3.28.~~3.29. RSS/SLB Account or SLB Account means a designated account for ~~execution of RSS trades and for~~ holding borrowed securities.

~~3.29.~~3.30. SCA means the Securities and Commodities Authority of the UAE.

~~3.30.~~3.31. Securities means the shares, bonds and notes issued by joint stock companies, bonds, notes issued by the Federal Government or Local Government, public authorities and public institutions in the UAE and any other domestic or non-domestic financial instruments accepted by SCA.

~~3.31.~~3.32. SLB means Securities Lending and Borrowing.

~~3.32.~~3.33. SLB Account means a designated account for holding borrowed securities.

~~3.33.~~ SLB activity means either the activity of a Lending Agent or the activity of a Member as a Borrower borrowing securities for itself or for its investor clients in the UAE.

3.34. ~~SLB Regulations means the SCA Board Decision No. 47 Of 2012 Concerning the Regulations as to Lending and Borrowing Securities and any updated regulations as may be issued by SCA from time to time.~~

3.35. SLB Reporting System means the Clearing Entity's proprietary system, which records Loan Transactions and transfer loaned securities from Lender to Borrower or from Borrower to Lender.

3.36. SLB Rules means the SLB rules as may be issued by the Clearing Entity from time to time.

3.37. Trading Broker Member means the trading member of the Market~~Exchange~~.

3.38. UAE: United Arab Emirates including all free zones except the DIFC free zone.

4. The Updated Dubai Clear SLB Business Model

4.1. A summary of the updated Dubai Clear SLB model is as follows:

4.1.1. Borrowing securities is regulated according to investor types as follows:

4.1.1.1. A Non-Qualified Investor(NQI); and

4.1.1.2. A Qualified Investor(QI).

4.1.2. An NQI can only borrow securities as a client of a Member who is a Borrower. This requirement does not apply to QIs.

4.1.3. Any investor with a NIN may be a Lender.

4.1.4. A Lender and a Borrower may enter into an SLB Agreement either offshore or onshore.

4.1.5. Both Lender and Borrower must be registered once only with the Clearing Entity first via the Lending Representative(LR) of the Lender and the Borrowing Representative(BR) of the Borrower in order to create loan transactions. Refer to ***Section 4.5.4*** for registration of Lender and ***Section 6.25*** for registration of Borrower.

4.1.6. There is no registration or approval requirements for LR/BR. A Borrower who is a Member may also be a BR.

4.1.7. SLB activity by a Member:

4.1.7.1. SLB Activity can only be conducted by a Member if the Member is first given an approval by the Clearing Entity as either a Lending Agent or Borrower as the case may be.

4.1.7.2. ***Section 29*** must be complied with by a Member for application for approval to be Lending Agent or Borrower.

4.1.8. Please also refer to ***Appendix 1*** for the SLB process flow.

5. Lending Securities

5.1. Lenders

5.1.1. Any investor having an Investor Number ("NIN") may be eligible to become a Lender. This includes Lenders who are individuals.

5.1.2. Where a Lender uses a Local Custodian, the name of the investor associated with the NIN will be considered as the Lender by the Clearing Entity.

5.1.3. A Lender can lend securities either offshore or onshore by signing an SLB Agreement with a Borrower. See ***Section 7*** for minimum requirements of an acceptable SLB Agreement.

5.1.4. When a Lender lends securities, the Lender must ensure that instructions are given to the Lending Representative(LR) so that the LR can instruct the Clearing Entity to transfer loaned securities via the SLB System on the date agreed between the Lender and Borrower for the loaned securities to be transferred.

5.1.5. Loaned securities cannot be transferred from the Lender to the Borrower without the Lender providing instructions to the LR.

5.1.6. A Lender may use the services of its own Agent Lender offshore or a Lending Agent(LA) in the UAE to register as Lender, lend securities or enter into an SLB agreement directly with a Borrower.

5.2. Lending Representative(LR)

5.2.1. The main role of the LR is to interface with the Clearing Entity on behalf of Lenders to:

5.2.1.1. Submit loan instructions; and

5.2.1.2. Collect any applicable SLB fees and penalties.

5.2.2. The approval procedures in ***Section 29*** does not apply to a LR.

5.2.3. Any Member can commence its role as an LR without any approval or registration with the Clearing Entity whenever it receives loan instructions from a Lender.

5.2.4. The LR will be the main contact point for the Clearing Entity to collect any applicable fees and penalties from Lender.

5.3. Lending Agent

5.3.1. A Member may apply for approval from the Clearing Entity to be a LA to conduct SLB activity of engaging in the business of lending securities for a Lender.

5.3.2. The Member shall comply with the requirements in ***Section 29*** before submitting the application to be LA.

5.3.3. Only the following types of Member may apply to be LA:

5.3.3.1. A local custodian licensed by SCA;

5.3.3.2. A ~~Trading Member~~Trading Broker Member, Trading Clearing Member or General Clearing Member licensed by SCA;

5.3.3.3. A market Maker or Liquidity Provider approved by Dubai Clear;

5.3.3.4. A local bank, branch of a foreign bank or investment company licensed by the UAE Central Bank.

5.3.4. The LA must complete the LA application form format attached herewith as ***Appendix 2***.

5.3.5. Applicants must allocate a minimum of 2 clear business days for Dubai Clear to register LAs before LAs can commence operations with Dubai Clear.

5.3.6. The approval by the Clearing Entity is renewable every year at the end of December. Please refer to ***Appendix 11*** for renewal application format.

5.3.7. An approved LA must submit the approval or renewal by the Clearing Entity to SCA within 5 business days of approval for SCA to issue the LA a license. An LA may commence business once approved by the Clearing Entity without having to wait for the SCA license.

5.3.8. The Clearing Entity will publish in its website a list of LAs.

5.4. Registration of Lenders

5.4.1. An investor intending to lend securities must register with the Clearing Entity as a Lender. This is a once-off process by the investor going through a Lending Representative [LR] or an LA if the Lender uses a Member for lending.

5.4.2. The investor will have to complete the Lender registration form as per format attached herewith as ***Appendix 3***. This completed form shall be submitted by the Lender's LR to the Clearing Entity.

5.4.3. Submission of bulk requests:

5.4.3.1. LRs who are authorized signatories for investors may submit bulk requests for registration of investors as Lenders by providing the Clearing Entity with an MS Excel spreadsheet of investor details in the format as follows:

Request Date:

No.	NIN	Account Number	Name	Request for registration as: [please tick one]		
				Lender	Borrower	Both

Declaration and Undertaking

I/We:-

a) declare that all information given in this application is true and correct.
b) agree, upon approval of this application, to at all times comply with all requirements prescribed by rules and procedures.

Authorised Signature of Lender/Borrower:

Name of authorized signatory: (Company Stamp)

5.4.4. Lenders must appoint the party having control over the Lender's securities as their Lending Representative [LR] or ensure that securities to be lent are transferred to an account with the LR.

For example, a ~~Trading Member~~Trading Broker Member or Clearing Member cannot be the LR for a Lender using the services of a Local Custodian because the ~~Trading Member~~Trading Broker Member or Clearing Member does not have control over the Lender's securities.

5.4.5. Lenders may use their existing accounts ie. either the CDS account or the Agent account (for custodian clients) or the trading account (for non-custodian clients) for the purpose

of lending securities. However, the Lender must register with the Clearing Entity the designated account for transfer of loaned securities in relation to lending requests.

5.4.6. A designated SLB account is optional for the Lender and is not a requirement by the Clearing Entity.

5.5. Submission of Lending Requests

5.5.1. The procedures herein apply to the submission of lending requests by the LR to the Clearing Entity.

5.5.2. The Lender and the LR are responsible for establishing their own communication procedures.

5.5.3. The LR will submit lending requests to the Clearing Entity in the prescribed format as per ***Appendix 4*** by the relevant cut-off times explained in ***Section 5.15***.

5.5.4. The Lending Request must contain a unique Transaction Confirmation Number (TCN) to be agreed between the Lender and the Borrower. The TCN must be indicated in the Lending Request for loan matching by the Clearing Entity with the Borrowing Request.

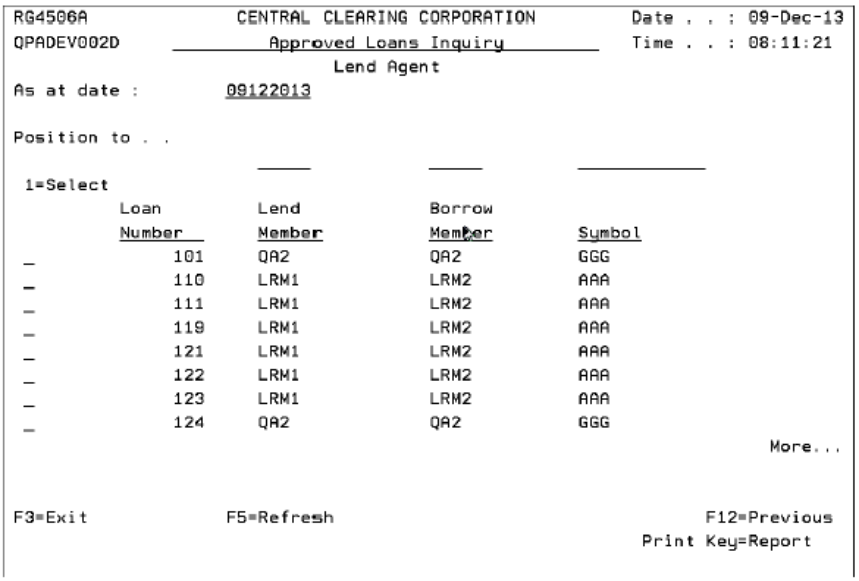
5.5.5. The Clearing Entity will not process the Lending Request if the TCN between the Lending Request and Borrowing Request does not match.

5.5.6. The Clearing Entity reserves the right not to process incomplete request forms or where information on the request forms is unclear or where information does not match the corresponding Borrowing Request.

5.5.7. The Clearing Entity will not process requests where there are insufficient or no securities balances in the Lender's account to complete the lending request ie. loaned securities will only be transferred in full as per quantity in the request.

5.5.8. LRs can view approved lending requests via the SLB system under Approved Loan Inquiry as follows:

Figure 41 – SBL Approved Loans – Lender



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RG4506A              CENTRAL CLEARING CORPORATION          Date . . : 09-Dec-13
QPADEV002D                 Approved Loans Inquiry          Time . . : 08:11:21
                              Lend Agent
As at date :        09122013

Position to . .

 1=Select
          Loan          Lend          Borrow
          Number        Member        Member        Symbol
 _          101        QA2           QA2           GGG
 _          110        LRM1          LRM2          AAA
 _          111        LRM1          LRM2          AAA
 _          119        LRM1          LRM2          AAA
 _          121        LRM1          LRM2          AAA
 _          122        LRM1          LRM2          AAA
 _          123        LRM1          LRM2          AAA
 _          124        QA2           QA2           GGG
                                                              More...

F3=Exit              F5=Refresh                        F12=Previous
                                                    Print Key=Report
```

5.6. Loan Recalls

5.6.1. There is a minimum loan duration of one (1) business day.

5.6.2. Where a Lender recalls a loan from the Borrower, the Lender will do so outside the SLB operations procedures by communicating with the Borrower and with the Lender's Lending Representative (LR) directly.

5.6.3. The process to complete a loan recall must be started by the Borrower who must instruct its Borrowing Representative (BR) to submit a loan return request to the Clearing Entity to return the recalled loaned securities.

5.6.4. If the Borrower fails to submit a loan return instruction to the Clearing Entity to return the recalled loaned securities, the Lender's loan recall will fail.

5.6.5. The Lender shall resolve a loan recall failure directly with the Borrower.

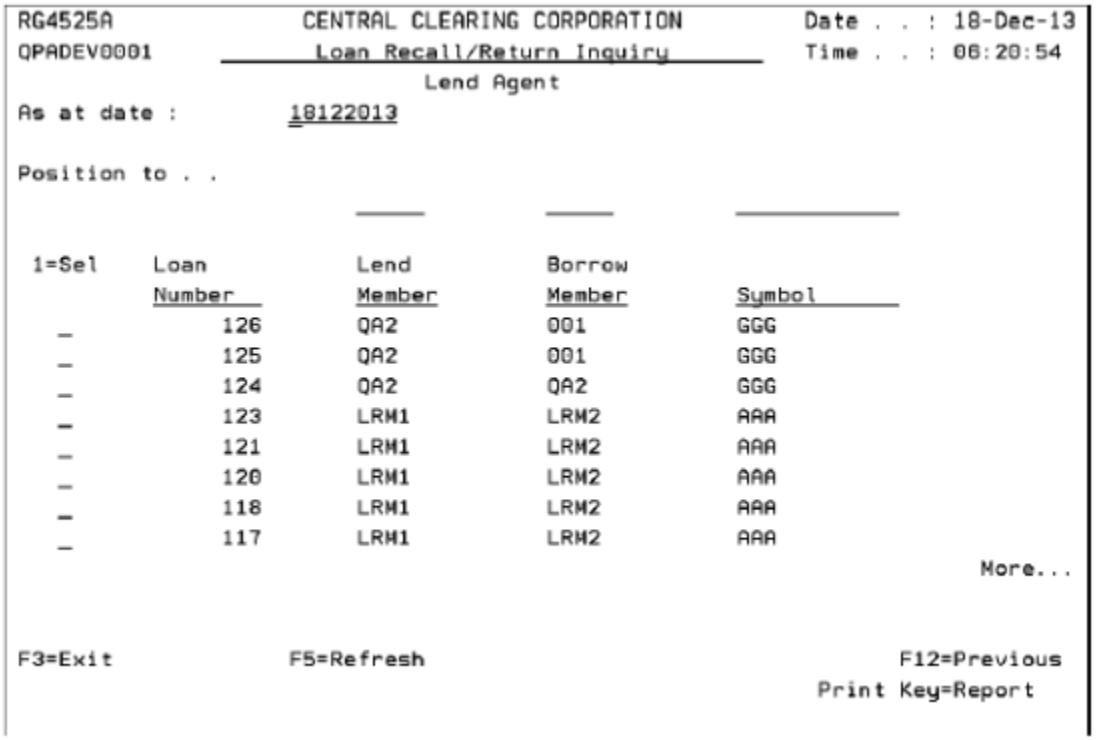
5.6.6. The Clearing Entity will process the loan return request based on the quantity of Owned securities balances in the Borrower's account. This means that if the Borrower has partial quantities of loaned securities, the Clearing Entity will return the partial quantities of loaned securities to the Lender.

5.6.7. Partial recall of loans will be permitted subject to availability of Owned securities balances in Borrower's account.

5.6.8. Where the loan return request by Borrower is unsuccessful or partially successful, the Clearing Entity will attempt to complete the loan return request on a daily basis until the loan quantity is returned in full to the Lender.

5.6.9. The LR may check whether the Clearing Entity has approved the loan return submitted by the BR against the Loan Recall/Return Inquiry screen as follows:

Figure 51 - SBL Loan Recall/Return - Lender



```
RG4525A                CENTRAL CLEARING CORPORATION          Date . . : 18-Dec-13
QPADEV0001               Loan Recall/Return Inquiry          Time . . : 06:20:54
                                 Lend Agent

As at date :          18122013

Position to . .

 1=Sel     Loan          Lend          Borrow
           Number        Member        Member        Symbol
   _          126        QA2           001           GGG
   _          125        QA2           001           GGG
   _          124        QA2           QA2           GGG
   _          123        LRM1          LRM2          AAA
   _          121        LRM1          LRM2          AAA
   _          120        LRM1          LRM2          AAA
   _          118        LRM1          LRM2          AAA
   _          117        LRM1          LRM2          AAA
                                                              More...

F3=Exit                F5=Refresh                        F12=Previous
                                                   Print Key=Report
```

5.7. Loan Cancellation Without Return of Loaned Securities

5.7.1. This function can only be initiated by the Lender.

5.7.2. A Lender may request the Clearing Entity for cancellation of an outstanding loan.

5.7.3. The following documents are required to be submitted by Lender to the Clearing Entity via the Lender's Lending Representative(LR) for loan cancellation without the return of the loaned securities:-

5.7.3.1. A duly completed and signed Application to Terminate Loan Without ~~T~~the Return Of Loaned Securities Form ***(Appendix 5)***; and

5.7.3.2. Relevant supporting document to support the reasons for the loan cancellation request.

5.8. SLB Intermediation Fee for Lender

5.8.1. The Clearing Entity will charge a fee on the Lender for outstanding loans as follows:

Lender	Borrower	Remarks
2 basis points(bps) (0.0002 or 0.02%) per annum; or AED2.00 per calendar day; or	2 bps (0.0002 or 0.02%) per annum; or AED2.00 per calendar day; or	1. Lender informs Dubai Clear whether to pay fee or pass-on to Borrower. 2. No fee calculated for loan return date. 3. Fee calculated as follows: *[Daily outstanding loan quantity x the daily last traded price of the loaned security x fee (Lender and Borrower or Borrower)] ÷ 365 and aggregated on a daily basis from start date till day before loan is returned.*
0	4 bps (0.0004 or 0.04%) per annum or AED4.00 per calendar day	

A VAT of 5% of the fee will also be invoiced by the Clearing Entity from the VAT effective date.

5.8.2. Where the loan is partially returned, the fee will be calculated based on the outstanding loan quantity until the calendar day before the partial return date and based on the new outstanding loan quantity from the date of the successful partial return onwards until the next loan return date minus one day.

5.8.3. The Lender and Borrower must agree who will pay for the Intermediation Fee and the Lender must indicate the fee payment option in the Lending Request Form ***(Appendix 4)*** submitted by the LR to the Clearing Entity.

5.8.4. The Clearing Entity will act on the fee option stated by the Lender without further confirmation by the Borrower.

5.8.5. If applicable [ie. if Lender agrees to pay their portion of SLB Intermediation Fee and not pass-on to the Borrower], any SLB Intermediation Fee will be calculated on a monthly basis and invoiced to the LR and payable to the Clearing Entity within 14 business days from date of invoice.

5.8.6. The SLB Intermediation Fee option cannot be changed during the duration of the loan.

5.8.7. Any other fees to be charged by the LR or LA is fully negotiable between LR or LA and the Lender.

5.9. Sale of Loaned Securities by Lender

5.9.1. Lenders will be able to sell loaned securities without having to recall the loan first or ensure the return of loaned securities into the Lender's depository account.

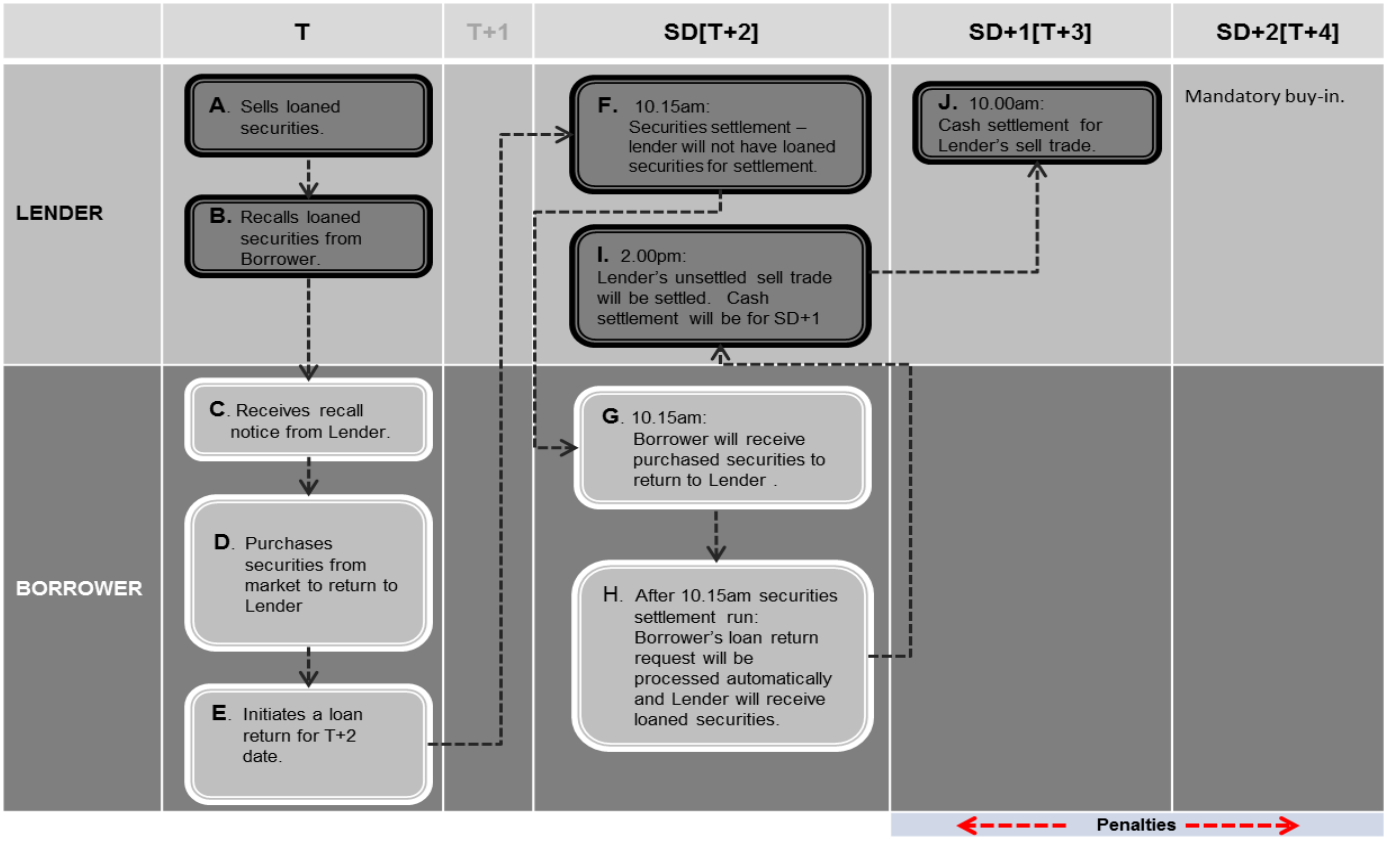
5.9.2. The quantity of securities out on loan is eligible for executing a sell order but NOT eligible for settlement of the sell trade if the lending is made from the same account used for executing the sell trade.

5.9.3. A Lender must ensure that there are sufficient Owned balances to settle a sell trade by the Settlement Date notwithstanding that the sell order had been successfully executed.

5.9.4. Where a Lender is recalling a loan to settle a trade, the Lender must be aware of the cut-off times explained in ***Section 5.15*** Cut-Off time and also the transfer processing cut-off timings of the Clearing Entity if the account used for lending is different from the account used for execution of the sell trade.

5.10. Settlement of sell trades by Lenders through a loan recall

5.10.1. Lenders having to recall loaned securities for settlement of sell trades must take note of the following settlement timings if the Borrower purchases securities on the ~~Exchange~~Market to return the loaned securities to the Lender:



5.10.2. If the Lender's sell trade of loaned securities fails to settle during the first securities settlement run at 10.15am on the Settlement Day ie. T+2, the Lender must rectify the failed securities delivery by the 2.00pm UAE time cut-off time for the second securities settlement run at 3.00pm UAE local time on T+2 to avoid any penalties if the Lender has not recalled the loaned securities.

5.10.3. The Lender may either borrow securities or request the selling broker to conduct an optional buy-in of the outstanding quantity on T+2 to avoid any penalties.

5.10.4. If the failed securities delivery is not resolved by 2.00pm UAE time on T+2, penalties for failed securities delivery will be levied by the Clearing Entity on the Lender from T+3 onwards as follows:

No.	Settlement Day	Penalty
1	T+2	No penalties if a failed delivery of securities is corrected by the end of the settlement date.
2	T+3	~~A fine of~~ AED1000 or 0.1% of the unsettled trade value, whichever is the higher, if a failed sell trade is resolved on T+3.
3	T+4	a. ~~A fine of~~ AED3000 or 0.5% of the unsettled trade value if a failed sell trade is resolved on T+4. b. ~~A fine of~~ AED5000 or 1% of the unsettled trade value, whichever is the higher, if a failed sell trade is settled by way of a buyer cash compensation, in addition to the buyer cash compensation amount payable by the selling broker.

A VAT of 5% of the fee will also be invoiced by the Clearing Entity from the VAT effective date.

5.10.5. A mandatory buy-in will be conducted by the Clearing Entity on T+4 at 3.30pm against the selling broker of the Lender should the Lender not resolve the failed securities delivery by the 2.00pm UAE cut-off time on T+4.

5.10.6. For clarification, a long sell trade which is rejected for settlement under the DVP Late Confirmation Period will be excluded from the definition of failure to settle sell trades.

5.11. Prohibited Securities for Lending

5.11.1. A Lender cannot lend the following securities:

5.11.1.1. Securities which are subject to a mortgage or lien in accordance with the UAE laws;

5.11.1.2. Securities purchased by margin trading in the UAE.

5.12. Transfers of Corporate Action Securities Entitlements

5.12.1. Lenders intending to transfer corporate action securities entitlements due to a Borrower for securities collateral which are ~~Exchange~~Market listed securities must request its LR to submit a transfer request using the prescribed format in ***Appendix 6***. There is no fee for this transfer.

5.12.2. The LR must comply with the cut-off times for submission of the transfer request.

5.13. Foreign Ownership Limit ["FOL"]

5.13.1. All listed securities have an FOL of a maximum of 49% but the actual FOL for each listed company varies and is decided by the listed company.

5.13.2. Foreign Lenders will retain FOL entitlement for the loaned securities.

5.13.3. Where the FOL is full, a foreign Lender cannot lend to a local or foreign Borrower.

5.14. ~~Withholding~~ Tax

5.14.1. There will be no withholding tax implications under UAE tax laws if lending fees are paid by the Borrower to the Lender offshore unless notified otherwise. The SLB Intermediation Fees are however subject to Value Added Tax(VAT) on the total fees calculated and invoiced by the Clearing Entity.

5.14.2. Where the Borrower pays lending fees to the Lender which is a non-resident onshore, the payment will not be subjected to any withholding tax unless notified otherwise but will be subjected to VAT.

5.14.3. There is also no Withholding tax on manufactured dividends.

~~5.14.2.~~5.14.4. There are no capital gains tax or stamp duty or any other transfer tax applicable to transfer of securities from the Lender to the Borrower or vice versa (as part of the securities loan or collateral).

5.15. Cut-Off Times

5.15.1. This section explains the cut-off times LRs must comply with to ensure that transaction requests are processed in a timely manner by the Clearing Entity.

5.15.2. The cut-off times for receiving lending requests for transfer of loaned securities from Lender to Borrower are as follows:

No.	Cut-off Time	Remarks
1.	8.00am UAE time on T+2 for loaned securities to be used for the 10.15am securities settlement run.	a. Requests must be successfully received by the Clearing Entity by the cut-off time for the Clearing Entity to process the loan transaction request. b. Requests must be complete and matching.
2.	2.00pm UAE time on T+2 for loaned securities to be used for settlement of failed securities delivery on T+2.	

5.15.3. Loaned securities from Lender to Borrower are transferred on an immediate basis once the Clearing Entity completes the loan request processing.

5.15.4. Cut-off times for processing collateral transfers:

5.15.4.1. Any complete requests received on a business date by 2.00pm UAE time will be processed on the same business date.

5.15.4.2. Collateral securities will be transferred on a real-time basis immediately after the request is approved by the Clearing Entity.

5.16. Clearing Entity's Contact Details

5.16.1. All requests are to be sent by email to: clearing&settlement@dubaiclear.ae

5.16.2. The fax number to be used for backup purposes is: 04-3317597

6. Borrowing Securities

6.1. Borrowers

6.1.1. A Borrower means an investor who has a NIN and whose name appears on Dubai Clear's records, and:

6.1.1.1. is a Qualified Investor who borrows securities from a Lender; or

6.1.1.2. is Member borrowing securities for itself or for its investor clients subject to the Member first having obtained approval from the Clearing Entity.

6.1.2. A Non-Qualified Investor can only borrow securities through a Member who is a Borrower.

6.1.3. A Member must first seek approval from the Clearing Entity by completing the approval application form format as per ***Appendix 2***.

6.1.4. Where a Borrower uses a Local Custodian, the name of the investor associated with the NIN will be considered as the Borrower by the Clearing Entity.

6.1.5. A Borrower can borrow securities either offshore or onshore by signing an SLB Agreement with a Lender. See ***Section 7*** for minimum requirements of an acceptable SLB Agreement.

6.1.6. If a Borrower borrows securities, the Borrower must ensure that instructions are given to the Borrowing Representative(BR) so that the BR can instruct the Clearing Entity to transfer loaned securities via the SLB System on the date agreed between the Borrower and the Lender for the loaned securities to be transferred from the Lender to the Borrower.

6.1.7. A Borrower shall not transfer, pledge, charge or place a lien on loaned securities except for onward lending to the Borrower's end clients.

6.1.8. A Member may decide to be a Borrower either for itself or for its investor clients subject to first obtaining approval from the Clearing Entity. Refer to ***Section 29***.

6.2. Registration of Borrower

6.2.1. A Borrower which is not a Member will have to complete the Borrower registration form as per format attached herewith as ***Appendix 3***. This completed form shall be submitted by the BR to the Clearing Entity.

6.2.2. Submission of bulk requests.

6.2.2.1. BRs who are authorized signatories for investors may submit bulk requests for registration of investors as Borrowers by providing the Clearing Entity with an MS Excel spreadsheet of investor details in the format as follows:

Request Date:

No.	NIN	Account Number	Name	Request for registration as: [please tick one]		
				Lender	Borrower	Both

Declaration and Undertaking

I/We:-

a) declare that all information given in this application is true and correct.
b) agree, upon approval of this application, to at all times comply with all requirements prescribed by Dubai Clear as contained in the SLB Rules and/or its procedures.

Signature of Lender/Borrower:

Name of authorized signatory: (Company Stamp)

~~A copy of the SLB Master Agreement signed between the Borrower and the Lender must be submitted together with the Borrower registration form to the Clearing Entity through the BR or directly to clearing Entity if preferred. Where the Borrower has a commercial relationship with more than one Lender, copies of all the SLB Master Agreements must be submitted.~~

~~6.3. The Borrower must also submit each SLB Agreement signed with new Lender(s) to the Clearing Entity for records purposes.~~

~~6.4.~~6.3. Purpose test for borrowing securities

~~6.4.1.~~6.3.1. The purpose for borrowing securities shall be prescribed by the Clearing Entity from time to time and is limited to the following activities until further notice:

~~6.4.1.1.~~6.3.1.1. ~~A company~~Market making or liquidity providing activities for approved securities;

~~6.4.1.2.~~6.3.1.2. Failure to deliver securities pursuant to a trade settlement;

~~6.4.1.3.~~6.3.1.3. Borrow to cover a loan recall;

6.3.1.4. Settlement of a short sell or regulated short sell trade;

~~6.4.1.4.~~6.3.1.5. SLB activity of Borrower onward lending to clients of the Borrower.

~~6.4.2.~~6.3.2. The use of borrowed securities for any other purposes other than described above or as may be prescribed by the Clearing Entity from time to time is prohibited.

~~6.5.~~6.4. Designated SLB Account for Borrowed Securities

~~6.5.1.~~6.4.1. The use of a designated SLB Account (or RSS/SLB Account) for holding borrowed securities is mandatory.

~~6.5.2.~~6.4.2. The SLB Account is used for holding borrowed securities and for long securities earmarked for loan return.

~~6.5.3.~~6.4.3. The RSS/SLB Account is maintained at the ~~Trading Member~~Trading Broker Member and is used for the dual purpose of either execution of RSS trades and/or for holding borrowed securities. No separate SLB Account is required if there is an RSS/SLB Account. The use of a designated RSS/SLB Account by a Trading Broker Member is optional.

~~6.5.4.~~6.4.4. DVP investors ~~may also~~will require ~~operate~~ an SLB Account with the Local Custodian for holding long inventory of borrowed securities ~~in addition to a RSS/SLB Account at the Trading Member used for executing RSS trades~~.

~~6.5.5.~~6.4.5. The designated SLB Account is a separate account from the normal long inventory account and will be part of the Borrower's single NIN.

~~6.5.6.~~6.4.6. A designated SLB Account is not applicable to Lenders and also where the loan is to settle a failed securities delivery arising from a DVP sell trade rejection ie. settlement of failed trades.

6.4.7. ~~A company~~Market Makers and Liquidity Providers are exempted from the requirement of a designated SLB Account.

~~6.5.7.~~6.4.8. ~~-~~For the avoidance of doubt, holding long borrowed securities in the designated SLB Account is permitted.

~~6.6.~~6.5. Borrowing Representative(BR)

~~6.6.1.~~6.5.1. The main roles of the BR is to interface with the Clearing Entity on behalf of the Borrower to submit:

~~6.6.1.1.~~6.5.1.1. application to register Borrower;

~~6.6.1.2.~~6.5.1.2. loan instructions;

~~6.6.1.3.~~6.5.1.3. collect the relevant SLB fees or penalties.

~~6.6.2.~~6.5.2. The minimum requirements to be complied with for approval in ***Section 29*** does not apply to a BR.

~~6.6.3.~~6.5.3. Any Member can commence its role as a BR whenever it receives loan instructions from a Borrower.

~~6.6.4.~~6.5.4. The BR will be the main contact point for the Clearing Entity to collect any applicable fees and penalties from the Borrower.

7. SLB Agreement

7.1. Lenders and Borrowers must have a valid SLB Agreement in place.

7.2. An acceptable SLB Agreement shall contain the following minimum terms and conditions:

7.2.1. Shall be signed between the Lender and the Borrower.

7.2.2. Name of Borrower and Lender must match the names of the investor number(NIN) of the Borrower and Lender .

7.2.3. Right of the Lender to recall or terminate the loan during the loan period.

7.2.4. Must have ~~minimum~~ collateral requirements ~~for a loan~~.

7.2.5. Collateral terms specifying the Lender's rights over collateral including right to sell securities collateral where applicable.

7.2.6. Marking to Market~~a company~~ collateral on a daily basis, collateral maintenance margin levels, collateral replenishment and replacement.

7.2.7. Rights and obligations of each parties for default by either parties.

7.2.8. Rights and responsibilities in relation to corporate actions on loaned securities and/or collateral.

7.2.9. Delivery of loaned securities by Lender to Borrower shall be free of any encumbrances.

7.2.10. Fees payable between the Lender and the Borrower.

7.2.11. ~~Duration of the loan agreement.~~

7.3. A certified true copy (CTC) of the master SLB Agreement must be ~~lodged~~submitted to ~~with~~ the Clearing Entity by the Borrower either directly or through the Borrowing Representative if requested by the Clearing Entity. Refer to ***Section 30*** for definition of CTC.

8. Submission of Borrowing Requests

8.1. The procedures herein apply to the submission of borrowing requests by the Borrowing Representative(BR) to the Clearing Entity.

8.2. The Borrower and the BR are responsible for establishing their own communication procedures.

8.3. The BR will submit borrowing requests to the Clearing Entity in the prescribed format as per ***Appendix 7*** by the relevant cut-off times explained in ***Section 11***.

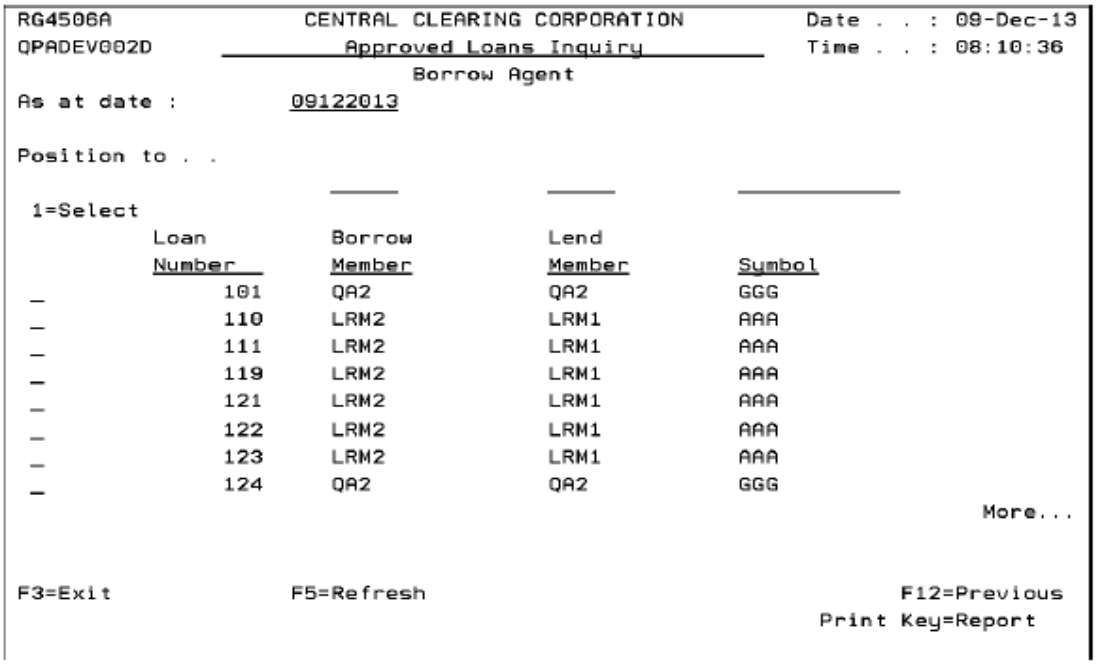
8.4. The borrowing request must contain a unique Transaction Confirmation Number(TCN) to be agreed between the Lender and the Borrower. The TCN must be indicated in the borrowing request for loan matching by the Clearing Entity with the Lending Request.

8.5. The Clearing Entity will not process the borrowing request if the TCN between the borrowing request and lending request does not match.

8.6. The Clearing Entity reserves the right to not process incomplete requests or where information is unclear or does not match the corresponding lending request.

8.7. BRs can view approved lending requests via the SLB system under Approved Loan Inquiry as follows:

Figure 39 – SBL Approved Loans – Borrower



```
RG4506A              CENTRAL CLEARING CORPORATION          Date . . : 09-Dec-13
QPADEV002D             Approved Loans Inquiry              Time . . : 08:10:36
                              Borrow Agent
As at date :        09122013

Position to . .

 1=Select
          Loan          Borrow          Lend
          Number        Member          Member          Symbol
 _          101        QA2             QA2             GGG
 _          110        LRM2            LRM1            AAA
 _          111        LRM2            LRM1            AAA
 _          119        LRM2            LRM1            AAA
 _          121        LRM2            LRM1            AAA
 _          122        LRM2            LRM1            AAA
 _          123        LRM2            LRM1            AAA
 _          124        QA2             QA2             GGG
                                                                      More...

F3=Exit              F5=Refresh                          F12=Previous
                                                    Print Key=Report
```

9. Submission of Loan Return Requests

9.1. There is a minimum loan duration of one(1) business day before a loan can be returned.

9.2. Where a Borrower initiates a loan return, the Borrower will do so outside the scope of the SLB operations procedures by communicating with the Borrowing Representative(BR) directly.

9.3. The Borrower will instruct its BR to submit a loan return request to the Clearing Entity to initiate the return of loaned securities. Please refer to ***Appendix 8*** for a copy of the prescribed format of Loan Return Request form to be completed by the BR.

9.4. The Clearing Entity will process the loan return request based on the availability of Owned securities balances in the Borrower's designated SLB Account. This means that if the Borrower has partial quantities of loaned securities in the designated SLB Account, the partial quantities of loaned securities will be returned to the Lender.

9.5. A request for a return of partial loan quantities is permitted subject to the availability of Owned securities balances in the Borrower's SLB Account.

9.6. If the available quantity of securities is less than the quantity of loan return request, the Clearing Entity will attempt return of the loan return request quantity by sweeping the Borrower's designated SLB account for any owned balances twice a business day to ensure that any available securities are automatically returned to the Lender at the following timings:

9.6.1. before the 10.15am securities settlement run;

9.6.2. before the 3.00pm buy in extraction settlement run.

10. SLB Intermediation Fees for Borrower

10.1. The Clearing Entity will charge a fee on the Borrower for outstanding loans as follows:

Lender	Borrower	Remarks
2 basis points(bps) (0.0002 or 0.02%) per annum; or AED2.00 per calendar day; or	2 bps (0.0002 or 0.02%) per annum; or AED2.00 per calendar day; or	4. Lender informs Dubai Clear whether to pay fee or pass-on to Borrower. 5. No fee calculated for loan return date. 6. Fee calculated as follows: *[Daily outstanding loan quantity x the daily last traded price of the loaned security x fee (Lender and Borrower or Borrower)] ÷ 365 and aggregated on a daily basis from start date till day before loan is returned.*
0	4 bps (0.0004 or 0.04%) per annum or AED4.00 per calendar day	

A VAT of 5% of the fee will also be invoiced by Dubai Clear from the VAT effective date.

10.2. Where the loan is partially returned, the fee will be calculated based on the outstanding loan quantity until the calendar day before the return date and based on the new outstanding loan quantity from the date of the successful partial return onwards until the next loan return date minus one day.

10.3. The Clearing Entity will apply the fee option indicated by the Lender in the lending request submitted by the LR without further confirmation from the Borrower.

10.4. The SLB Intermediation Fee will be calculated on a monthly basis and invoiced to the Borrowing Representative and payable to the Clearing Entity within 14 business days from date of invoice.

10.5. The SLB Intermediation Fee option cannot be changed during the duration of the loan.

10.6. Any Borrower fees to be charged by the BR or BA is fully negotiable between the BR or BA and the Borrower.

11. Cut-Off Times

This section explains the cut-off times Borrowers and Borrowing Representatives (BRs) must comply with to ensure transaction requests are processed in a timely manner by the Clearing Entity:

11.1. Cut-off times for receiving requests for transfer of loaned securities from Borrower to Lender are as follows:

No.	Cut-off Time	Remarks
1.	8.00am UAE time on T+2: Loaned securities can be used for 10.15am securities settlement run.	a. All requests (for example, borrowing and loan return) must be received by the cut-off time for the Clearing Entity to process the loan transaction request.

2.	2.00pm UAE time on T+2: Loaned securities can be used for settlement of failed securities delivery before the 3.00pm buy-in extraction securities settlement run.	b. Requests must be complete to be accepted for processing by the Clearing Entity.

11.2. Loaned securities from Borrower to Lender are transferred on an immediate basis once the Clearing Entity completes the loan request processing.

11.3. Cut-off times for processing collateral transfers:

1.1.1. Any complete requests received on a business date by 2.00pm UAE time will be processed on the same business date.

1.1.2. Collateral securities will be transferred on a real-time basis immediately after the request is approved.

12. Restricted Transfers of Borrowed Securities

12.1. Onward transfers of borrowed securities are prohibited except for the following reasons:

12.1.1. Transfers to a Trustee of an ETF for the creation/redemption of ETFs;

12.1.2. Onward transfer from a SLB Account of a Member to an SLB Account of an investor client of the Member who is the Borrower or for settlement of a default in delivery of securities by an investor client;

12.1.3. Transfers from an SLB Account to another SLB Account or RSS/SLB Account of the Borrower or the RSS/SLB Account of the Borrower's client for trade settlement;

12.1.4. Return of loan.

12.1.5. An inward transfer of securities to the SLB Account or RSS/SLB Account is permitted for the return of borrowed securities.

12.1.6. The RSS/SLB Account may be used to purchase securities for return of loan.

12.2. Where the Borrower re-lends borrowed securities to another Borrower, the Borrower must report this lending as a Lender to the Clearing Entity together with the new Borrower via their respective LR/BR.

12.2.1. **Exception** – where a Borrower borrows for its end investor clients. Loaned securities may be:

12.2.1.1. delivered direct to the SLB Account or SLB/RSS Account of the Member's end investor client; or

12.2.1.2. transferred from the Borrower's SLB Account to the end investor client's SLB Account or RSS/SLB Account.

12.3. For transfer of loaned securities, please use the prescribed format as per ***Appendix 6.***

12.4. Failure to ensure compliance with transfer prohibitions may result in a penalty of up to AED10,000 per transfer and/or deregistration of Borrower or BR.

13. Securities Eligible for SLB

13.1. Only securities listed on the ~~Exchange~~Market will be eligible for SLB.

13.2. The criteria or restrictions as to the type and name of securities eligible for SLB may be imposed by the Clearing Entity from time to time and published via its circulars.

14. Loan Tenure/Update of Loan Tenure

14.1. Both fixed-term loans and open tenure loans are accepted.

14.2. There is a minimum loan tenure of one[1] business day whereby once a loan is created in the SLB System, the outstanding loan can only be recalled or returned after a minimum of 1 business day.

14.3. Lenders and Borrowers can agree on a specific termination date for a loan transaction.

14.4. For fixed-term loans, it is the responsibility of the Borrower to ensure that the equivalent quantity of loaned securities are available in the Borrower's SLB Account for redelivery to the Lender on the loan termination date.

14.5. For fixed- term loans, the expiry date may be changed or the loan may be converted to an open tenure loan.

14.6. Changes in loan tenure can only be initiated by the Lender through the LR. The LR must raise a request as per the format in ***Appendix 9***.

15. Loan Quantity

15.1. There is no minimum or maximum loan quantity.

16. Transfer of Loaned Securities underlying Loan Transactions

16.1. Lenders and Borrowers will communicate with their respective LRs/BRs with regards to transfer of loaned securities since all eligible SLB securities are immobilized with the DUBAI CSD.

16.2. It is the responsibility of Lenders and Borrowers to agree with their respective LRs/BRs on the mode of communication between Lenders/Borrowers and LRs/BRs.

16.3. Only LRs/BRs communicate with the Clearing Entity for transfer of loaned securities in accordance with the operational procedures in this document.

17. SLB System

17.1. The Clearing Entity will maintain loan details via the SLB System. The main objectives of this requirement are:

17.1.1. Maintain loan information;

17.1.2. Facilitate transfers of loaned securities between Lender and Borrower.

17.2. A loan is created in the SLB System when the Clearing Entity matches a request submitted by the LR for the Lender to lend securities and a request submitted by a BR for the Borrower to borrow securities from the Lender. At the same time, loaned securities will be transferred from the Lender's account to the designated SLB Account or RSS/SLB Account of the Borrower.

17.3. The Clearing Entity will maintain details of loans such as name of Lender, name of Borrower, loan creation date, loan termination date, loan quantity and name of security.

17.4. For clarification, the SLB System will not calculate any loan margins or collateral requirements. Such requirements are handled directly between the Lender and the Borrower.

18. Collateral - Transfers of ~~Exchange Listed~~ Securities Listed on the Market as Collateral to Lender

18.1. Where the collateral is a~~n Exchange listed~~ security listed on the Market, the Clearing Entity will facilitate transfer of collateral on a free-of-payment basis based on instructions from either the LR or the BR.

18.2. Borrowers intending to transfer ~~Exchange listed~~ securities listed on the Market as collateral to a Lender must request its Borrowing Representative(BR) to submit a collateral transfer request using the prescribed format in ***Appendix 6***.

18.3. The Borrower and BR must be aware of the cut-off times for collateral transfer. Please refer to the section on Cut-Off Timings.

18.4. A designated Collateral Account must be opened by the Lender to hold collateral which is ~~exchange listed~~ securities listed on the Market unless otherwise waived by Dubai Clear.

18.5. No onward transfer of collateral to a third party NIN is permitted. Transfers to a trading account of the Lender for a sell are permitted.

18.6. A Borrower must ensure that securities are only transferred to a Lender as collateral for a loan of securities and not for any other purposes.

18.7. ~~Exchange listed s~~Securities listed on the Market can be transferred to a Lender as collateral for:

18.7.1. Additional collateral to existing SLB loans;

18.7.2. Collateral for new SLB loan. The new loan must be created between the Lender and the Borrower within 14 business days from the transfer date for collateral to the Lender failing which the Lender must return the collateral to the Borrower.

19. Foreign Collateral

19.1. All collateral requirements between Lender and Borrower which consists of non ~~Exchange-listed~~ securities listed on the Market will be handled outside of the SLB System and shall be settled between Lender and Borrower directly without involving the Clearing Entity.

19.2. There is no requirement for foreign collateral to pass-through an onshore entity or the Clearing Entity.

19.3. Return of any foreign collateral between Borrower and Lender will also be handled outside of Dubai Clear's SLB systems and can be settled either onshore or offshore.

20. Collateral Transfer Fees

20.1. The collateral transfer fees is 20 bps (0.002 or 0.2%) of the ~~a company~~market value of the shares; minimum of AED 100 per symbol;

20.2. For return of collateral, a flat fee of AED100 will be charged for return of collateral.

21. Manufactured Payments and Interest on Collateral

21.1. Manufactured payments and interest on collateral shall be handled directly between Lender and Borrower in accordance with the SLB Agreement.

21.2. There is no requirement for manufactured payments and interest on collateral to be channeled or reported onshore to the Clearing Entity.

22. Corporate Actions [CAs]

22.1. The Clearing Entity will adjust the outstanding loan quantity for mandatory securities-type of CA like splits, consolidation and bonus issues.

22.2. The Clearing Entity will facilitate free-of-payment transfers of non-mandatory securities type of CA between Lender and Borrower.

22.3. Cash-type of CA/rights issue will be handled directly between Lender and Borrower either onshore or offshore.

23. Transfers of Corporate Action Securities Entitlements from Borrower to Lender

23.1. Borrowers intending to transfer corporate action securities entitlements to a Lender must request its Borrowing Representative (BR) to submit a transfer request using the prescribed form in ***Appendix 6***.

23.2. The Borrower and BR must comply with the cut-off time for submission of the transfer request which is 2.00pm UAE local time.

24. Impact of a Suspension ~~in~~of ~~A company~~Market Trading on Loan Requests

24.1. A suspension in trading of a security will not impact loan requests.

24.2. SLB activities will also not be suspended.

25. Delisting, Compulsory Takeover or ~~Exchange of~~ Securities Listed on the Market

25.1. The Clearing Entity will initiate a mandatory recall of the loan before the effective date of the delisting ~~, compulsory takeover or exchange of securities~~ event. Notice to this effect will be given to the respective LR and BR at least 2 settlement cycles in advance for the Borrower to make the necessary return arrangements.

25.2. Where this is not possible if the Borrower has no securities, the Clearing Entity will maintain the loan until the Lender and Borrower settle the loan transaction.

~~25.2.~~25.3. Where it is compulsory takeover or exchange of securities event that results in a new ISIN or replacement of existing ISIN with another existing ISIN, the Clearing Entity will do a mandatory renaming of the ISIN.

26. Cancellation of Loan

26.1. Loans may be cancelled without the return of the loaned securities to the Lender under limited circumstances subject to approval by the Clearing Entity based on the following criteria:

26.1.1. Evidence that Borrower is bankrupt or insolvent and Lender has exercised a set-off for the loan;

26.1.2. Lender has exercised a cash compensation for a valid reason such as Borrower unable to return securities due to securities being illiquid or Lender unable to accept return due to regulatory limitations.

26.2. The Clearing Entity may also cancel a loan transaction and compel the Borrower to return loaned securities to the Lender upon receipt of a regulatory directive or a written law.

26.3. A loan cancellation request is initiated by the Lender. The LR must complete a request as per the format in ***Appendix 5***.

27. Suspension of Lender or Borrower from New Loan Transactions

27.1. The Clearing Entity reserves the right to suspend the Lender or Borrower from SLB for breach of SLB Rules and or procedures ~~regulations~~ or upon receipt of a regulatory directive.

27.2. This means that the Clearing Entity will not approve new loan transactions from the Lending Representative and/or the Borrowing Representative.

27.3. Only requests to wind-down existing outstanding loan transactions will be accepted.

28. Settlement of Short Sell Trades

28.1. The designated SLB account will be tagged to the designated trading account to be used for short sells and this account will the RSS/SLB account.

28.2. A Member settling any short sell trades (example, ~~a company~~market making trades) must ensure that borrowed securities are available by T+2 10.15am for settlement of any short sell trades. Please refer to respective sections on cut-off times for submission of lending and borrowing requests.

28.3. If Owned balances of borrowed securities are available, the short sell trades will settle. Where borrowed securities are unavailable, the short sell trades will fail to settle.

28.4. Failed trades must be resolved by T+4 failing which a mandatory buy-in will apply.

28.5. There is no partial settlement for short sell trade transaction. For example, if the short sell trade transaction is matched for 1,000,000 shares and only 999,999 shares are available for settlement, the short sell trade transaction for 1,000,000 shares will fail to settle.

28.6. A Clearing Member relying on a buy trade to settle a short sell must understand that a buy trade may not settle and therefore the short sell trade may also fail to settle, thus incurring penalties for non-settlement of the short sell trade as per below penalty rate table:

No.	Settlement Day	Penalty
1	T+2	No penalties if a failed delivery of securities is corrected by the end of the settlement date.
2	T+3	A fine of AED1000 or 0.1% of the unsettled trade value, whichever is the higher, if a failed sell trade is resolved on T+3.
3	T+4	c. A fine of AED3000 or 0.5% of the unsettled trade value if a failed sell trade is resolved on T+4. d. A fine of AED5000 or 1% of the unsettled trade value, whichever is the higher, if a failed sell trade is settled by way of a buyer cash compensation, in addition to the buyer cash compensation amount payable by the selling broker.

A VAT of 5% of the fee will also be invoiced by Dubai Clear from the VAT effective date.

28.7. Short sell trades can only be settled with certainty using borrowed securities.

29. Application by a Member to be Approved as a Lending Agent(LA) and/or Borrower

29.1. Where a Member intends to borrow securities on behalf of its clients to settle RSS trades or short sell trades by a ~~a company~~market maker or liquidity provider, the Member must first apply to be a Borrower and comply with the procedures herein.

29.2. No Member may conduct SLB activities either for itself or for investor clients without receiving an approval from the Clearing Entity and any approval from SCA if applicable.

29.3. The Member(hereafter referred to as applicant) must submit an application in the format prescribed in ***Appendix 2*** together with a Readiness Declaration as per the format in ***Appendix 10***.

29.4. The applicant shall ensure that the following requirements are implemented as part of operational readiness to engage in SLB activities as LA and/or Borrower:

29.4.1. Written authorization or agreement to be executed by the relevant clients signing-up for SLB. The agreement shall contain among other things, a specific authorization from the client allowing the applicant to perform SLB activities for the client and also a risk disclosure statement regarding the risks of SLB activities.

29.4.2. Internal guidelines or procedures for acting as LA and/or Borrower which have been approved by the applicant's management.

29.4.3. The internal guidelines or procedures have been brought to the attention of employees involved in proposed SLB activities who have read and understood the contents of the internal guidelines or procedures.

29.4.4. Record keeping of borrowing and lending operations of clients including agreements, client instructions, volume of transactions made, collateral provided, and commissions and fees.

29.4.5. Same day confirmation to clients either in writing or electronic confirmation regarding executed SLB transactions.

29.4.6. Send regular reports to clients, and provide clients with regular updates as per agreement with client.

29.4.7. Record retention period of a minimum period of ten years and keep backup copies of such records for the same period.

29.4.8. Existence of the relevant systems and infrastructure including front office and/or back office systems which have been verified and assessed to be operational, including the relevant backups, and have all the required functionalities and controls in place for the purpose of the applicant conducting SLB activities in accordance with the Clearing Entity's rules and procedures.

29.4.9. A report clarifying the revised internal control systems and principles of the lending and borrowing processes and a certificate from the company's auditors that the applied accounting system ensures the compliance with the requirements for the transactions to be carried out.

29.4.10. Applicant shall not have committed a material violation to the solvency standards or the Account Separation Regulations as approved by SCA during the six months preceding the approval application date.

29.4.11. Where the SLB activity is conducted by a Member for end investor clients in relation to Regulated Short Selling(RSS) or where the Borrower lends to another Borrower:

29.4.11.1. Establish an eligibility criteria for investor clients to borrow securities for RSS.

29.4.11.2. Ensure that all lending to eligible investors must be against collateral.

29.4.11.3. Collateral must be in the custody of LA before an SLB loan can be created.

29.4.11.4. Mark to Market~~a company~~ collateral value against outstanding SLB loan value on a daily basis.

29.4.11.5. Ensure that securities collateral value must be a minimum of 110% of outstanding SLB loan value at all times.

29.4.11.6. Cash and bank guarantee collateral must at least be 100% and 105% respectively of outstanding SLB loan value at all times.

29.4.11.7. Ensure that clear procedures are in place for calling additional collateral and for collateral liquidation to maintain minimum collateral requirements.

29.5. The SLB Agreements for SLB activities undertaken by the LA and the Borrower must be consistent with the GMSLA or OSLA SLB agreement format and contain the following minimum requirements:

29.5.1. The name of the Lender and Borrower which must be the same as the name under the NIN to be used by the Lender and Borrower.

29.5.2. Securities shall be lent against collateral. The collateral requirements including minimum collateral margins, collateral margin calls for inadequate collateral shall be stated.

29.5.3. Daily marking to ~~a company~~market of collateral value against outstanding loan.

29.5.4. Rights of the Lender to recall the securities during the loan period or terminate the loan.

29.5.5. Rights and responsibilities in relation to corporate actions on loaned securities and/or collateral.

29.5.6. Delivery of loaned securities by Lender to Borrower shall be free of any encumbrances.

29.5.7. Fees payable between the Lender and the Borrower.

29.5.8. The necessary procedures to redeem the securities if the required securities cannot be delivered.

29.5.9. Identifying cases of non-fulfillment of the obligations, rights and liabilities of the other party.

30. Requirements for Certifying True Copies of Supporting Documents

30.1. Certified true copy (CTC) means that the copy of document to be submitted must be certified as a true copy of either a CTC document or an original document, as the case may be, by any one of the following:

30.1.1. Notary Public or equivalent;

30.1.2. Borrower's Compliance Officer; or

30.1.3. Authorized signatories of the BA.

31. Fees

31.1. The following is a summary of the relevant fees:

31.1.1. SLB Intermediation Fees to be paid to Dubai Clear by either the Lender and/or the Borrower and collected by Dubai Clear from the LR and/or the BR:

Lender	Borrower	Remarks
2 basis points(bps) (0.0002 or 0.02%) per annum; or AED2.00 per calendar day; or	2 bps (0.0002 or 0.02%) per annum; or AED2.00 per calendar day; or	1. Lender informs Dubai Clear whether to pay fee or pass-on to Borrower. 2. No fee calculated for loan return date. 3. Fee calculated as follows: *[Daily outstanding loan quantity x the daily last traded price of the loaned security x fee (Lender and Borrower or Borrower)] ÷ 365 and aggregated on a daily basis from start date till day before loan is returned.*
0	4 bps (0.0004 or 0.04%) per annum or AED4.00 per calendar day.	

A VAT of 5% of the fee will also be invoiced by Dubai Clear from the VAT effective date.

31.1.2. Collateral transfer fees where collateral is DFM listed securities:

Lodgment by Borrower to Lender	20 bps (0.002 or 0.2%) of the ~~a company~~market value of the shares; minimum of AED 100 per symbol;
Return of collateral by Lender to Borrower	Flat fee of AED100

31.1.3. Transfer of Corporate Action Securities from Borrower to Lender:

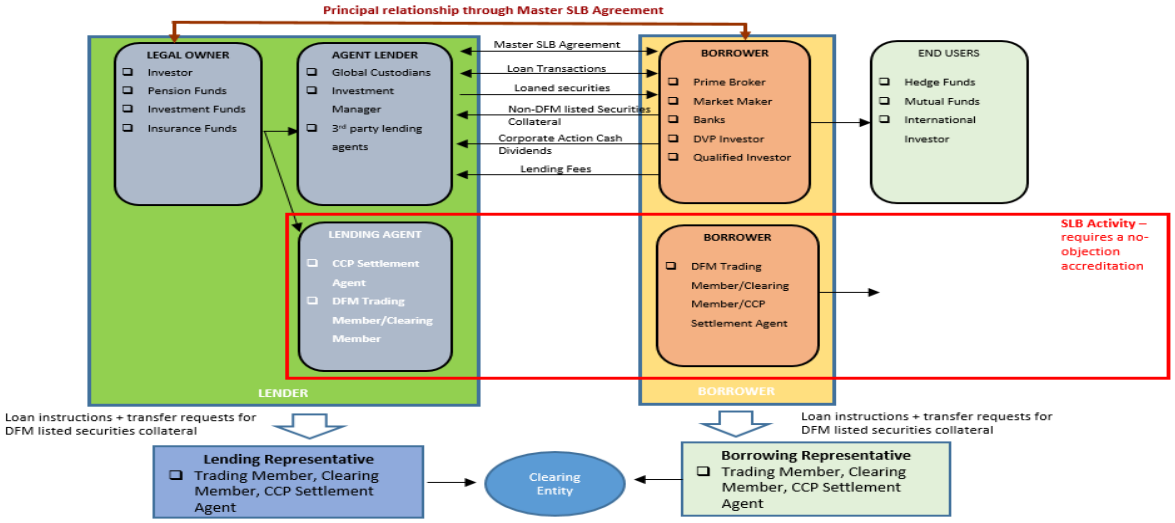
No charge

*** END ***

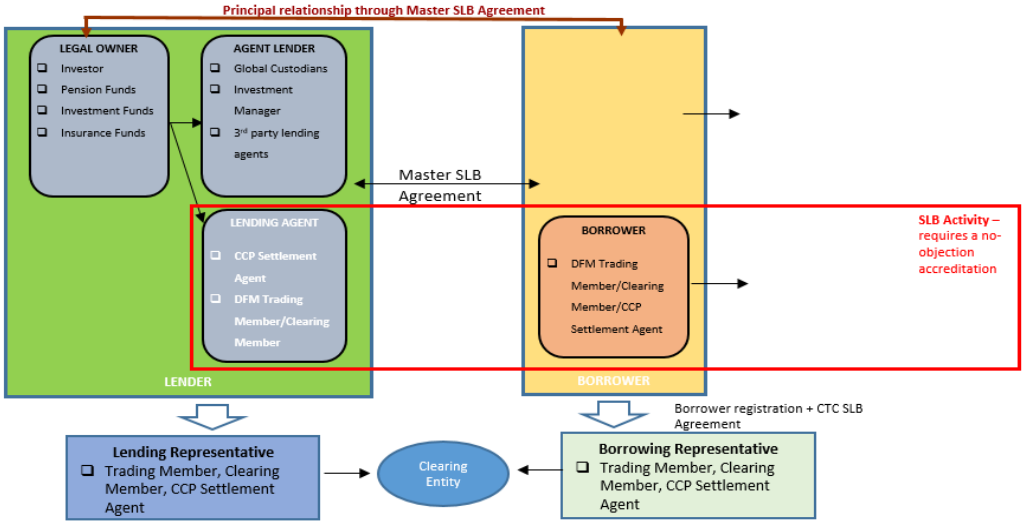
Parties in the SLB Model

1. Parties to SLB

The following diagram shows the main parties in the updated SLB model:



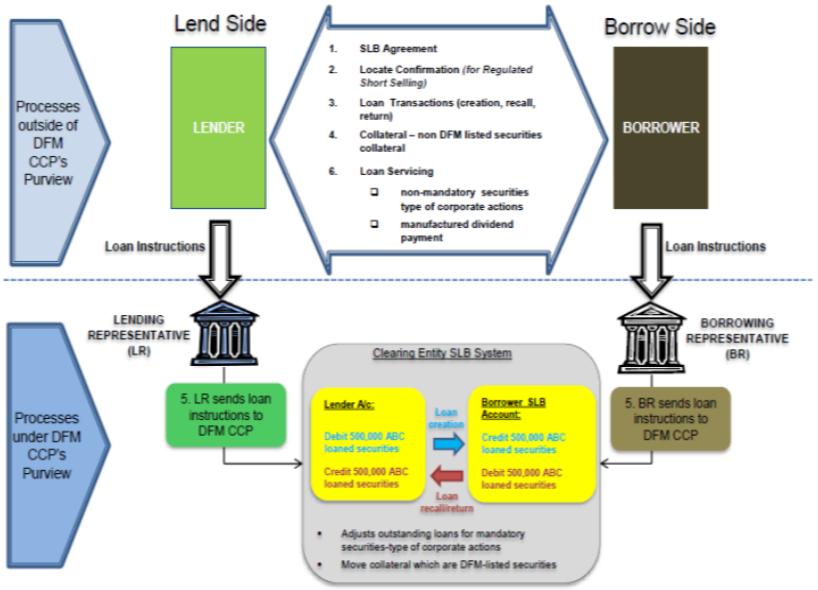
SLB Agreement



a. Standard international agreements - OSLA / GMSLA / USMSLA are acceptable and must comply with minimum Dubai Clear requirements explained in Dubai Clear SLB procedures.

b. Borrower to lodge a certified true copy(CTC) of SLB Agreement with Dubai Clear together with Borrower registration application to Dubai Clear.

Overview of the SLB Model



1. Starting SLB
   i. Lender and Borrower agree on SLB Master Agreement, terms & conditions.
   ii. Lender and Borrower to register with Clearing Entity through LR/BR.
   iii. Borrower lodge collateral with Lender before creation of a loan.
2. Lender and Borrower instruct their LR/BR to submit loan instructions to transfer loaned securities and any securities collateral which are DFM-listed securities.
3. LR/BR submits loan instructions to Dubai Clear.
4. Clearing Entity matches LR instruction against BR instruction and transfer loaned securities from Lender to Borrower [for loan creation] or from Borrower to Lender [for loan recall / loan return].

Letterhead of Applicant

اعتماد وكيل الاقراض/المقترض

Lending Agent / Borrower Application

Member Name		اسم العضو
Telephone No.		رقم الهاتف
Facsimile No.		رقم الفاكس
Primary Contact Name		اسم جهة الاتصال الأساسية
Telephone / Mobile No		رقم الهاتف/الجوال
Email		البريد الإلكتروني
Secondary Contact Name		اسم جهة الاتصال الثانوية
Telephone/Mobile No		رقم الهاتف/الجوال
Email		البريد الإلكتروني

Application for approval as (Please tick): **طلب الموافقة على النحو التالي:** (يرجى وضع علامة)

Lending Agent ☐ وكيل اقراض Borrower ☐ مقرض Both ☐ كلاهما

1. Name of Authorized Signatory		1. اسم المفوض بالتوقيع
Designation of Authorized Signatory		منصب المخول بالتوقيع
Date		التاريخ
Signature		التوقيع

2. Name of Authorized Signatory		2. اسم المفوض بالتوقيع
Designation of Authorized Signatory		منصب المخول بالتوقيع
Date		التاريخ
Signature		التوقيع

Declaration and Undertaking
(Please use a separate sheet if there are more than 2 authorized signatories)

التصريح والتعهد
(يرجى استخدام ورقة منفصلة إذا كان هناك أكثر من اثنين من المخولين بالتوقيع)

I/We:

1. Declare that, I/we, am/are properly authorized to carry out activities relating to securities borrowing and lending in accordance with the Rules of Dubai Clear.

أنا/نحن:

1. نصرح أنّه، بأنني/أننا/ يؤذن لنا بالقيام بالأنشطة المتعلقة باقتراض الأوراق المالية والاقتراض وفقا لقواعد شركة دبي للمقاصة.

2. Agree, upon approval of this application, to at all times comply with all requirements prescribed by Dubai Clear as contained in the Rules Dubai Clear and/or its procedures

2. الموافقة، عند الموافقة على هذا الطلب، على الامتثال في جميع الأوقات لجميع المتطلبات التي تحددها شركة دبي للمقاصة على النحو الوارد في قواعد شركة دبي للمقاصة و/أو إجراءاته.

Note: Please attach completed original copy of Appendix 10 declaration

ملاحظة: يرجى ارفاق نسخة أصلية كاملة من الملحق رقم 10 الخاص بالتعهدات

Name of Authorized Signatory			اسم المُخوّل بالتوقيع
Authorized Signature of Applicant:	توقيع المخوّل على الطلب:	Company stamp	ختم الشركة

Appendix 3 – Lender/ Borrower Registration Template

Letterhead of Applicant

صيغة تسجيل المقرض/المقترض

Lender/Borrower Registration Template

Request Date: DD / MM / YYYY **تاريخ الطلب:**

Request for Registration as: (please tick accordingly): **طلب التسجيل بوصفه:** (يرجى اختيار المربع المناسب)

Lender ☐ مقرض Borrower ☐ مقترض Both ☐ كلاهما

Particular Details					تفاصيل مقدم الطلب:
NIN	رقم المستثمر NIN	Account Number	رقم الحساب	Name	الاسم

Supporting Documents	الوثائق المطلوبة
1. For Borrower registration, a copy of the SLB Master Agreement with Lender(s) must be furnished together with the registration request and submitted either: a. Through the Borrowing Representative, or b. Directly to Dubai Clear.	1. لتسجيل المقترض، يجب تقديم نسخة من اتفاقية إقراض واقتراض الأوراق المالية الأساسية الموقعة مع المقرض (المقرضين)، مرفقة بطلب التسجيل ويتم تقديمها إما: a. عن طريق ممثل الاقتراض، أو b. مباشرة إلى شركة دبي للمقاصة.
2. The copy of the SLB Master Agreement must be certified as true copies as per the SLB procedures.	2. يجب أن يتم تصديق نسخة اتفاقية إقراض واقتراض الأوراق المالية الأساسية كنسخة طبق الأصل بحسب الإجراءات المتبعة لإقراض واقتراض الأوراق المالية

Lending Representative/Borrowing Representative Appointment Confirmation	تأكيد تعيين وكيل الإقراض/ممثل الاقتراض
I/We hereby appoint the following as our Lending Representative/Borrowing Representative:	أقر/نقر بتعيين التالي اسمه كممثل إقراض/ممثل اقتراض لصالحنا:
Name of Representative:	اسم الممثل

Role of Representative: (Please tick only one): **دور الممثل:** (يرجى اختيار إجابة واحدة فقط):

Lending Representative ☐ ممثل إقراض Borrowing Representative ☐ ممثل اقتراض Both ☐ كلاهما

Declaration and Undertaking by Lender/Borrower	إقرار بصحة المعلومات وتعهد
I/We:	أنا/نحن:
a. Declare that information given in this application is true and correct.	a. نقر بأن كافة المعلومات الواردة في هذا الطلب حقيقية وصحيحة.
b. Agree, upon approval of this application, to at all times comply with all requirements prescribed by Dubai Clear as contained in the Rules Dubai Clear and/or its procedures.	b. أوافق/نوافق، بموجب الموافقة على هذا الطلب، عليّ الالتزام في جميع الأوقات بكافة متطلبات شركة دبي للمقاصة كما هي واردة في قوانين و/أو إجراءات الشركة.
c. Am/are a qualified investor for borrowing securities. (delete if not applicable)	c. أنا/نحن مستثمر مؤهل لاقتراض الأوراق المالية. (حذف إذا لم يكن قابل للتطبيق)

Name of Authorized Signatory:		اسم المخول بالتوقيع:
Signature of Lender/Borrower:	التوقيع المعتمد للمقرض/المقترض:	Company Stamp ختم الشركة

Letterhead of Lending Representative

صيغة طلب اقراض
Lending Request Template

Date: **التاريخ:**
Ref: **الرقم المرجعي:**

To: **إلى:**
General Manager
Dubai Clear Company LLC
P.O. Box 9700
Dubai, UAE

المدير العام
شركة دبي للمقاصة
ص.ب.9700
دبي، الإمارات العربية المتحدة

Name of Lending Representative: **اسم ممثل الاقراض:**
Transaction Confirmation Number: **رقم تأكيد المعاملة:**

Transfer from (Details of Lender) نقل من (تفاصيل المقترض)			
NIN رقم المستثمر NIN		Account Number رقم الحساب	Name الاسم

Transfer to (Name of Borrower) نقل إلى (اسم المقترض)

بيانات أو تفاصيل القرض

Loan Details

No. الرقم	Security Code رمز الورقة المالية	Security Name اسم الورقة المالية	Loan Quantity حجم القرض	Expiry Date (00/00/0000 for indefinite loans) تاريخ انتهاء مدة القرض (للقروض المفتوحة 00/00/0000	Fee Type 1=Lender pays 2= Borrower pays all نوع الرسوم 1=المقرض يدفع 2=المقترض يدفع كامل الرسوم

Name of Authorized Signatory:	اسم الشخص المخوّل بالتوقيع:
Signature: التوقيع:	Company Stamp ختم الشركة

CC. (Borrowing Representative) **نسخة إلى** (ممثل الاقتراض)

Appendix 5 – Application to Terminate Loan without the Return of Loaned Securities Template

Letterhead of Lending Representative

صيغة طلب إلغاء قرض بدون إعادة الأوراق المالية المقرضة
Template to Terminate Loan Without the Return of Loaned Securities

Date: **التاريخ:**
Ref: **الرقم المرجعي:**

To:
General Manager
Dubai Clear Company
P.O. Box 9700
Dubai, UAE

إلى:
المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي، الإمارات العربية المتحدة

Lender Details				تفاصيل المقرض	
NIN	رقم المستثمر (NIN)	Account Number	رقم الحساب	Name	الاسم

Details of Outstanding Loans						تفاصيل القروض	
No.	الرقم	Loan Reference Number	الرقم المرجعي للقرض	Security Name	اسم الورقة المالية	Security Code	رمز الورقة المالية	Quantity	الكمية

Cancellation Effective Date: تاريخ سريان الإلغاء:

Reasons for Cancellation
(copy of supporting documents must be enclosed)

أسباب الإلغاء
(يجب إرفاق نسخة من الوثائق الداعمة)

Name of Authorized Signatory:		اسم المخوّل بالتوقيع:
Signature:	التوقيع:	Company Stamp ختم الشركة

CC. (Borrowing Representative)

نسخة إلى (ممثل الاقتراض)

Appendix 6 – Transfer of Loaned Securities/Collateral/Corporate Action Securities Transfer Request Template

Letterhead of Lending Representative/Borrowing Representative

صيغة طلب نقل أوراق مالية لمعاملة اقراض واقتراض أوراق مالية

Securities Transfer template request for SLB

Date: **التاريخ:**
Ref: **الرقم المرجعي:**

To:
General Manager
Dubai Clear Company
P.O. Box 9700
Dubai, UAE

إلى:
المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي، الإمارات العربية المتحدة

Name of Lending Representative/Borrowing Representative: **اسم ممثل الاقراض/ممثل الاقتراض:**

Transfer from (Details of Transferor				النقل من (تفاصيل القائم بالنقل)	
NIN	رقم المستثمر (NIN)	Account Number	رقم الحساب	Name	الاسم

Transfer to (Name of Transferee)				النقل إلى (تفاصيل المنقول إليه)	
NIN	رقم المستثمر (NIN)	Account Number	رقم الحساب	Name	الاسم

No الرقم	Security Code رمز الورقة المالية	Security Name اسم الورقة المالية	Quantity الكمية	Loan Ref. No. (not applicable for new loans) الرقم المرجعي للقرض (لا ينطبق على القروض الجديدة)

Reason for Transfers: **دور الممثل:**
(mandatory field-indicate reason and code) (يرجى اختيار إجابة واحده فقط)

Transfer of Corporate Action Securities ☐ نقل أوراق مالية ضمن إجراء الشركات
Transfer of Collateral ☐ نقل ضمان
Transfer of loaned securities to end investor client ☐ نقل أوراق مالية مقترضة لصالح عميل مستثمر

Code: الرمز:

Reasons for Cancellation أسباب أخرى

Name of Authorized Signatory:	اسم المُخوّل بالتوقيع:
Signature: التوقيع:	Company Stamp ختم الشركة

CC. (Lending Representative/Borrowing Representative) **نسخة إلى** (ممثل الإقراض/ممثل الاقتراض)

Appendix 7 – Borrowing Request Template

Letterhead of Borrowing Representative

صيغة طلب اقتراض
Borrowing Request Template

Date: / **التاريخ:**
Ref: / **الرقم المرجعي:**

To: / **إلى:**
General Manager
Dubai Clear Company L.L.C
P.O. Box 9700
Dubai, UAE

المدير العام
شركة دبي للمقاصة
ص.ب.9700
دبي، الإمارات العربية المتحدة

Name of Borrower:	اسم المقترض:
Transaction Confirmation Number:	رقم تأكيد المعاملة:

Reason for Borrowing (mandatory field-indicate reason and code): سبب الاقتراض (حقل إلزامي-يرجى الإشارة إلى السبب ورمزه):

Fails in DVP settlement فشل تسوية التسليم مقابل الدفع

RSS ☐ نظام البيع على المكشوف

Market Maker ☐ صناعة السوق

SLB loan replacement ☐ استبدال قرض إقراض واقتراض أوراق مالية

Code:	الرمز:
Reasons for Cancellation:	أسباب أخرى:

Transfer Loaned Securities to Borrower or Borrowers Investor Client				تفاصيل المقترض أو العميل المستثمر لدى المقترض
Name	الاسم	Account Number	رقم الحساب	رقم المستثمر NIN

Details of Lender	تفاصيل المقرض
Name	الاسم

Loan Details / **تفاصيل أو بيانات القرض**

Expiry Date (00/00/0000 for indefinite loans)	تاريخ انتهاء مدة القرض (للقروض المفتوحة 00/00/0000	Loan Quantity	حجم القرض	Security Name	اسم الورقة المالية	Security Code	رمز الورقة المالية	No.	الرقم

Name of Authorized Signatory:	اسم الشخص المخوّل بالتوقيع:
Company Stamp	التوقيع

CC. (Lending Agent) / **نسخة إلى (وكيل الإقراض)**

Appendix 8 - Template to Return Loaned Securities

Add letterhead of Borrower

صيغة طلب إعادة أوراق مالية مقرضة

Template to Return Loaned Securities

Date: **التاريخ:**
Ref: **الرقم المرجعي:**

To:
General Manager
Dubai Clear Company
P.O. Box 9700
Dubai, UAE

إلى:
المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي، الإمارات العربية المتحدة

Name of Borrower: **اسم وكيل الاقتراض:**

Transfer from (Details of Borrower or Borrower's Investor Client)				النقل من (تفاصيل المقترض)	
Name	الاسم	Account Number	رقم الحساب	NIN	رقم المستثمر (NIN)

Transfer to (Name of Lender)	النقل إلى (اسم المقرض)
Name:	الاسم:

Loan Details **بيانات / تفاصيل القرض**

Effective Date of Return	تاريخ سريان إعادة القرض	Quantity	حجم القرض مستحق الدفع	Security Code	رمز الورقة المالية	Security Name	اسم الورقة المالية	Loan Reference Number	الرقم المرجعي للقرض	No	الرقم

Name of Authorized Signatory:	اسم المُخوّل بالتوقيع:
Company Stamp ختم الشركة	Signature: التوقيع:

CC. (Lending Agent) **نسخة إلى** (وكيل الإقراض)

Appendix 9 – Application to Update Loan Duration Template

Letterhead of Lending Representative

صيغة طلب تحديث مدة القرض

Template to Update Loan Duration

Date:
Ref:

التاريخ
الرقم المرجعي

To:
General Manager
Dubai Clear Company
P.O. Box 9700
Dubai, UAE

إلى:
المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي، الإمارات العربية المتحدة

Lender Details				تفاصيل المقرض
Name	الاسم	Account Number	رقم الحساب	NIN رقم المستثمر (NIN)

Loan Details						تفاصيل القرض
New Loan Expiry Date (indicate 0000/00/00 for indefinite loans)	التاريخ الجديد لانتهاء مدة القرض (للقروض المفتوحة استخدم 0000/00/00	Security Code	رمز الورقة المالية	Security Name	اسم الورقة المالية	Loan Reference Number الرقم المرجعي للقرض	No الرقم

Effective Date	تاريخ سريان التحديث

Name of Authorized Signatory:	اسم المُخوّل بالتوقيع:
Company Stamp ختم الشركة	Signature: التوقيع:

CC. (Borrowing Representative)

نسخة إلى (ممثل الاقتراض)

Appendix 10 – Readiness Declaration by Member

Letterhead of Member

صيغة بيان الوفاء بالمتطلبات المفروضة من جهة المقاصة على أنشطة إقراض واقتراض الأوراق المالية

Statement of Compliance with Requirements Imposed by the Clearing Entity on Securities Borrowing and Lending (SLB) Activities template

Date: التاريخ:

To:
General Manager
Dubai Clear Company LLC
PO Box 9700
Dubai-UAE

الى:
المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي-الإمارات العربية المتحدة

We (name of applicant), pursuant to our application to be:
☐ Lending Agent; or
☐ Borrower; or
☐ Both Lending Agent and Borrower
(Please tick relevant box)

نحن، (اسم مقدم الطلب)، وبموجب طلبنا للتسجيل كـ:
☐ وكيل إقراض، و
☐ وكيل مقترض/ أو
☐ وكيل إقراض ومقترض
(يرجى اختيار المربع المناسب)

1. We have the necessary qualified staff including technical and organizational resources together with front office and/or back office systems to meet all operational functionalities, requirements, controls and risk management systems in place for the purpose of carrying out SLB activities as Lending Agent/Borrower/Lending Agent and Borrower (delete where relevant) in accordance with the Clearing Entity's procedures;

1. أن لدينا فريق العمل المؤهل والمطلوب لهذا النشاط، ويضم مصادر تقنية وتنظيمية بالإضافة إلى أنظمة خدمات المتعاملين و/ أو الدعم الفني الذي يلبي كافة المتطلبات الوظيفية التشغيلية وضوابط التحكم وأنظمة إدارة المخاطر، وجميعها جاهزة للأداء لغايات تنفيذ أنشطة إقراض واقتراض أوراق مالية بوصفنا وكيل إقراض/مقترض/ وكيل إقراض ومقترض (يرجى حذف ما لا ينطبق) بما يتماشى مع إجراءات جهة شركة دبي للمقاصة.

2. We have the necessary Capital Adequacy to support the SLB activities. A copy of our latest Capital Adequacy is attached herewith.

2. أن لدينا رأس المال اللازم والكافي لدعم أنشطة إقراض واقتراض الأوراق المالية، نرفق طية نسخة عن أحدث وثيقة كفاية رأس المال.

3. We have a Collateral Maintenance & Liquidation Policy in place for management of outstanding securities loans and to handle events of collateral shortfall.

3. أننا نوظف سياسة حماية وتسييل الضمان لغايات إدارة قروض الأوراق المالية مستحقة الدفع وللتعامل مع النقص في الضمان.

4. We have the necessary record and book keeping system for the proposed SLB activities.

4. أن لدينا نظام السجلات ومسك الدفاتر اللازمة لإدارة الأنشطة المقترحة في مجال إقراض واقتراض الأوراق المالية.

5. To the best of our knowledge:
   a. There is no adverse circumstances that will impact our application;
   b. We have not been subjected to any forms of disciplinary action during the last 12 months for any violations.

5. أنه وعلى حد علمنا:
   a. لا يوجد أي ظروف معاكسة قد تؤثر على هذا الطلب.
   b. أننا لم نخضع لأي نوع من الإجراءات التأديبية خلال فترة 12 شهر الماضية عن أي خرق للقوانين.

6. We are duly authorized to conduct the business for which this application is made. A certified copy of this authority is attached herewith.

6. أننا مفوضون قانونيا لإجراء الأعمال التي يتعلق بها هذا الطلب. نرفق طيّه نسخة مصدّقة عن هذا التفويض.

Signed by:
Managing Director/Chief Executive of Applicant

وقعها:
العضو المنتدب/الرئيس التنفيذي للجهة المقدمة للطلب

Name: الاسم:	Authorized Signature: التوقيع المعتمد:

Head of Compliance رئيس قسم الامتثال

Name: الاسم:	Authorized Signature: التوقيع المعتمد:

Add Company Stamp

Appendix 11 – Yearly Renewal Application by Member

صيغة طلب تجديد الموافقة كوكيل إقراض و / أو مقترض لإقراض واقتراض الأوراق المالية

Application template for Renewal of Approval as Lending Agent and/or Borrower for Securities Lending and Borrowing

Date: **التاريخ:**

To:
General Manager
Dubai Clear Company LLC
P.O.BOX 9700
Dubai-UAE

إلى:
المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي – دولة الإمارات العربية المتحدة

We, [name of applicant], pursuant to our approval as:
☐ Lending Agent; or
☐ Borrower; or
☐ Both Lending Agent and Borrower
(please tick relevant box)

نحن، [اسم مقدم الطلب]، وبموجب طلبنا للتسجيل كـ:
☐ وكيل إقراض، أو
☐ وكيل مقترض/ أو
☐ وكيل إقراض ومقترض
(يرجى اختيار المربع المناسب)

Hereby declare and confirm the following:

1. We continue to have the necessary qualified staff including technical and organizational resources together with front office and/or back office systems to meet all operational functionalities, requirements, controls and risk management Agent/Borrower/Lending Agent and Borrower (delete where relevant) in accordance with the Dubai Clear's procedures;
2. We continue to have the necessary Capital Adequacy to support the SLB activities.
3. We continue to have a Collateral Maintenance & Liquidation Policy in place for management of outstanding securities loans and to handle events of collateral shortfall.
4. We continue to have the necessary record and book keeping system to proposed SLB activities.
5. To the best of our knowledge:
   a. There is no adverse circumstances that will impact our renewal application;
   b. or any exchanges or any companies during the last 12 months for any violations.
6. We continue to be duly authorized to conduct the business for which this renewal application is made.

نصرح ونؤكد بموجب هذا الطلب على ما يلي:

1. إننا مستمرون في توفير فريق عمل مؤهل ومطلوب لهذا النشاط، ويضم موارد تقنية وتعليمية بالإضافة إلى أنظمة خدمات المتعاملين و/أو الدعم الذي تلبي كافة المتطلبات الوظيفية التشغيلية وضوابط التحكم وأنظمة إدارة المخاطر، وجميعها جاهزة للعمل على تنفيذ أنشطة إقراض واقتراض أوراق مالية بوصفنا وكيل إقراض/مقترض/وكيل إقراض ومقترض (يرجى حذف ما لا ينطبق) بما يتماشى مع إجراءات جهة شركة دبي للمقاصة
2. امتلاك رأس المال اللازم والكافي لدعم أنشطة إقراض واقتراض الأوراق المالية
3. إننا مستمرين في توظيف سياسة حماية وتسييل الضمان لعايات إدارة قروض الأوراق المالية مستحقة الدفع وللتعامل مع النقص في الضمان.
4. الاستمرار في تواجد نظام السجلات ومسك الدفاتر اللازمة لإدارة الأنشطة المقترحة في مجال إقراض واقتراض الأوراق المالية
5. أنه وعلى حد علمنا:
   a. لا يوجد أي ظروف معاكسة قد تؤثر على هذا الطلب
   b. إننا لم نخضع لأي نوع من الإجراءات التأديبية خلال فترة 12 شهر الماضية نتيجة إنتهاك قوانين هيئة الأوراق المالية أو أي من الأسواق المالية أو من الشركات.
6. إننا ما زلنا مؤهلون قانونيًا لإجراء الأعمال التي يتعلق بها هذا الطلب.

Signed by:

Managing Director/Chief Executive of Applicant **العضو المنتدب/الرئيس التنفيذي للجهة المقدمة للطلب**

Name: الاسم:	Authorized Signature: التوقيع المعتمد:

Head of Compliance **رئيس قسم الامتثال**

Name: الاسم:	Authorized Signature: التوقيع المعتمد:

Add company stamp

Appendix 12 – Sample format of Authority Letter

[Letterhead of member]

صيغة تفويض بالمشاركة في أعمال الأنشطة الجديدة لإقراض واقتراض الأوراق المالية

Authority to Engage in New Business of Securities Lending and Borrowing (SLB) Activities

Date: **التاريخ:**

To: **إلى:**

General Manager
Dubai Clear Company LLC
P.O. Box 9700
Dubai-UAE

المدير العام
شركة دبي للمقاصة
ص.ب. 9700
دبي، الإمارات العربية المتحدة

I/We, [Name]_____,
herby confirm that I/we have the necessary authority on behalf of [Name of the member] _____
To make the application to be approved by Dubai Clear Company to engage in SLB activities and be bound by the Dubai Clear Company SLB rules and procedures.

أنا/نحن، [الاسم] _____،
نؤكد بموجب هذا أن لدي/لدينا نحن السلطة اللازمة نيابة عن [اسم العضو] _____ لتقديم الطلب المعتمد من قبل شركة دبي للمقاصة للمشاركة في أنشطة إقراض واقتراض الأوراق المالية والالتزام بقواعد وإجراءات شركة دبي للمقاصة لإقراض واقتراض الأوراق المالية.

The list of authorized signatories to execute any SLB instructions or give notices for SLB transactions is also provided herewith.

كما نرفق طيّة قائمة المُخوّلين بالتوقيع على تنفيذ أي تعليمات من تعليمات إقراض واقتراض الأوراق المالية أو تقديم إشعارات لمعاملات إقراض واقتراض الأوراق المالية.

We/the undersigned acknowledge, agree and undertake jointly and severally to assume the full legal and financial responsibility arising from the truthfulness, genuine, recentness and completeness of the information which we submitted to Dubai Clear Company for the purpose of engaging in the business of securities lending and borrowing activities at the company.

نحن الموقعون أدناه، نقر ونوافق ونتعهد منفردين ومجتمعين متضامنين ومتكافلين بتحمل كامل المسؤولية القانونية والمالية المترتبة على مدى صحة ودقة وحداثة واكتمال المعلومات المقدمة من قبلنا لشركة دبي للمقاصة لغايات المشاركة في أنشطة إقراض واقتراض الأوراق المالية لدى الشركة.

Signed by: موقّعة من قبل:

Name: الاسم:	Authorized Signature: توقيع المُفوّض

Add Company Stamp