



**NASDAQ DUBAI BUSINESS RULES:
RULEBOOK 3
ADMISSION AND DISCLOSURE STANDARDS FOR ISSUERS**

CONSULTATION PAPER NO 1 OF 2020

JUNE 2020



WHY ARE WE ISSUING THIS PAPER?

1. Admission and Disclosure Standards (ADS) for Issuers, Rulebook 3 (“Rulebook 3”) is designed to ensure that Nasdaq Dubai continues to operate to the highest standards and continues to be a key participant in the capital markets (in the DIFC, the region and internationally).
2. On 01 April 2020, DFSA introduced a listing regime for Small and Medium Enterprises (SMEs) set out in the DFSA Rulebook – Markets Rules (“MKT”). The listing regime enables SMEs to raise funds through the capital markets by issuing Shares, listing on the DFSA Official List of Securities and Admitting them to Trading on an Authorised Market Institution in the DIFC.
3. In line with Rule 5.6.5 of the DFSA’s Authorised Market Institution Module (AMI), Nasdaq Dubai is undertaking this public consultation on the proposed amendments to its Business Rulebook 3.
4. The proposed amendments to Rulebook 3 seek to align Rulebook 3 to the MKT and sets out the rules for Admitting shares issued by SMEs to Trading on Nasdaq Dubai market. More particularly, Rulebook 3 sets out to describe and define rules for the Nasdaq Dubai Growth Market as it relates to SMEs.
5. The proposed amendment incorporates the following:
 - i) Introduction of SMEs and Growth Market;
 - ii) Introduction of Compliance Adviser;
 - iii) Liquidity Requirements for SMEs;
 - iv) Suspension of trading in the shares of SME further to DFSA’s instruction;
 - v) Other update and/or amendment of the rules to reflect clearer drafting.

WHO SHOULD READ THIS PAPER?

6. This Paper will be of interest to SMEs, potential SME applicants, financial advisers, lawyers, accountants, persons who wish to act as Compliance Advisers, and potential investors in SMEs. It will also be of interest to Members of Nasdaq Dubai, advisors of Issuers (existing or potential) and the general investment community and public.

HOW TO PROVIDE COMMENT?

7. Following discussions with the DFSA, the consultation period will be limited to a period of no less than 14 days. All comments on the Nasdaq Dubai Rulebook 3 should be in writing and forwarded to compliance@nasdaqdubai.com on or before 5 July 2020.
8. Comments may be provided anonymously.

WHAT HAPPENS NEXT?

9. Once all comments are received, Nasdaq Dubai will consider if any further amendments are required to the proposals set out in the amended Rulebook 3 and where

appropriate, proceed to make further amendments to reflect points made in the consultation.

10. Nasdaq Dubai may then proceed to adopt the Rulebook, following the required approval of the DFSA. The proposed Rulebook 3 must not be acted upon in its current state until the Rulebook has been adopted by Nasdaq Dubai.

TERMINOLOGY IN THIS PAPER

11. Capitalised terms in this Paper have the same meaning as those terms defined in the proposed Rulebook 3. Terms not defined in the proposed Rulebook are identified and defined throughout this Paper.

RELIANCE ON THIS PAPER

12. This Paper has been prepared for the purposes of public consultation only and should not be relied upon in interpreting the proposed Rulebook.

SPECIFIC ISSUES FOR CONSIDERATION

13. The existing Rulebook 3 has been used as the base document for the proposed amendment.
14. The terms “Compliance Adviser”, “Small & Medium Enterprises (SME)” and “Growth Market” have been defined in the proposed amendment to Rulebook 3.
15. The Compliance Adviser is a mandatory appointment for a SME under the MKT. The term has been introduced into and defined under the Rulebook 3.
16. Growth Market is the market to be introduced by Nasdaq Dubai to support the growth/development and expansion of SMEs and supports the DFSA’s SME listing regime.
17. Small or Medium Sized Enterprises (SME) has been introduced into and defined under the Rulebook 3 in accordance with the MKT.
18. Nasdaq Dubai will apply its sole discretion in determining the conditions for liquidity requirements of each SME. Nasdaq Dubai proposes to adopt a flexible approach in determining the conditions for the liquidity requirements that will be applicable to SMEs. The aim is to consider the conditions that will apply to each SME on a case-to-case basis. This approach will allow Nasdaq Dubai to consider what conditions will best suit a SME and best promote the growth and expansion of the SME.
19. Dissemination of Admission to Trading Notice to the Market have been revised to Admission date via the Regulatory Announcement Service.
20. Publication of additional Admission Documents as required by the DFSA under the MKT. The MKT requires SMEs to, amongst other requirements, publish certain information on their website prior to their admission to the DFSA Official List of Securities and on an

ongoing basis. The requirement to provide additional information and documents as required by the DFSA has been included under the proposed amendment under ADS 1.8.1(c).

21. Suspending trading in the shares of the SME further to an instruction by the DFSA. Where a SME does not meet the continuing obligation of the DFSA, Nasdaq Dubai will suspend the shares of a SME from trading if directed by the DFSA to do so.

We look forward to receiving any feedback you may have relating to the proposed amended Nasdaq Dubai Business Rulebook 3 on or before 5 July, 2020.

PLEASE SUBMIT ALL COMMENTS AND FEEDBACK TO NASDAQ DUBAI COMPLIANCE TEAM AT COMPLIANCE@NASDAQDUBAI.COM