

## INTRODUCTION OF LIQUIDITY INCENTIVE SCHEME - MARKET MAKER REBATE (100%) - DERIVATIVES ("LIS")

This information is issued in accordance with the DFSA AMI Rule 6.9 "Liquidity Incentive Schemes".

### Summary of LIS

The LIS offers a 100% rebate of trading and clearing fees provided to Nasdaq Dubai Members in their capacity as Derivative Market Makers and who have entered into a Nasdaq Dubai Derivatives Market Maker Agreement in respect of a specific Admitted Derivative or Derivatives traded on Nasdaq Dubai.\*

### **Details of LIS**

- **Description of the LIS**

Nasdaq Dubai offers all Market Makers, licensed to act as a Market Maker on Nasdaq Dubai, the opportunity to participate in the LIS.

The LIS allows Market Makers the chance to receive 100% rebate on all their trading and clearing fees incurred whilst performing Market Maker activities for specified Admitted Derivatives Contracts Traded on Nasdaq Dubai, in line with an executed Derivatives Market Maker Agreement. There is no cap on the maximum level of rebate available to Market Makers participating in the LIS. The LIS is aimed at encouraging Market Makers to develop a highly liquid market and may be tailored to any of the Admitted Derivatives Contracts Traded on Nasdaq Dubai. Nasdaq Dubai maintains discretion to limit the number of Market Makers participating in this LIS subject to market conditions.

The scheme will benefit Nasdaq Dubai, its Members and other market participants in that it creates an incentive for the Market Maker to fulfil its obligations by maintaining a sufficient supply and demand in the Derivatives to facilitate a reliable price formation process and thereby enhancing liquidity.

- **Commencement**

This LIS becomes operative upon publication of this Circular.

- **Minimum Duration**

This LIS will remain in effect until further notice.

- **Eligibility Requirements**

To be eligible to participate in the LIS, a company must ensure that they are a Member of Nasdaq Dubai and that they have the appropriate licences allowing them to operate as a Market Maker, this may also include licensing authorising the firm to conduct market making activities by its home regulator.

- **General Requirements**

Under the Derivatives Market Maker Agreement, the Market Maker will be obliged to maintain specific minimum bid and ask order sizes in the order book, for a pre-agreed duration, stated in Market Maker Agreement Schedule (expressed as a percentage of the Trading Day), for each of the Admitted Derivatives Contracts for which it is registered as a Market Maker. Also include in this Schedule would be items such as the maximum spread required between the bid and ask prices, the date on which the LIS is to become operative and any other Security specific Market Maker obligations.

Members interested in becoming a Nasdaq Dubai Market Maker should contact:

Nasdaq Dubai Membership

Tel: 971 4 305 5463

Email: [membership@nasdaqdubai.com](mailto:membership@nasdaqdubai.com)

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\* Subject to terms and conditions