

**In line with SCA's decision on dealing with Risk Classified joint stock companies:**

## **DFM launches the “Category B Screen” as of July 5<sup>th</sup> 2020**

**Hassan Al Serkal: “Resumption of trading on suspended companies is pending to their adherence to SCA's requirements”**

**Dubai, 30 June 2020:** In line with the Securities and Commodities Authority's (SCA) decision No. (13/Chairman) of 2020 Concerning Procedures of Dealing with Risk Classified joint stock companies, the Dubai Financial Market (DFM) today announced the launch of the “Category B Screen” as of Sunday July 5<sup>th</sup> 2020. The new screen consists of listed companies with accumulated losses of 50% and above of its issued capital based on the financial results of 2019 as well as companies suspended from trading for six months and above.

It is noteworthy that the launch date of the new screen is in accordance with the SCA's directions in this regard.



Consequently, the DFM listed companies have been categorized within two categories, Category A consisting of 54 UAE and foreign companies while Category B consisting of 12 UAE and foreign companies, including 4 suspended companies.

Hassan Al Serkal, Chief Operating Officer (COO) and Head of Operations Division of DFM said:

“The Resumption of trading on suspended companies’ shares is pending to their adherence to SCA’s requirements including the disclosure of the 2019 audited financial results as well as obtaining SCA’s approval on improvement plans to reform the conditions that led to the suspension. Such requirements are of significant importance so that investors become fully aware of the financial position of each company and risks associated with it and take their investment decisions accordingly.”

“The launch of the Category B Screen underlines DFM’s commitment to protect investors’ interests by ensuring a fully transparent investment process. The DFM has accomplished various technical and regulatory arrangements to launch the new independent screen as stipulated by SCA’s decision, moving all companies that fall within Category B criteria including companies suspended for six months and above as well as listed companies with accumulated

losses of 50% and above based on the annual financial results, to this new screen,” Hassan Al Serkal added.

As part of the arrangements, Category B companies are also placed on a “Watch list”, as a joint committee from the SCA, the DFM and any other supervisory bodies related to the company’s operations will assess each company’ commitment to listing and disclosure requirements as well as its commitment to take all necessary actions to regularize its status within a one-year period (extendable to three years) starting from the date of being classified as a Category B company. Companies’ return to Category A is pending to the joint committee’s assertion that the company has managed to regularize its status and met all conditions.

“As part of the preparations to launch the Category B Screen, the DFM has upgraded the Market Watch with additional interactive features, providing investors flexibility to personally-acustom the screen by choosing to view the main Market Watch including all listed companies or the Category B Screen. Additionally, the DFM will continue using the color-labelling on both screens for companies with accumulated losses of 20% and above of its issued capital,” Al Serkal added.

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**About Dubai Financial Market:** Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). . Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. [www.dfm.ae](http://www.dfm.ae)

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