



Dubai  
International  
Financial  
Centre



**Brokerage and  
Capital Markets**



## DIFC Overview

The Dubai International Financial Centre (DIFC) is the financial hub for the Middle East, Africa and South Asia, providing a world-class platform connecting this region's markets with the economies of Europe, Asia and the Americas. It also is facilitating South-South trade and investment flows.

An onshore, international financial centre, DIFC provides a stable, mature and secure base for financial institutions to develop their wholesale businesses.

The Centre offers inspiring architecture, powerful and enabling infrastructure, support services, a vibrant business community, ultra-modern office space, retail outlets, cafes and restaurants, art galleries, residential apartments, public green areas and hotels.

Located midway between the global financial centres of London in the west and Singapore in the east, DIFC fills a vital time-zone gap with a workday that bridges the market and business hours of financial centres in both Asia and North America.

## Financial Services Cluster

DIFC enjoys a critical mass of companies operating in, or serving, the financial services sector.

There were over 1,000 companies by the end of June 2014, including:



**350**

FINANCIAL SERVICES FIRMS

**21/25**

WORLD'S  
TOP BANKS

**11/20**

OF THE WORLD'S  
TOP MONEY MANAGERS

**7/10**

LARGEST INSURANCE  
COMPANIES

**7/10**

OF THE WORLD'S  
TOP LAW FIRMS

**4/4**

TOP ACCOUNTING  
FIRMS





## Tax Efficiencies

DIFC provides a 40-year guarantee of zero taxes on corporate income and profits, enhanced by the UAE's wide network of double taxation avoidance treaties with more than 50 countries.

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## Hub & Spoke Model

Attractive location for management, treasury centres, or regional management, booking of assets, risk management, and product structuring and development, followed by roll out to branches regionally and globally.

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## Full Foreign Ownership

Within DIFC, subsidiaries and other incorporated entities enjoy 100% foreign ownership, as well as a flexible, world-class regulatory environment that allows for a wide range of options for structuring legal entities. It also offers a specific option for a representative office license.



## Common Law Framework

DIFC's legal system and courts follow a Common Law framework that is administered by an independent and highly regarded regulator and adjudicated by an equally respected court system. Distinct from the UAE legal system, laws and regulations are issued in English.

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## No Restriction on Capital Repatriation

DIFC-based companies face no restrictions or constraints on capital or profit flows, and there are no currency exchange controls in this US dollar-denominated jurisdiction.

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## World Class Regulator

One of the principal factors behind the success of DIFC is its independent risk-based regulator, the Dubai Financial Services Authority (DFSA). The DFSA grants licenses and regulates the activities of financial services conducted through DIFC.

# Why DIFC for Brokerage and Capital Markets?

## Infrastructure

DIFC has developed its world-class IT and telecommunications facilities with financial services firms in mind. It provides fast and reliable connectivity, supported by one of the world's most developed telecommunication networks. As well, the DIFC environment is being enhanced with laws that will create a 'telecommunications transit zone' to cut data and other telecom costs by half, thereby reducing expenses for trading desks.

## Access a US\$6 Trillion Economy

As the global financial hub for the Middle East, Africa and South Asia region, DIFC provides access to institutional and HNWI investors requiring brokerage services, and companies looking to access capital market financing regionally and internationally. Many of these investors and their representatives are based in DIFC.

## NASDAQ Dubai

NASDAQ Dubai – the third largest sukuk market in the world – is the international financial exchange in the Middle East. Companies can raise capital through US Dollar-denominated shares, sukuk

and bonds, while exchange-traded commodities (ETCs), derivatives, exchange-traded commodities and real estate investment trusts (REITs) can also be listed and traded.

## Dubai Mercantile Exchange (DME)

The DME is an important international energy futures and commodities exchange in the region. The exchange provides oil producers, traders and consumers engaged in the East-of-Suez markets with transparent pricing of crude oil through its flagship Oman Crude Oil Futures Contract.

## Relevant DFSA Licensed Activities

- Accepting Deposits
- Dealing in Investments as Principal
- Dealing in Investments as Agent
- Arranging Credit or Deals in Investments
- Managing Assets
- Advising on Financial Products or Credit
- Providing Custody
- Arranging Custody
- Operating an Exchange
- Operating a Clearing House
- Operating an Alternative Trading System



## Regional Opportunities in Brokerage and Capital Markets

Emerging market equity exchanges are becoming an increasingly important share of global equity capitalisation, in part driven by the forecasted surge in Asian IPOs, with one study predicting that China will be home to the most new issuers by 2025, followed by India, as both emerging and developed market corporations seek listings on Asian exchanges. .

Emerging economy equity market capitalisation could rise from 31% of the global total in 2010 to 40% in 2020 and 55% by 2030, while BRIC-country equity market capitalisation could rise from 18% of the total in 2010 to 41% in 2030. Most experts agree that China and India will join the United States as home to the world's most important equity markets.

UAE and Qatar were recently upgraded by MSCI to Emerging Market status which has led to an increase in capital flows into both the debt and

equity markets of the region. Furthermore, Saudi Arabia's capital markets regulator has indicated that they will be opening up their equity markets to foreigners in 2015. These developments led to an increased focus and fillip to both investment flows and returns for investors; as an indication, the Dubai Financial Markets (DFM) witnessed a 300% increase y-o-y in average daily trading volumes from 470 million in 1H13 to 1.9 billion in 1H14, and an increase of 20% in new foreign investors from 15,720 in 1H13 to 18,927 in 1H14.

The tremendous growth in wealth and capital accumulation by institutions and individuals in the emerging markets surrounding Dubai include a projected CAGR of 6.5% in private wealth in the Middle East and Africa region that will reach an estimated US\$7.2 trillion by the end of 2018. Assets under management in the region are expected to rise to US\$1.5 trillion by 2020, from a total of US\$600 billion in 2012.



**55%**

Emerging economy equity market capitalisation by 2030

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**\$1.5 trillion**

Total assets under management in the MENA region by 2020

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**\$7.2 trillion**

Private wealth in the MENA region by 2018

**41%**

BRIC country equity market capitalisation by 2030



# Dubai: Gateway to Emerging Markets

Dubai has built the region's most developed infrastructure and highest quality of life. World renowned for its leisure offerings, it has a large and expanding supply of housing, healthcare, education and recreational facilities to suit any lifestyle. The UAE ranks 5th globally in terms of infrastructure quality.



## Stable and Safe

Dubai and the wider UAE provide the region's most stable and safe location for living and working.

## Time Zone and Connectivity

- Two-thirds of the world's population is within eight-hours flying time
- Ideally situated between Europe and Asia, Dubai (GMT +4) enables multiple hours of communication with the United States, Europe and Asia
- Dubai International Airport is the world's second busiest airport for international passengers with more than 125 airlines flying to more than 260 destinations.

## Quality of Life

Residents enjoy Dubai's vibrant, cosmopolitan and open environment. The Emirate's large pool of privately run schools, hospitals and clinics are supported and regulated by world-class oversight bodies, ensuring both accessibility and quality of care and learning.

## Access to Talent

Dubai is home to a skilled, multicultural and multilingual talent pool that is drawn to Dubai by the comfortable and high quality of life.

- 2.1 million people live in Dubai
- More than 200 nationalities
- 100,000 people arrive every year
- More than 40 accredited universities

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## For more information:

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