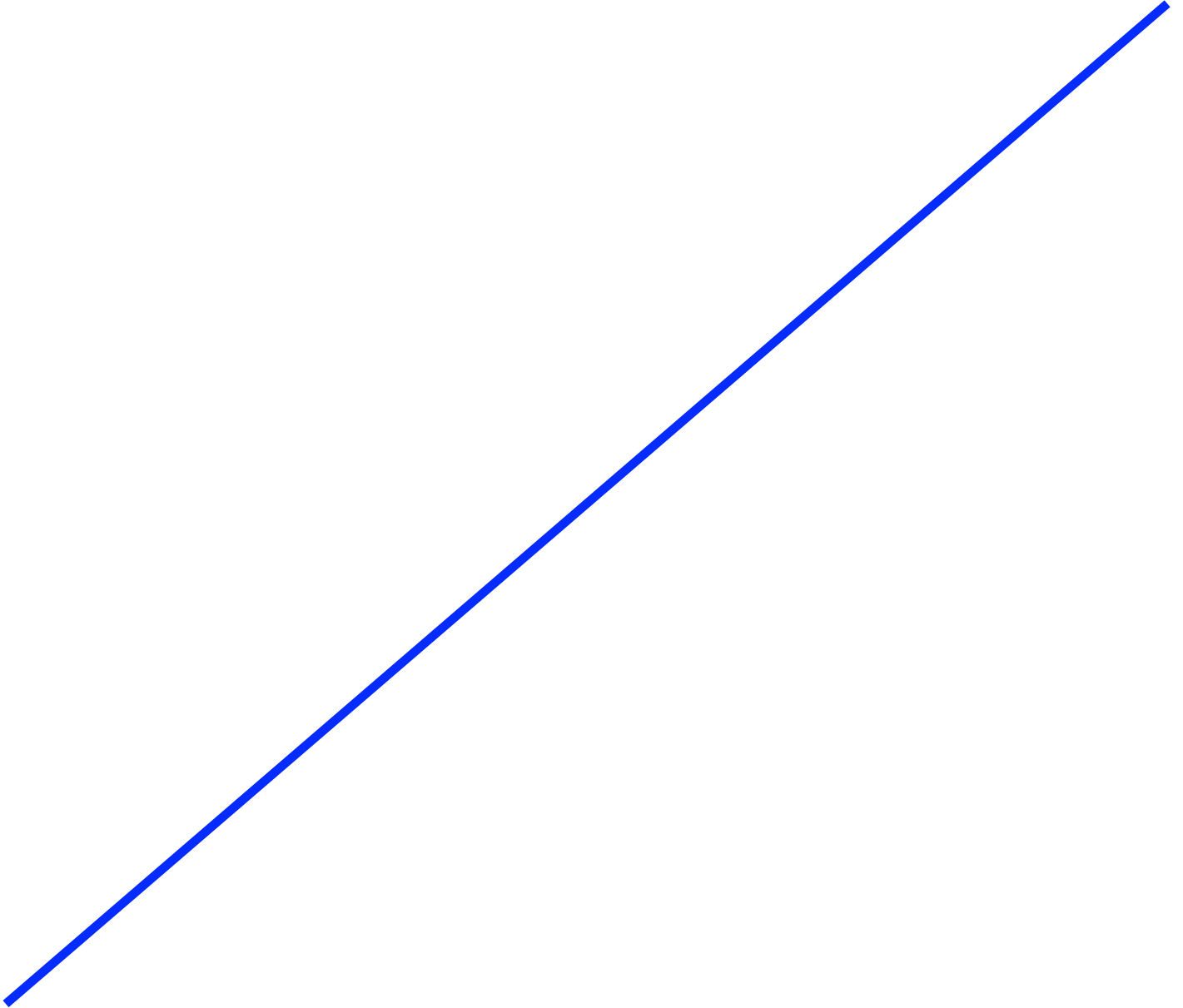




**2023**

Dubai Central Securities  
Depository LLC - Omnibus  
Account Rules



## 1. General Provisions

- (a) These Rules contain the Depository rules on Omnibus Account.
- (b) Failure to comply with any of these Rules and the Depository Rules will account to a contravention, in respect of which remedial action may be taken and penalties may be imposed against the violators in accordance with the Depository's Rules.
- (c) The Omnibus Account Operator shall comply with the Authority's decisions, Market Rules relating to disclosure and trading and the Authority Decision.

## 2. Definitions

Terms used in these Rules have the meanings specified in the Depository Rules, the Market Rules and the Authority's decisions.

**Authority** means the Securities and Commodities Authority of the United Arab Emirates.

**Authority Decision** means Decision of the Chairman of the Board of Directors of the Authority No. (16 / R. AD) for the year 2023 AD regarding the amendment of the Regulations as to the functioning of the Market, and the Decision to regulate the activity of the Central Depository, and the Regulations Manual of the Financial Activities.

**Omnibus Account** means an account for the clients of the entity that obtained the approval of the Depository dealing in its name and for the account of its clients.

**Omnibus Account Operator** means a Licensed Body by the Authority or Foreign entity licensed by an Equivalent Regulatory Authority who opens and registers the Omnibus Account in his name at the Depository, manages and monitors the account operations on behalf of its Investors in Omnibus Account in its name and on their behalf. The Omnibus Account Operator is not the Beneficial Owner of the Securities or Foreign Securities within the Omnibus Account.

**Investor in Omnibus Account** means the Beneficial Owner of the Omnibus Account or who ultimately controls Omnibus Account Operator, whether directly or through a chain of ownership or control or any-other indirect means, and also the natural person on whose behalf the transactions are being conducted or who exercises ultimate control over a legal person, as defined in Article (5) of Cabinet Decision No. (58) of 2020 Regulating the Beneficial Owner Procedures.

**Business Day** means any day except Saturday and Sunday, unless otherwise specified by the Depository.

**Emergency Event** means any event that the Omnibus Account Operator may suffer and will result in its inability to meet its obligations and its continuity, including without limitation, bankruptcy, liquidation or attachment over its assets.

**Equivalent Regulatory Authority** means a regulatory body that is a regular or associate member of the International Organization of Securities Commissions (IOSCO).

**Issuer** means an issuer of Securities listed in the Market.

## 3. Omnibus Account Operator

An Omnibus Account Operator must be one of the following:

- (a) Licensed Body by the Authority; or
- (b) Foreign entity licensed by an Equivalent Regulatory Authority.



#### 4. Investor in an Omnibus Account

- (a) The Investor in Omnibus Account shall have rights resulting from its ownership of the Securities and/or Foreign Securities in the Omnibus Account pursuant to the agreement entered into between the Omnibus Account Operator and the Investor in Omnibus Account.
- (b) The Omnibus Account Operator represents all Investors in the Omnibus Account in dealing with the Depository or third parties.

#### 5. Opening an Omnibus Account

- (a) The Omnibus Account Operator shall submit an account opening application in the form designated by the Depository along with all required documents in accordance with the account opening procedures of the Depository.
- (b) The Omnibus Account Operator shall provide its bank account details to the Depository for the purpose of transferring cash dividends to the relevant Omnibus Account.
- (c) The Omnibus Account shall be opened in the Depository system.
- (d) The Depository shall allocate one or more Omnibus Accounts for each Omnibus Account Operator in accordance with the Depository procedures after coordinating with the Market.
- (e) One or more Trading Accounts may be open for each Omnibus Account Operator with a broker after obtaining the Market's approval and in accordance with the Market's procedures.

#### 6. Omnibus Account Operator Obligation

When operating an Omnibus Account, the Omnibus Account Operator shall:

- (a) The Investor in Omnibus Account shall have an account with Omnibus Account Operator;
- (b) Maintain in its systems segregated accounts or records for each Investor in an Omnibus Account;
- (c) Refrain from creating any obligations on the Omnibus Account or dispose of such account except in accordance with the agreement entered into with the Investor in Omnibus Account provided that such agreement is not in conflict with applicable laws.
- (d) Enter into an agreement with the Investor in Omnibus Account including, without limitation the following obligations:
  - (1) determine the legal nature of the relationship between the Omnibus Account Operator and the Investor in Omnibus Account as a commission agent; and
  - (2) the concept of the Omnibus Account, and the risks that the Investor in Omnibus Account may be exposed to as a result of opening such account; and
  - (3) the Investor in Omnibus Account's express consent to disclose his name regarding the trades made for his behalf to the Authority, the Depository, the Market and unlisted company; and
  - (4) the mechanism for Omnibus Account Operator to attend the general assembly meetings and vote on behalf of the Investor in Omnibus Account in a manner that does not conflict with the provisions of these Rules, the Authority's decisions, and applicable laws; and
  - (5) the mechanism of disposing of the profits of Securities and/or Foreign Securities; and
  - (6) rights and obligations of both the Investor in Omnibus Account and the Omnibus Account Operator, in a manner that does not violate the applicable laws.
- (e) executing Margin trading operations including RSS or any other type of trading operations for the Investor in Omnibus Account within the limits of the Investor in Omnibus Account ownership allocated in that account and without prejudice to the ownership of any other Investor in Omnibus account; and
- (f) provide procedures and mechanisms to the Investor in Omnibus Account to enable such investor to exercise all his rights related to the Securities and/or Foreign Securities; and
- (g) provide Investor in Omnibus Account written policies and procedures regarding the trading Orders in an Omnibus Account according to the Orders and ownership of each of such Investors in Omnibus Account, provided that they are applied in a fair, regular and continuous manner.
- (h) provide an updated record showing the details of each Investors in Omnibus Account's ownership and identity to the Depository and update such record and notify the Depository in the event of any change in accordance with the Depository procedures.



- (i) Register trading Orders immediately if they are executed in any manner whether fully or partially as follows:
  - (1) determine the ownership of each Investor in Omnibus Account immediately after implementation and ensure that such trading Orders were executed in a fair and consistent manner.
  - (2) not giving preference to one Investor in Omnibus Account over another or giving preference to the private account of the Omnibus Account Operator over the Investor in Omnibus Account.
  - (3) determine the ownership of each Investor in Omnibus Account according to the instructions of the trading order issued by him and according to the precedence of their receipt.
- (j) Document, archive and preserve all matters related to the Omnibus trading Orders and distributing them to Investor in Omnibus Account, including the date, time, identity of the Investor in Omnibus Account, details of the Securities and/or Foreign Securities and the amounts of each Investor in Omnibus Account with the same mechanism and the period related to the regular trading Orders.
- (k) refrain from investing its own funds in the Omnibus Account, and completely segregate between its transactions and its own funds, and the Omnibus Account's transactions and funds.
- (l) With respect to general assembly meetings, the Omnibus Account Operator shall:
  - (1) notify the Investor in Omnibus Account of the date and agenda of the general assembly meetings, to receive instructions from the Investor in Omnibus Account on attending or voting or authorizing the Omnibus Account Operator or any other third party.
  - (2) agree with Investor in Omnibus Account on the mechanism for voting on any additional item on general assembly meeting agenda and on whether the Investor in Omnibus Account will authorize the Omnibus Account Operator to vote on his behalf.
  - (3) vote on behalf of the Investor in Omnibus Account - if authorized to do so - by distributing and dividing the votes in the general assembly to their instructions, provided that the voting does not exceed what the Investor in Omnibus Account have in votes in the Omnibus Account, and that the Investor in Omnibus Accounts' instructions are kept for a period of no less than (10) years or any other period specified in the rules of the Equivalent Regulatory Authority provided that the Investor in Omnibus Account is not a local client.
- (m) In the event the Omnibus Account Operator is subject to and Emergency Event it shall no later than by the next Calendar Day following the occurrence of the Emergency Event:
  - (1) notify the Investor in Omnibus Account; and
  - (2) transfer the registration of the Securities and/or Foreign Securities with the Omnibus Account Operator to the account of each Investor in Omnibus Account according to its ownership registration, or to an Omnibus Account operated by another Omnibus Account Operator or any other transfer approved by the Market or the Depository, and
  - (3) Notify the Authority and the Depository.
- (n) In the event of attachment, liquidation or bankruptcy procedures being imposed on the Investor in Omnibus Account, the Omnibus Account Operator shall disclose to the Depository the details of the Omnibus Account as required by the Depository from time to time in accordance with its procedures. The Omnibus Account Operator shall not dispose of the Securities and/or Foreign Securities until the completion of the Depository Procedures and the Omnibus Account Operator is notified.



- (o) The Omnibus Account Operator shall comply with the money laundering and terrorist financing laws and procedures for depositing shall disclose to the Depository the details of the Omnibus Account as required by the Depository from time to time in accordance with its procedures. The Omnibus Account Operator shall not dispose of the Securities and/or Foreign Securities until the completion of the Depository Procedures and the Omnibus Account Operator is notified.
- (p) The Omnibus Account Operator shall immediately provide the details of Investor in Omnibus Account, (including without limitation the names, nationality, domicile and contact details) to the Depository upon the Depository's request. The Depository shall have the right to provide such information to the Market, Authority, Issuer, or it to the unlisted company.
- (q) The Omnibus Account Operator shall prior to executing trading orders for the Investor in Omnibus Account obtain the bank account details of the Investor in Omnibus Account to transfer the cash dividends accrued on its shares immediately upon receipt from the Depository or the Issuer.

#### 7. Transfer of Securities and/or Foreign Securities from and to Omnibus Accounts

- (a) Transfers of Securities and/or Foreign Securities owned by the Investor in Omnibus Account to another Omnibus Account or any other account will be permitted provided that such transfer does not result in change in Beneficial Owner and subject to obtaining a declaration from the Omnibus Account Operator or the Investor in Omnibus Account in accordance with the Depository procedures.
- (b) The Omnibus Account Operator and the Investor in Omnibus Account shall provide the Depository with any information or documentation as may be requested by the Depository from time to time.
- (c) Failure to comply with the provisions of Article 8 (b) of these Rules or for any other reason that the Depository may consider in its sole discretion, the Depository shall have the right to:
  - (1) refrain from executing a transfer of Securities and/or Foreign Securities;
  - (2) suspend the execution of an ongoing transfers of Securities/Foreign Securities;
  - (3) reverse transfers of Securities and/or Foreign Securities.

#### 8. Omnibus Account Penalties

- (a) In circumstances of the Omnibus Account Operator breaching these Rules, the Depository shall have the right to take the following measures:
  - (1) Warning;
  - (2) Remedial measures within the timelines set forth by the Depository;
  - (3) suspend the Omnibus Account;
  - (4) close the Omnibus Account;
  - (5) transfer the Securities and/or Foreign Securities from the Omnibus Account to the account of the investor after coordinating with the Market.
- (b) The Depository shall notify the Market in the event the Depository issues a penalty in accordance with Article 8.
- (c) The Depository shall notify the Authority and the Market in writing of any penalty issues in accordance with Article 8.

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