



DIFC GLOBAL FINANCIAL HUB



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*H.H. Sheikh Mohammed bin Rashid Al Maktoum
Vice President and Prime Minister of the UAE
and Ruler of Dubai*



*H.H. Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum
Deputy Ruler of Dubai,
President of the Dubai International Financial Centre*

Message from the Chairman

The sum total of results and successes detailed in this annual review exemplify why Dubai has emerged, and continues to solidify its place, as an international business hub and vital link in the global financial architecture.



DIFC's role in developing Dubai's financial services economy and deepening the business services expertise of the Emirate and the nation is a long-term and strategic priority. The performance of the Centre in 2011 demonstrates that we are well on our way toward achieving this objective.

While this performance is vitally important, particularly in the face of global market uncertainties, I would like to highlight here one important development in particular: the implementation of new rules and regulations regarding governance at DIFC.

As noted elsewhere in this review, we see DIFC Authority serving as a role model to companies in the region in terms of its corporate social responsibility. This also applies to corporate governance. That is why during 2011, after careful review, we incorporated the first-ever amendments to the original law establishing DIFC. We did so in order to provide greater legal clarity and improved corporate governance of the Centre.

The result was to further strengthen DIFC's legal and financial infrastructure as a whole, and to reinforce the independence of each of the Centre's bodies. The new law assures companies looking to establish a presence in the region that DIFC offers both a modern infrastructure and a world-class business environment. It reinforces that the Centre's financial services regulator DFSA, will continue its commitment to protect the integrity of DIFC and reconfirms that the DIFC Courts embody a fair, efficient and transparent judicial system.

This was an important step in the Centre's ongoing evolution and demonstrates that we are a dynamic cluster always looking to further enhance Dubai's appeal as a global financial centre. In doing so, we continually add benefit to our clients, to the economy of Dubai and the UAE and to capital market maturation and economic development across the region. This in turn brings improved efficiencies to the global financial system at large.

H.E. Abdul Aziz Al Ghurair
Chairman - Board of Directors
Dubai International Financial Centre Authority

Message from the Chief Executive Officer



I am pleased to present the 2011 Annual Review for the Dubai International Financial Centre Authority. Across all metrics, the Centre had a good year, despite an uncertain and volatile regional and global market environment. An increasing number of companies, both regulated and non-regulated joined the DIFC community, with the result being that by the end of 2011, there was a record 848 active registered companies operating in the Centre, including 135 that received their new commercial licenses during the year.

These companies came from increasingly diverse geographies, and they have added to the financial services ecosystem that has helped further solidify DIFC's role within the global financial architecture, as well as its position as the leading financial centre serving the vast region between London and New York in the west and Singapore, Hong Kong and Tokyo in the east.

Through numerous outreach efforts – including road shows, senior delegation visits, participation in international conferences and workshops – both here in Dubai and across the globe, DIFC Authority has helped raise the profile of the Centre and benefitted companies operating here by building bridges with other financial centres, firms and institutions operating in this field. These linkages offer avenues of business development for firms operating in the Centre.

In all, nearly 12,000 people work in the Centre, representing a critical mass of human capital unmatched in the region. The success of the Centre, and the accomplishments of DIFC Authority itself, is fundamentally built on the skills, experiences and diverse backgrounds of these multicultural knowledge workers. Ongoing development of this talent pool is a vital priority for us – a point only reinforced by the most recent Global Financial Centres Index, which found that 'availability of skilled personnel' is one of the most important factors determining the competitiveness of a financial centre.

During the year, we enhanced our services to clients, with better and more convenient ways of accessing government services, thereby making it even easier to operate from DIFC. As well, we have grown the number and diversity of our retail offerings – from art galleries to fine dining to quick-service restaurants, several of which are not available anywhere else in the region. This further serves our vision of DIFC as a highly attractive 'city within a city' where professionals can work, live, play and relax.

In 2011, the DIFC district saw the opening of its first hotel, the Ritz-Carlton DIFC, while three mixed-use residential and office towers were completed, contributing to the vibrancy of the Centre. Together, the three towers added 1.8 million square feet of new commercial real estate, which will help accommodate the continued influx of new companies. The strong demand by companies and retailers seeking a presence in DIFC was reflected in a 95 percent occupancy rate for DIFC-owned commercial and retail space.

Some of the reasons behind the strength of these numbers was revealed in a client satisfaction survey conducted in January 2012. It showed an overall satisfaction for DIFC Authority services of 87 percent, 83 percent satisfaction with 'the ease of doing business' and an 86 percent satisfaction with DIFC Authority and the Dubai Financial Services Authority legal and regulatory frameworks.

Additionally, more than half of the clients participating in the survey plan to expand their operations in the Centre, providing a strong source of organic growth to add to the arrival of new companies.

As we look to the future, we are extremely optimistic about the vitality of the Centre and its continued importance and attractiveness to the world's banking, finance, insurance and ancillary support firms.

To date, we have completed more than 50 percent of the master plan, and over the next few years, the pipeline of new projects should see more than 2 million square feet of new buildings come online.

We have both the ambition and the potential to see DIFC double in size over the next five years, thereby contributing to the economic growth of the UAE and serving the capital and financial market needs of the region as a whole.

Abdulla Mohammed Al Awar
CEO - Dubai International Financial Centre Authority

DIFC Authority Highlights for 2011



1.8 million

square feet of gross floor area of commercial office space was added to the Centre during the year.

12,000

employees (approximately) worked in DIFC in 2011.

95%

occupancy rate for DIFC-owned commercial space.

135

new commercial licenses were issued in 2011, a 19 percent jump from the previous year.

86%

of licensed firms were satisfied with the DIFC Authority and DFSA regulatory framework.



- ◆ 848 active registered companies had a presence in DIFC.
- ◆ 57 percent of all employment and 59 percent of all leased office space in the Centre at the end of 2011 was from regulated firms.
- ◆ Dubai was ranked 8th by The Banker (FT Business) out of 53 international financial centres.
- ◆ Twelve Special Purpose Companies were registered.
- ◆ 19 new retail outlets joined the Centre, resulting in a total of 103 retail outlets by the end of the year.
- ◆ 341 hotel rooms and 124 executive residences opened in the Centre at the Ritz-Carlton DIFC.
- ◆ More than 16 cities in six countries across North and South America, Europe and Asia were visited by DIFC Authority road shows.
- ◆ 2.8 million kWh of electricity and more than 1.3 million gallons of water a year was saved through conservation steps implemented in 2011.





“Standard Chartered was an early believer in DIFC and was the first bank to acquire premises. DIFC continues to embody the innovative and entrepreneurial essence of Dubai - as the financial and commercial gateway to the GCC, and also as the epicentre of the emerging New Silk Route spanning from Latam to Asia.”

*V Shankar
Group Executive Director
CEO – Europe, Middle East, Africa and Americas
Standard Chartered PLC*

Corporate Profile & Overview

*The leading hub for institutional finance and gateway for capital and investment in a region with 2.25 billion people and a nominal GDP of US\$6.3 trillion.**

Vision

To be a global financial hub

Mission

To promote the growth and development of financial services and related sectors within the UAE economy and to provide state-of-the-art infrastructure and competitive services to our stakeholders.

Values

*Integrity
Transparency
Efficiency*

*Economist Intelligence Unit, IMF
REO Report, DIFC Authority
Economic Unit

Corporate Profile

The Dubai International Financial Centre is an onshore financial centre that provides a supportive and secure platform for financial institutions to develop their businesses. Located in a 110-acre financial district, DIFC has all the elements of a financial industry ecosystem: an independent regulator, independent judicial system with a common-law framework, a global financial exchange, leading-edge infrastructure, support services and a vibrant business community. The quality and range of DIFC's supportive infrastructure make it the perfect base to take advantage of the region's rapidly growing demand for financial services.

A City Within a City

DIFC has been designed as a 'city within a city' that provides a complete range of business and lifestyle facilities for financial professionals. The infrastructure within the financial district features ultra-modern office space, retail outlets, restaurants, art galleries, residential apartments and hotels.

The DIFC real-estate offering currently comprises The Gate, Precinct Buildings, Gate Village, and select areas of the Centre, including Liberty House, Currency House and Tower, Index Tower, Park Towers, Sky Garden, Ritz-Carlton DIFC and Limestone House. This growing district houses a thriving financial industry cluster, as well as retail and lifestyle spaces. DIFC is anchored by The Gate, an iconic structure that has come to symbolise the region's financial industry development. A masterpiece of contemporary architecture, The Gate is a 15-storey building that sits on an axis with the Jumeirah Emirates Towers and the Dubai World Trade Centre.

The Region's Leading International Financial Centre

Since its launch in 2004, DIFC has quickly grown to become a global hub for institutional finance and a gateway for capital and investment in a region stretching from the Middle East to the Indian subcontinent. DIFC is the financial and business hub connecting the region's growth markets with the markets of Europe, Asia and the Americas.

Guided by its core values of integrity, transparency and efficiency, DIFC is playing a pivotal role in meeting the growing financial needs of a region that is emerging as a major force in the global economy.

This region is at the centre of a major shift in global capital flows from developed countries to growth markets. Comprising more than 42 countries with a combined population of approximately 2.25 billion people, this region has a nominal GDP of US\$6.3 trillion (2011 estimate). Exports from the region have topped US\$1.7 trillion, while imports have reached US\$1.6 trillion.*



Core Bodies

DIFC has three core bodies, each of which operates independently: DIFC Authority, the Dubai Financial Services Authority and the DIFC Courts.

DIFC Authority

DIFC Authority develops policies and oversees the strategic development, operational management and administration of DIFC. DIFC Authority is also responsible for the development of laws and regulations for non-financial services activities that are not regulated by the Dubai Financial Services Authority. DIFC Authority provides assistance to prospective license applicants at every stage of the application process and welcomes companies operating in the following sectors:

- ◆ Banking
- ◆ Wealth Management
- ◆ Insurance/ Reinsurance
- ◆ Capital Markets
- ◆ Professional Services
- ◆ Global Corporates
- ◆ Management Offices
- ◆ Islamic Finance
- ◆ Retail

Dubai Financial Services Authority

At the heart of the DIFC concept is the Dubai Financial Services Authority (DFSA), the independent regulator of financial and ancillary services conducted in or from the DIFC. The DFSA's regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange.

DIFC Courts

DIFC Courts administer a unique English-language common law system – offering swift, independent justice to settle local and international commercial or civil disputes. The Courts provide certainty through transparent, enforceable judgments from internationally recognised judges, who adhere to the highest global legal standards.

Nearly 500 cases have been resolved through the DIFC Courts since 2008, with over 90 percent of Small Claims Tribunal cases successfully concluded within three weeks. The Courts' community-focused approach encourages early settlement, while their successful track record supports Dubai's growing status as an international business hub.

The DIFC Courts are independent from, but complementary to, the UAE's Arabic-language civil law system – offering a choice that strengthens both processes while ensuring public access to world-class justice.

Administrative Bodies

- ◆ **Registrar of Companies (RoC)**
The RoC is responsible for all matters related to incorporation and registration of companies based in DIFC. The RoC is also responsible for administering DIFC's Companies Law and Regulations.
- ◆ **Registrar of Real Property (RoRP)**
The RoRP administers the Real Property Law and the Strata Title Law, and registers all land and units in DIFC in the DIFC Land Register. The RoRP ensures the protection of the rights of buyers, sellers and leaseholders of all property in the DIFC financial district.
- ◆ **Registrar of Security (RoS)**
The RoS administers the recording and registering of security interests and establishing priority of collateral pledged against loans, guarantees and other financial transactions. The RoS enables banks or any entity inside or outside DIFC to register any security interest that they may take against facilities they have extended to borrowers in DIFC.

Subsidiaries

- ◆ **DIFC Investments**
DIFC Investments is a limited liability company owned by DIFC Authority. The vision of DIFC Investments is to engage in prudent investment practices that deliver exceptional value to its stakeholders. DIFC Investments' portfolio includes listed regional and international equities, funds and private equity investments.

“With its ideal location, world-class infrastructure and business environment, Dubai has become a global hub for entrepreneurs and HNW families. For a Private Bank looking after these international clients, DIFC is the natural place to be.”

Patrick Thiriet

*CEO Wealth Management - Middle East & North Africa
BNP Paribas*



DIFC Authority Board of Directors

The DIFC Authority Board of Directors was created under Dubai Law No (7) of 2011, itself an amendment to the original law establishing DIFC. The law outlines the precise duties and powers of the Board and states that the Board is responsible to the DIFC President for the DIFC Authority's operation.



*H.E. Abdul Aziz Al Ghurair
Chairman*

Abdul Aziz Al Ghurair is the Chief Executive Officer of Mashreq Group and Chairman of the Abdulla Al Ghurair Group, one of the UAE's largest business conglomerates that employs nearly 65,000 people. He has held numerous high-profile posts, including a four-year term as Speaker of the UAE Federal National Council (the UAE parliament) that concluded in February 2011. He is Vice Chairman of the DIFC Higher Board of Directors.

Al Ghurair is Deputy Chairman of the Emirates Foundation and the Dubai Economic Council. He is a member of the Board of Trustees of the UAE Higher Colleges of Technology, Chairman of Masafi, and Co-Chairman of the Arab Business Council – World Economic Forum. He previously sat on the Board of Directors of companies such as Emaar Properties PJSC, Dubai Investments PJSC, Visa International, MasterCard, Dubai Economic Council and the Dubai Chamber of Commerce and Industry. He also was a member of the Constitutive Council for GCC Leaders and President of the Knowledge Fund. Al Ghurair trained as an industrial engineer and earned an honour's degree from California Polytechnic State University.



*Essa Kazim
Member*

Essa Kazim is Chairman of Borse Dubai and Managing Director and Chief Executive Officer of the Dubai Financial Market. He is also a member of the DIFC Higher Board of Directors. Kazim began his career in 1988 as a Senior Analyst in the Research and Statistics Department of the UAE Central Bank; in 1993, he moved to the Dubai Department of Economic Development as Director of Planning and Development. He was then appointed Director General of the Dubai Financial Market in 1999, a role he held until 2006.

Kazim holds an honorary Doctorate from Coe College in Iowa, a Master's Degree in Economics from the University of Iowa, a Master's Degree in Total Quality Management from the University of Wollongong and a Bachelor's Degree from Coe College. He is a member of the Dubai Council for Economic Affairs, and a member of the Board of Directors of NASDAQ Dubai, Noor Islamic Bank, the Rochester Institute of Technology and NASDAQ OMX. He is a member of the Board of Governors of the Hamdan Bin Mohammed e-University.



*Hussain Al Qemzi
Member*

A seasoned banker with more than 28 years of experience working with leading financial institutions in the UAE, Hussain Al Qemzi is Group Chief Executive Officer of Noor Investment Group LLC and Chief Executive Officer of Noor Islamic Bank PJSC. Previously, Al Qemzi was the Chief Executive of Sharjah Islamic Bank and a former board member of Dubai Financial Market and Dubai International Financial Exchange, now called NASDAQ Dubai. Al Qemzi was Chief Operating Officer of DIFC in its early years and so is credited with helping lay the groundwork for its success.

Al Qemzi is also a member of the DIFC Higher Board of Directors, Chairman of the Board of Directors of Awqaf and Minors Affairs Foundation, Vice Chairman of Emaar Properties PJSC, and a member of the Emirates Institute for Banking and Financial Studies.



*Sameer Al Ansari, FCA, PhD
Member*

Sameer Al Ansari qualified as a Chartered Accountant in London in 1987 and has worked in Dubai ever since. He was the Chief Executive Officer of SHUAA Capital, the region's leading financial services institution, between 2009-2011. From 2004 to 2009, Al Ansari was the founding Chairman and Chief Executive Officer of Dubai International Capital, where he created a globally recognised private equity investment company with US\$13 billion in assets under management by 2008. Before that, he was Group Chief Financial Officer for The Executive Office of His Highness Sheikh Mohammed bin Rashid Al Maktoum.

Between 1992 and 2000, Al Ansari was Chief Financial Officer at Dubai Aluminium Company (DUBAL), where he played a significant role in the successful transformation of the company into what is today one of the largest and most profitable aluminium companies in the world. Between 1987 and 1992 Al Ansari worked at Ernst & Young.

Business Highlights & Review

Nearly 850 companies, including 322 regulated firms, operate from DIFC, which continues to grow by attracting leading firms from all major developed and growth markets.

Sustained Growth in Its Seventh Year

Despite the global uncertainty and volatility generated by the European debt crisis, the global economic downturn and the Arab Spring, DIFC continued to strengthen its position as the leading international financial centre in the region. As of 31 December 2011, 848 active registered companies had a presence in DIFC – including 322 regulated companies (313 in 2010) and 423 non-regulated companies (396 in 2010), and 103 retailers (83 in 2010) – a net increase of 7 percent over 2010. The 2011 results maintained the Centre’s seven-year growth trajectory in total registered companies – and at twice the growth rate of 2010. Significantly, the average year-on-year growth of regulated clients between 2007 and 2011 was above 20 percent.

135 New Licenses

During the year, 135 new commercial licenses were issued, up 19 percent on the number of new licenses issued in 2010. This included 41 regulated firms, 70 non-regulated firms¹ and 24 retailers.

Regulated and non-regulated companies represented 38 percent and 62 percent, respectively, of the total strength of DIFC’s business community. More specifically, the regulated firms included 269 Authorised Firms (AFs), 51 Ancillary Service Providers (ASPs) and two Authorised Market Institutions (AMIs)².

◆ Did You Know?

Regulated firms generated 57 percent of all employment in the Centre in 2011 and occupied 59 percent of all leased office space. Category 1 regulated firms, which are licensed to engage in the broadest range of financial services and activities in the Centre, on average occupied 13,000 square feet.

¹ The universe of companies in DIFC comprises two kinds of firms: 1. Regulated firms – Firms that conduct financial services or are engaged in the provision of professional and advisory services and are regulated by the DFSA. 2. Non-regulated firms – Firms carrying out other business activities.

² In order to conduct financial services through the Centre, firms need to be licensed and supervised by the DFSA. Authorisation is given in the form of a regulated licence that is issued specifying the type of financial services that can be conducted in or from the Centre. There are three categories of regulated licences: 1) Authorised Firms (AFs) – banks and financial institutions licensed to carry out a number of permitted financial services activities in the Centre. 2) Ancillary Service Providers (ASPs) – firms engaged in the provision of legal and/or accounting services. 3) Authorised Market Institutions (AMIs) – entities that provide the financial service of operating an exchange and/or a clearinghouse in DIFC.

All figures represent end of December 2011 data.

Major Banks Expand Operations

During the year, seven major international banks expanded their scope of operations in the Centre to cater to a wider regional customer base. They included ICICI Bank, JPMorgan Chase NV, FFA Dubai Zurich Insurance Company, Morgan Stanley & Co International, Nomura International, Citi, Julius Baer and Merrill Lynch International. Most added principal investing to their scope of operations, while one expanded into accepting deposits and extending credit.

Occupancy Above 95 Percent

Occupancy of DIFC-owned commercial offices in The Gate Building, Precinct Buildings and Gate Village remained high, with occupancy of the 1,371,264 square feet of leasable commercial office space above 95 percent. In addition, occupancy within existing third-party developments (Currency Tower, Currency House and Liberty House, which account for 768,519 square feet of commercial office space) rose substantially to 72 percent, compared with 44 percent in 2010.

Occupancy rates across the 233,519 square feet of DIFC-owned retail space has also increased to 95 percent, compared with 72 percent in 2010.

A Sample of DIFC’s Growing Community:

New regulated companies

- ◆ BNP Paribas Wealth Management
- ◆ Bank Vontobel Middle East Ltd.
- ◆ Paladin Capital Group
- ◆ Jefferies International Limited
- ◆ Attijariwafa Bank

New non-regulated companies

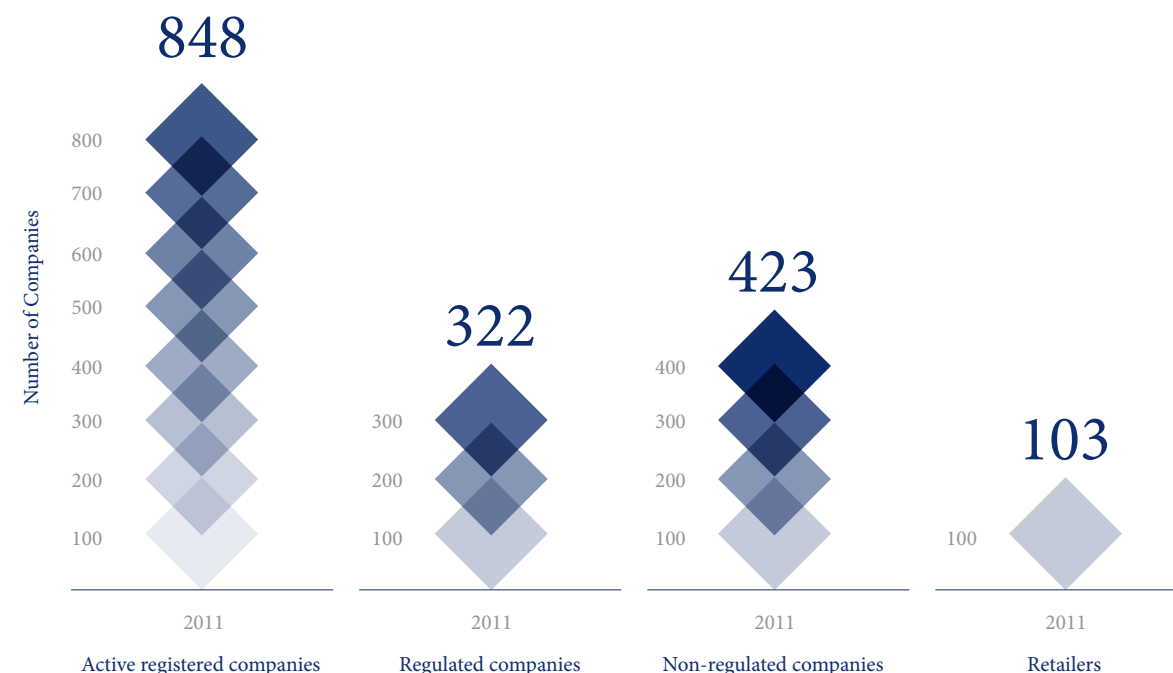
- ◆ Aon Hewitt
- ◆ Frontline Development Partner
- ◆ Egon Zehnder International

Retailers

- ◆ Gaucho
- ◆ Debaube & Gallais Chocolates
- ◆ u energy boutique health club

◆ Did You Know?

The number of employees working in DIFC is approximately 12,000.



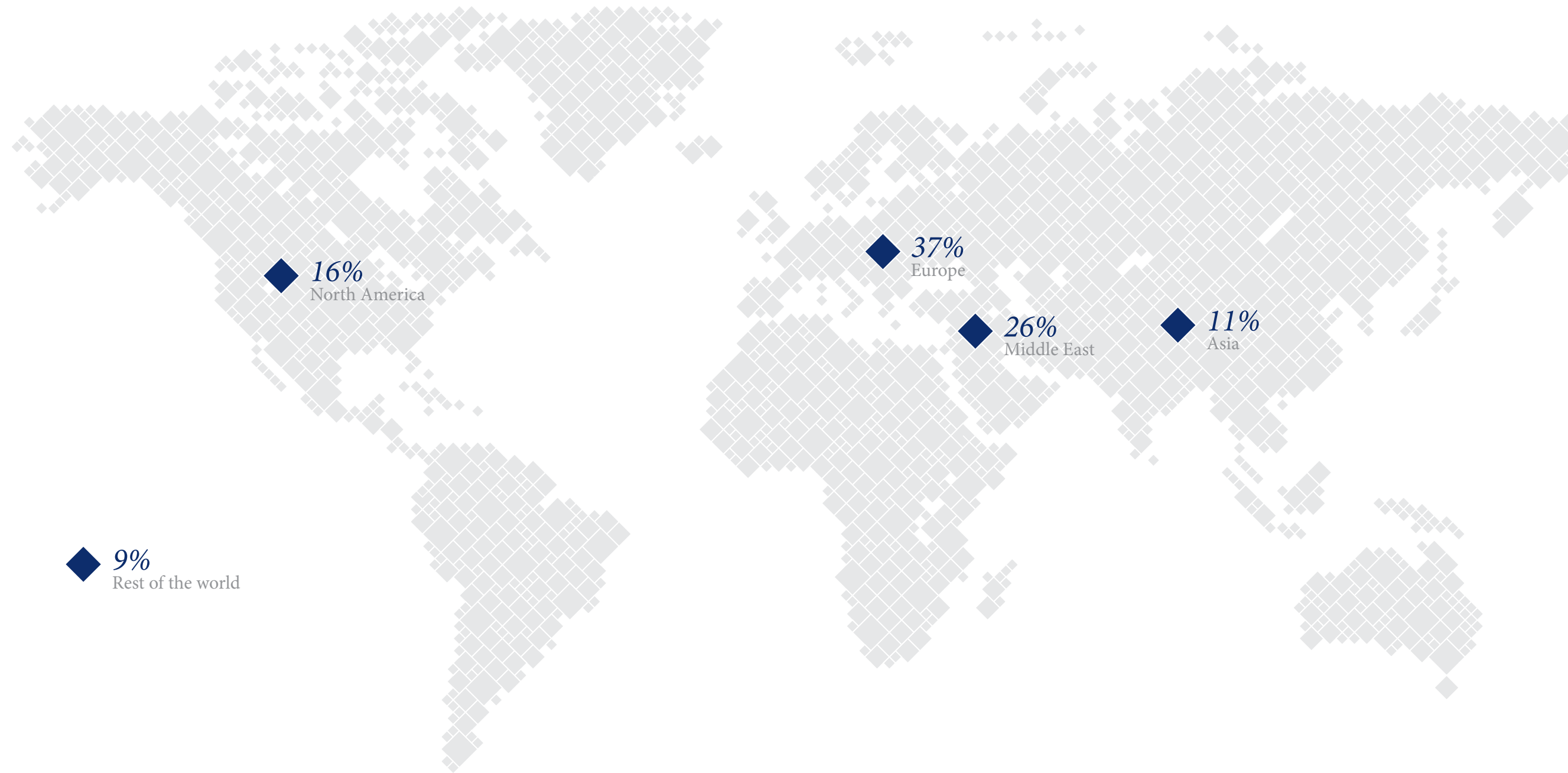
“Our experience of working out of DIFC has been truly rewarding. DIFC, with its excellent infrastructure and the DFSA with its world-class regulatory framework, has provided the ideal platform for ICICI Bank to strengthen its presence in the Middle East.”

Pankaj Ganjoo
Regional Head, Middle East & Africa
ICICI Bank Ltd.



Greater Diversity of Firms

Reflecting the Centre's significant role as a global financial centre, as well as the eastward shift in the centre of gravity of global finance and capital markets, DIFC saw increased applications from companies based in Asia, alongside sustained interest from the Americas, Europe and Middle East. Approximately 37 percent of regulated firms come from Europe, 26 percent come from the Middle East, 16 percent from North America, 11 percent from Asia and 9 percent from the rest of the world.



Financial Services Community

Banking

A large number of banks have established a presence in DIFC, attracted to the region by several factors. These include the region's growing wealth, cross-border trade and investment activity, mergers and acquisitions activity and ongoing restructuring by state-owned enterprises, corporations and private entities.

From DIFC, investment banks are able to service the region's growing financing needs and the increased sophistication of businesses operating in the region, as the corporate sector has expanded and matured.

DIFC's legislative and regulatory regime has created a highly conducive and secure environment for the growth of banks offering a wealth of services, including:

- ◆ Commercial banking
- ◆ Investment banking
- ◆ Trade and export finance
- ◆ Project and infrastructure funding
- ◆ Treasury services
- ◆ Correspondent banking
- ◆ Islamic finance

◆ Did You Know?

Today, 21 of the world's top 30 banks have an active presence at DIFC.

Wealth Management

The region benefits from a vast pool of wealth and a growing appetite for specialist investment products. There is also an increasing demand from high-net-worth individuals for tailor-made solutions that meet their specific wealth management requirements. The Centre's legislative and regulatory regime has created a highly supportive and secure environment for the full range of asset management entities, including the funds industry. In compliance with IOSCO principles, the DFSA Funds Regime allows for the domiciling, management and distribution of funds from DIFC.

The vast opportunities for investing, managing and administering this enormous wealth has encouraged many of the world's largest asset managers, hedge funds, private banks and private equity firms to set up within DIFC and take advantage of the ability to:

- ◆ Manufacture and distribute customised mandates and specialist investment products.
- ◆ Manage the world's largest concentration of Islamic wealth.
- ◆ Offer advanced asset management products to institutional investors, including the region's large sovereign wealth funds.
- ◆ Access investment opportunities across the region and gain exposure to rapidly growing markets.
- ◆ Tap into the region's vast pool of wealth for fund raising and seed capital.

◆ Did You Know?

DIFC has attracted eight of the world's top 20 money managers.

Special Purpose Companies

Special Purpose Companies (SPCs) have been used in a range of innovative structured finance transactions – both conventional and Islamic, for both private sector and government-related institutions. The SPC has the potential to become a frequent feature of emerging market structured finance transactions, particularly in the Middle East, Asia and Africa, and represents a serious alternative to established Special Purpose Vehicles (SPV) domiciles.

Some of the SPCs registered in 2011:

- ◆ Anka'a Sukuk Limited
- ◆ Salik One SPC Limited
- ◆ Solar Holdings 1 Limited and Solar Holdings 2 Limited
- ◆ Meadow Holdings 1 Limited, Meadow Holdings 2 Limited, Meadow Holdings 3 Limited and Meadow Holdings 4 Limited
- ◆ Waha Leasing Company Limited (UAE)
- ◆ Levant Retail Holdings Limited

Insurance/ Reinsurance

DIFC promotes the development of a thriving regional insurance market through its world-class infrastructure, legislation and regulation that have attracted global and regional insurers, reinsurers and brokers. In many cases, international players tie up with regional firms to establish a new entity that is registered in the Centre and that caters to the region's demand for insurance and reinsurance services.

A number of factors are driving insurance penetration growth rates that far outpace those of many industrialised countries:

- ◆ Extensive reforms taking place across the region, in both healthcare delivery and health insurance.
- ◆ Growing awareness among individuals and businesses of the beneficial role that insurance plays in risk management.
- ◆ More than US\$1 trillion in infrastructure projects planned or under development across the region, most of which require insurance.

◆ Did You Know?

Six of the top 10 largest insurers are operating out of DIFC.

Takaful – Islamic Insurance

The growing takaful Islamic insurance industry is a special focus sector for DIFC, which is fast becoming a hub for takaful and retakaful. The Centre also is a platform for joint ventures aimed at establishing Takaful holding companies that include Islamic insurance intermediation and management services for the region. Takaful and retakaful is set to be a strong contributor to overall insurance growth in the Middle East.

Captives

Companies in the region are increasingly recognising the benefits of captives, thereby driving a big push into this sector. For firms looking to finance and manage corporate risk through captives, DIFC's regulatory framework and favourable tax environment offer an attractive platform for the establishment of captive insurance companies. Furthermore, the flexibility of the Dubai Financial Services Authority (DFSA) in providing the regulation of Protected Cell Companies – the regime under which captives are established – reflects DIFC's reputation as one of the most forward-looking financial centres.

Capital Markets

Recognising the critical role of well-developed capital markets in promoting financial industry growth, DIFC supported the establishment of specialised international electronic trading platforms such as NASDAQ Dubai and the Dubai Mercantile Exchange. These platforms, which were pioneering initiatives in the region when they launched, today trade products ranging from equities, debt and derivatives to commodities (gold and energy).

In addition, the DFSA helped create a sound framework of rules and regulations for the structuring and listing of products and companies. This framework was designed to promote the highest standards of transparency, disclosure and governance. DIFC also supported the establishment of both short- and long-term trading benchmarks for the region through its partnerships with world-class index providers such as FTSE and Dow Jones. These benchmarks helped to enhance price transparency and facilitated greater foreign investor participation within the region.

NASDAQ Dubai

DIFC is home to NASDAQ Dubai, the region's international stock exchange, which lists equities, equity derivatives, structured products, sukuk (Islamic bonds) and conventional bonds. Through the exchange regional issuers can access regional and international investors, and international issuers can access capital from the region. Equities trading on the exchange takes place through the trading platform of Dubai Financial Market (DFM), which acquired a majority stake in NASDAQ Dubai in 2010.

In 2011 the exchange transferred the Listing Authority to the DFSA, thus streamlining the listing process as it prepares for further equity and other listings. NASDAQ Dubai also prepared enhancements to its clearing and settlement functions.

Dubai Mercantile Exchange (DME)

The Dubai Mercantile Exchange Limited (DME) is the premier international energy futures and commodities exchange in the Middle East, providing a financially secure, well-regulated and transparent trading environment. The DME is majority owned by core shareholders CME Group, the Oman Investment Fund (OIF) and Dubai Holding. Global financial institutions and energy trading firms including Goldman Sachs, JP Morgan, Morgan Stanley, Shell, Vitol and Concord Energy also have equity stakes in the DME.

The DME is a fully electronic exchange, and its contracts are listed on the CME Globex® platform, the world's leading electronic trading platform, providing access to the broadest array of futures and options products available on any exchange. The DME is regulated by the Dubai Financial Services Authority (DFSA) and all trades executed on the exchange are cleared through and guaranteed by NYMEX (a member of CME Group), which is regulated by the US Commodity Futures Trading Commission (CFTC) and is a Recognised Body by the DFSA.

“Clifford Chance was one of the first professional service firms to operate out of DIFC. The Centre has provided an ideal location to grow our practice. As both DIFC and Dubai have expanded and matured, so too has the demand for our legal services. The business environment created by DIFC is closely aligned to our firm’s culture, further enhancing the attractiveness of this regional financial centre.”

*Graham Lovett
Regional Managing Partner, Middle East
Clifford Chance*



Professional Services

The region has witnessed a growing demand for professional service firms that play a vital role in the development of sophisticated financial services and products. Increased cross-jurisdictional trade and transactions, as well as the ongoing restructuring by state-owned enterprises, corporations and private entities, generate considerable advisory work.

Through its world-class technology and communication infrastructure and its pool of multilingual highly skilled professionals, DIFC has attracted high-calibre firms operating in:

- ◆ Law
- ◆ Accounting and audit
- ◆ Consulting
- ◆ Compliance
- ◆ Recruitment
- ◆ Risk management
- ◆ Data and research

By locating in DIFC, these firms are able to centralise and consolidate the resources used to service the region, thereby gaining a competitive cost of operation. In addition to the growing regional opportunity, professional service firms may benefit from the large captive business and financial clientele already located within the Centre.

The expertise available in DIFC through the presence of the world's major international professional service firms is an important pillar of DIFC's success as a world-class international financial centre.

◆ Did You Know?

Six of the world's top 10 legal firms have operations in DIFC.

Global Corporates

A sizeable number of multinational corporations and regional conglomerates have chosen DIFC as the location for regional or global headquarters, where they have centralised strategic leadership and global management of their business activities.

DIFC's attractive legal framework and tax offering, in combination with the UAE's wide network of double-taxation avoidance treaties has enabled many of these players to optimise the tax impact on their global businesses and benefit from booking revenues in the Centre. Companies are also using DIFC to run treasury operations including foreign exchange hedging and liquidity management. Group companies and business units are using the Centre as a platform for shared services centres.

Companies based in DIFC are served by a range of international banking facilities and world-class professional service providers. These include top global legal firms, accounting firms, consultants, recruitment firms and tax advisers.

Companies with headquarters in DIFC include Fortune 500 companies and leading players in financial services, oil & gas, telecommunications, consumer goods, business services and capital goods and materials.

Management Offices

DIFC's attractive legal framework and tax offering has drawn a range of management offices for:

- ◆ Holding companies
- ◆ Proprietary investment offices
- ◆ Single-family offices
- ◆ Marketing operations

Operating a management office in DIFC provides access to a variety of professional services from one location, including wealth and asset managers, private bankers, legal firms, accounting firms, recruitment firms, consultants, corporate governance experts, international tax advisers, captive insurers and experts on Islamic finance.

Single-Family Offices

Operating in DIFC, single-family offices (SFOs) benefit from a confidential yet transparent regulatory framework that excludes them from many of the regulatory constraints placed on conventional asset managers operating in the Centre. DIFC was the first jurisdiction in the world to define a family office in legal terms. These regulations, combined with estate and succession planning advisers, corporate governance experts and other available professional services, make DIFC an ideal jurisdiction for family offices.

Expansion of Legislative Framework

DIFC continues to build on its internationally recognised regulatory framework and legal system in order to support the growth of financial services and commercial activities carried on by firms operating from the Centre.

During 2011, three revisions to the legal framework were enacted: 1) amendments to the original law establishing DIFC; 2) implementation of Hotel Operating Regulations to regulate the hotel business in DIFC; 3) amendments to the Operating Regulations to reduce licensing fees for non-profit organisations operating in DIFC.

Law No (7) of 2011, which amends Law No (9) of 2004, the original law establishing DIFC, provides for a number of changes. Firstly, it creates a Higher Board of Directors comprising representatives of the three DIFC bodies. The DIFC President, Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, presides over the Board, which will be invited to meet at least twice a year. This new Board will ensure that the three DIFC bodies operate in harmony and unity of purpose by strengthening the levels of coordination without affecting their independence.

The new law creates opportunities for collaboration between DIFC and other government bodies, and fosters cooperation and dialogue – all of which support Dubai's continued leadership as the region's leading financial hub.

The law clarifies that DIFC Authority is responsible for establishing, regulating and developing the Centre's payment systems and will coordinate with the UAE Central Bank in regulating, supervising, operating and using wholesale, large-value payment systems. Such systems include a multi-country, multi-currency Real Time Gross Settlement System that will allow for the clearing and settlement of payments in foreign currencies in DIFC.

The new Hotel Operating Regulations were issued to regulate hotels and their activities in the Centre. It is based on the regulatory standards currently applicable to hotels operating outside the Centre's jurisdiction in Dubai.

DIFC Authority also issued amendments to its Operating Regulations relating to the fees for the issuance of commercial licenses for non-profit organisations. The amendment sets the license fee for nonprofits at US\$1,000 - taking into consideration international benchmarks and the commitment by DIFC to support the establishment of these entities in the Centre.

Jurisdiction Expanded for DIFC Courts

The most notable advancement for the DIFC Courts in 2011 was the extension of the Courts' jurisdiction. The move, decreed in Dubai Law No (16), allows the Courts to hear any commercial or civil case. The open jurisdiction is expected to increase caseload at the Courts and has been hailed as a meaningful move to affirm international investor and business confidence in the Emirate. The legal community often refers to the extension as one of the most important developments in the regional judicial system in years.

Physical Infrastructure Development

Demand for space at DIFC continued to grow during 2011, fuelled by the influx of new regional and international clients, and the appetite of existing clients for business expansion.

Development of DIFC’s physical infrastructure continued steadily with the addition of approximately 1.8 million square feet of gross floor area of commercial office space, which came from the completion of Index Tower (863,742 square feet of commercial gross floor area), Park Towers (267,118 square feet of commercial gross floor area) and Emirates Financial Towers (652,661 square feet of commercial gross floor area).

During 2011, a total of 262,000 square feet of commercial space was leased to new and existing companies, representing an annualised growth rate of approximately 14 percent.

DIFC welcomed its first hotel, when the Ritz-Carlton, Dubai International Financial Centre opened in January 2011, featuring 341 hotel rooms and 124 executive residences. Its total gross floor area is more than 1.8 million square feet, including nearly 1 million square feet of residential, 644,322 square feet for the hotel and 58,080 square feet of retail.

In all, the DIFC master plan envisions a ‘city within a city’ across 19.8 million square feet of gross floor area that will provide financial professionals the ultimate location for work, living and leisure.



DIFC-Owned Built Plots	Total GFA (sq. ft)
The Gate and Precinct Buildings	1,658,313
Gate Village	1,050,782

Developers-Built Plots	Total GFA (sq. ft) (Office, Residential, Retail and Hotel)	Office
Ritz Carlton & Limestone House	1,814,993	-
Al Fattan Tower	834,330	798,454
Park Towers	1,208,680*	267,118
Emirates Financial Towers	761,565*	652,661
Liberty House	623,985	346,062
Index Tower	2,179,518*	863,742
Sky Garden Towers	888,584*	-

*Projects delivered in 2011

DIFC Master Community

In December 2011, DIFC invited all plot developers to its first annual plot developers forum, which was held to review recent initiatives that included:

- The Master Community Declaration (MCD), a declaration that sets out the specific obligations of DIFC Investments and of plot owners.
- Establishment of a facilities management and master community management strategy.

One of the most significant aspects of the MCD is that it provides a defined, standard document for navigating the management of the community, thereby ensuring harmony among stakeholders, and continued strong value and high sale and lease demand of buildings in the community. It ensures a fair and equitable process for all plot owners and for DIFC Investments on a ‘level playing field’.

More specifically, it sets out the recoverable operational costs from plot developers for the running of the shared facilities in the master community. Furthermore, it articulates that individual buildings are to be managed and budgeted by their respective owners’ associations, once handover from the plot developers is made.

With this all-inclusive approach to the Master Community, DIFC ensures that the community is a safe and desirable environment in which to work, live, shop and relax.



“By establishing itself as a gateway for capital and investment between the Middle East, North Africa and South Asia and the rest of the world, DIFC has created new avenues of opportunity for companies around the world. The Centre is an excellent location for networking in financial services, delivering a diversity of cultures and values, and operating according to a sound, transparent and globally accepted legal system. From its efficient business environment to its inspiring art scene and stunning architecture, DIFC is an enjoyable place to conduct business from.”

*Ajmal Bhatti
President & CEO
Tokio Marine Middle East*

A Globally Recognised Financial Centre

DIFC has successfully nurtured and continues to develop an extensive network of relationships with companies, regulators and other organisations from around the world operating in the field of financial services, in order to share best practice and spark new business opportunities.

Reaching out to the Global Business Community

DIFC Authority actively participated in many economic and financial industry events around the world. The Centre's participation demonstrated its commitment to supporting the development of the financial services industry, both regionally and globally. As well, by engaging with leading market participants in other markets, DIFC Authority exchanged expertise and knowledge.

In 2011, DIFC Authority continued a global business development drive that targeted China, India, Brazil, the United States and Europe. These road shows served to raise awareness of DIFC and its benefits to companies operating across all business and financial sectors. As well, they helped build linkages with leading financial centres.

Also during the year, DIFC Authority continued to work with organisations such as the International Monetary Fund (IMF), The World Bank and the Institute of International Finance (IIF), helping reinforce DIFC's position as a global player.



Taking the DIFC Story on the Road

Generally road shows comprised meetings with potential clients and partner organisations, and government and regulatory bodies. They provided valuable opportunities for media coverage, which was enhanced by invitation-only media roundtables that amplified DIFC's media exposure in the visited markets. Six road shows were held during the year:

- ◆ **India:** New Delhi and Mumbai
- ◆ **United States:** New York
- ◆ **Brazil:** Sao Paulo and Rio de Janeiro
- ◆ **Asia:** Brunei, China, Malaysia, South Korea
- ◆ **UK:** London
- ◆ **Switzerland:** Geneva and Zurich

DIFC Authority participated in the following international events:

New Delhi: IIF Annual Spring Meetings, which brings together a large gathering of the world's leading bankers, investors, insurers and policymakers from around the world.

Mumbai: Financial Times-YES BANK International Banking Summit.

Seoul: 12th Seoul International Financial Forum.

Switzerland: 41st University of St. Gallen Symposium.

Zurich: Fonds 2011, a leading funds event.

Los Angeles: 2011 Global Conference by the Milken Institute.

Monaco: Les Rendez-Vous De Septembre, the international gathering of insurers, reinsurers, brokers and reinsurance consultants.

Istanbul: European Dialogue Conference.

Jeddah: Jeddah Economic Forum held by the Jeddah Chamber of Commerce & Industry.

Melbourne: The inaugural Australian Arab Business Forum & Expo held by the Australia Chamber of Commerce.

Washington DC: Annual IIF Meeting and the IIF Emerging Markets Advisory Council luncheon.

Knowledge Exchange and Dialogue

In 2011, DIFC Authority maintained its active participation in, and provided the platforms for, knowledge sharing, networking and enhancing awareness about DIFC's laws and regulations, policies, infrastructure, services, processes and new operational developments.

Knowledge-Building Events in Dubai

- ◆ DIFC Authority was the Associate Sponsor at the **Hedge Funds World Middle East** event, the region's leading hedge fund event.
- ◆ DIFC Authority participated at the 4th **COMESA Investment Forum**, which brought together policy makers, business leaders and senior managers from Africa's most successful companies to highlight the business potential and opportunities among the 19 member states of the Common Market of Eastern and Southern Africa (COMESA).
- ◆ DIFC Authority was an exhibitor at the **International Bar Association Conference**, the largest gathering of the international legal community in the world. DIFC Authority also hosted a reception at the Gate Building for IBA participants and the legal community within the Centre.
- ◆ Dubai SME launched the **Dubai SME 100** in which DIFC Authority participated.
- ◆ DIFC Authority hosted the **Family Office Forum** jointly with Goldman Sachs, an event that brought family office managers interested in the region together to discuss top issues and share insights.
- ◆ The Department of Economic Development organised an event titled **Dubai Economic Outlook** in which DIFC Authority participated.
- ◆ DIFC Authority participated at the 3rd **Dubai-Hamburg Business Conference**, organised by the Dubai Chamber.
- ◆ DIFC Authority organised the 2nd **DIFC-Madrid Centro Financiero (MCF)** seminar, which discussed initiatives to strengthen economic and financial cooperation between the UAE and Spain.

DIFC Economics Workshops

DIFC Authority continued its Economics Workshops series. This series contributes to the development of the region's financial markets and economies by increasing awareness and understanding of key financial issues. The workshops are targeted at professionals not only within the financial district but also the wider business community.

- ◆ **'Oil Trade & Finance: Developments & Prospects for MENA'** The workshop brought together financiers, market specialists and business leaders to discuss the emerging market trends and potential impact of unrest in the MENA region on energy supply and prices.
- ◆ **'IMF Outlook for MENA, Afghanistan, and Pakistan (MENAP)'** The workshop featured the International Monetary Fund presentation on the Economic Outlook for the region.
- ◆ **'MENA Banking Sector & Regulatory Reforms: Where to?'** The workshop reviewed and analysed major changes in the international banking sector – especially the impact of Basel III as a new global regulatory standard for global financial institutions, with the emphasis on its implementation and subsequent effects in the MENA region.
- ◆ **'Dubai Aerotropolis'** The workshop looked into the role of infrastructure in contributing to economic growth and how cities are now being built around airports. It highlighted Dubai's infrastructure and logistics which form the basis of trade, tourism and Dubai's emergence as a business hub.
- ◆ **DIFC-EIB Seminar 'The European Investment Bank outside the EU: Opportunities and Challenges in the Southern Rim of the Mediterranean'** This closed seminar highlighted the EIB & EBRD's increased presence in the Mediterranean region - given the recent change in mandate and support from the G20, with the Arab Spring events leading to an increase in the ceiling on EIB lending for infrastructure and small and medium-sized companies in the Mediterranean region.
- ◆ **'Clean Energy Finance in the MENA Region'** The workshop highlighted the rising importance of renewable energy, especially in a largely oil-dependent region. The event fit into DIFC's agenda of potentially creating a clean energy finance business cluster and tackled issues of financing and de-risking for clean energy and clean tech finance.

- ◆ **'Developments along the New Silk Road - Venturing with and Investing in Chinese Companies'** The Workshop focused on topics ranging from the internationalisation of the Renminbi, to trade, investment and financial links, to clean energy and clean tech and how they will help lay the foundations for a new economic and financial partnership between China, and the GCC and Middle East.
- ◆ **'DIFC-OECD Emerging Markets Net (EmNet) Meeting'** The first-time workshop for the OECD Development Centre in the Middle East focused on the MENA region in light of its deep political and economic transformations. The seminar aimed to take stock of these evolutions and share international and local views on the economic outlook, and the business and investment environment in the region.

DIFC Economic Notes

In 2008, DIFC launched its Economic Notes series, which presents the organisation's perspective on major economic developments. Produced and published quarterly by members of the Economic Unit within DIFC Authority, the Economic Notes feature topics of relevance to the region. Economic Notes published in 2011 included:

- ◆ Economic Note 14: 'Dubai Mercantile Exchange: Trading, Prices & Market Efficiency'
- ◆ Economic Note 15: 'Infrastructure As a Driver of Growth for MENASA'
- ◆ Economic Note 16: 'DIFC Economic Activity Survey Results 2010'
- ◆ Economic Note 17: 'DIFC Economic Activity Survey Updated Results 2010'
- ◆ Economic Note 18: 'The Redback Cometh: RMB Internationalisation and What To Do About It'

Weekly Economic Commentaries

Produced by the Chief Economist, DIFC issues 52 Weekly Economic Commentaries that offer short, concise descriptions, analysis and commentary on the previous week's economic and financial developments. It is developed for use by decision makers and policymakers. The commentaries cover International (US, Europe, Asia), Regional (MENA) and National (UAE, Dubai) economic and financial developments.

GCC Chartbook

In addition to the weekly commentaries, DIFC inaugurated in 2011 a regularly updated GCC Chartbook that is hosted on its website. The document provides current data and information on economic, financial and social development conditions in the GCC countries. The objective is to keep readers updated on developments in the GCC countries through a readily available tool. Among its other features, the GCC Chartbook features an economic snapshot of each GCC country and a regional macroeconomic overview.



“We are proud to work closely with DIFC, which has played a crucial role in delivering the infrastructure needed to ensure full transparency for the financial markets in the Middle East region.”

*Stefanos Thomatos
Bloomberg LP*



Hosting Senior International Delegations

The rising global profile of DIFC means that it welcomes senior-level visits from government and private sector delegations and the heads of major international economic and financial organisations. For DIFC, the goal generally is to encourage organisations to establish operations in the Centre, as well as to share the best practices of an internationally recognised financial centre.

Some of the most high profile visits included:

- ◆ A delegation from the Isle of Man
- ◆ A Polish Delegation
- ◆ A delegation of the Hamburg Business Forum
- ◆ The Canadian Consul General
- ◆ A United States Congressional Delegation
- ◆ Pudong Financial Services Bureau Delegation
- ◆ Madrid Financial Centre Delegation

The Centre also received a number of visits from universities around the world looking to explore mutually beneficial educational opportunities. Some of those academic delegations were from:

- ◆ CBL International Dubai Business and Law School
- ◆ Florida International University
- ◆ Georgetown University
- ◆ George Washington University
- ◆ National Defence University in Washington, DC
- ◆ Pukyong National University
- ◆ Stanford University
- ◆ UAE University
- ◆ University of Copenhagen
- ◆ University of Michigan and Arabian Gulf Business Forum

Collaborating Across the Globe

DIFC continued to develop its relationships with counterparties and organisations both in Dubai and around the world. In 2011, DIFC Authority signed five new Memoranda of Understanding (MoU) with:

- ◆ **Dubai SME.** The MoU with Dubai SME, an agency of the Department of Economic Development, seeks to promote small and medium enterprises in the UAE. DIFC will offer incentives to Dubai SME members to start their businesses in the Centre and give them preferential treatment in terms of DIFC procurement. Dubai SME will work with DIFC Authority to identify qualified SMEs and will brief SMEs on procurement opportunities and procedures at DIFC.
- ◆ **Chengdu Financial City Investment and Development Co.** The MoU seeks to promote deeper bilateral banking and financial relations between Dubai and the Chinese region of Sichuan, and to encourage investment across the two geographies. The agreement also extends to collaborations in education and research.
- ◆ **Korea Capital Market Institute.** The MoU seeks to promote relationships between DIFC-based and South Korean institutions that are interested in expanding internationally. Efforts will include organising workshops,

seminars and conferences, among other initiatives to stimulate business growth. As well, the two sides will work together to attract to DIFC specialised Korean universities, institutes and companies that are renowned for innovation in finance.

- ◆ **Chinese Pudong Financial Services Bureau (Shanghai).** The MoU is designed to raise awareness among investors about investment opportunities between Shanghai and the Middle East, Africa and South Asia region. The MoU will facilitate contact among financial institutions in the two cities, promote collaboration on education and research, and foster workshops, seminars, conferences and investment forums to promote cross-border investment.
- ◆ **Dubai Land Department.** Dubai Land Department (DLD) and DIFC Authority signed a technical cooperation agreement through which DIFC's real estate registrar will use DLD's electronic system in the process of registering and authorising the formation, transfer, amendment or elimination of rights pertaining to property in the Centre's jurisdiction. DLD will provide counsel regarding the regulation of owners' associations for jointly owned property within DIFC, and it will survey and issue field maps for real estate and property units within the Centre.

Rankings Reinforce Centre's Status

In 2011, DIFC strengthened its status as the regional hub for the world's leading companies and an established node in the global financial architecture. In virtually all global rankings of city and financial centre competitiveness, Dubai was first in the Middle East and North Africa region. These results generally are driven by the quality of the physical, regulatory and lifestyle infrastructure that is already well established, and its success as a business, banking and finance, trade and tourism hub serving the vast region between Europe and Singapore.

In 2011, Dubai was ranked as one of the top 10 international financial centres (8th) by The Banker (FT Business) out of 53 international financial centres, based on the level of international business and the value offered to international institutions seeking to expand their international operations. The Banker (FT Business) ranked DIFC ahead of centres like Zurich, Tokyo, Geneva, Luxembourg, Dublin and Chicago, and named it the 3rd best location in the world for inward FDI in financial services.

The Xinhua-Dow Jones International Financial Centres Development Index 2011 ranked Dubai 16th. It was the only centre in the Middle East to be evaluated. The Xinhua-Dow Jones Index provides a ranking of 45 international financial centres in terms of development capacity.

According to CB Richard Ellis, Dubai is one of the top 10 most popular business locations in the world, with almost 56 percent of the world's largest companies operating in the emirate.

In addition, Dubai was among the top 40 cities globally in an Economist Intelligence Unit survey of global city competitiveness, and was the top city in the Middle East and North Africa region. Dubai placed ahead of cities such as Shanghai and Kuala Lumpur. Highlights included being tied for 10th place in the category of financial maturity with cities such as Paris, Geneva, Boston and Amsterdam.

In the 11th edition of the Global Financial Centres Index, Dubai ranked first in the MENA region and in the top 30 cities overall in the index, which tracks competitiveness among 77 international financial hubs. Dubai, which jumped seven places in the ranking (more than any other city), was listed as one of the top five centres where companies are thinking of opening offices, alongside Singapore, Hong Kong, London and Shanghai. In line with DIFC's business development strategy, Dubai received strong support from Asia/Pacific respondents to the survey.

Overwhelming Client Satisfaction

A client satisfaction survey conducted in 2011 gave DIFC Authority a clear picture of how its services were viewed by clients. It also shed light on how the authority could further improve delivery. The survey was administered to all active registered organisations in DIFC, with just over 50 percent of respondents being CEOs and other senior executive officers. Also 55 percent of firms that participated were regulated firms.

Highlights:

- ◆ Overall satisfaction: 87%
- ◆ Ease of doing business satisfaction: 83%
- ◆ DIFC Authority and DFSA legal and regulatory frameworks satisfaction: 86%
- ◆ Business Development, Registrar of Companies and Government Services satisfaction: above 80%
- ◆ Clients planning to expand in DIFC: 57%

A Centre for the Community

A role model as a good corporate citizen, DIFC Authority engages and nurtures the community across the fields of environment, community development and the arts.

Building a Better Future

As an operator of a world-class financial centre, DIFC Authority recognises the powerful and important role that companies can play as responsible members of their communities. As such, DIFC Authority approaches its corporate social responsibility with the understanding that it can serve as a role model to companies within and outside the Centre.

DIFC Authority supports the community across a diverse range of activities and commitments, in ways that benefit people and support the Centre's own long-term growth. These activities include steps to reduce the environmental footprint of DIFC Authority and the Centre more broadly. Such efforts are not only good for the planet but support bottom-line business sustainability as well. A number of initiatives were put in place during 2011 to reduce the Centre's impact on the environment.

e-Waste Recycling

DIFC Authority has partnered with Technocare to make it easy for employees to dispose of and recycle e-waste such as laptop and desktop computers, printers of all sizes and other computer accessories such as monitors, keyboards, mice and cables.

Philanthropic Contributions

Recognising that financial contributions are a vital source of funding to various community organisations, DIFC Authority makes direct cash disbursements to worthy recipients. In 2011, they included:

- The Rashid Paediatric Therapy Centre, which received funds to support the ongoing development of the centre.
- 'Reaching U Family Fun Day', which was sponsored by DIFC Authority. The event, held under the patronage of Her Royal Highness Princess Haya Bint Al Hussein, successfully raised awareness among the broader community regarding children with special needs.

Active Community Engagement

DIFC Authority participated in several activities, including holding various 40th UAE National Day commemorative celebrations across the district. In addition, the Centre hosted three exhibitions that provided a high-profile platform for a number of worthy causes.

- The Noor Dubai Exhibition promoted awareness about preventable forms of blindness.
- The Save the Children Exhibition, held in partnership with Dubai Cares, shined the spotlight on the plight of various at-risk groups of children across the Middle East.
- The MAWAHEB from Beautiful People Exhibition promoted works of art created by young adults with special needs.

Energy and Water Reduction

- 1,427,880 kWh: the annual electricity savings from implementing timer and variable-frequency drive (VFD) controls across the Centre's building management systems, alongside reduced operating hours.
- 329,831 kWh: the annual electricity savings from rewiring lighting circuits and reducing operating hours for external and internal lighting systems.
- 1,051,200 kWh: the annual electricity savings from replacing existing halogen lights with new LED lights.
- 1,373,760 gallons: the annual water savings from reducing the capacity of flush tanks from 2.65 gallons to 2.11 gallons.

A Differentiated Retail Experience

The Centre experienced healthy demand growth from the professionals working in the district for business and lifestyle facilities. What's more, with several high-calibre hotels and residences located within and near the Centre, there was steady growth in footfall, helped along by a steady pipeline of new openings throughout the year.

During 2011, 19 new retail outlets joined the Centre resulting in a total of 103 retail outlets operating in the financial district. The retail occupancy level within DIFC-owned properties surpassed 90 percent by the end of the year.

The retail space in DIFC-owned properties is spread amongst three areas, each with a distinct environment and mix of retail offerings:

Marble Walk

This area primarily features food outlets that are inexpensive and quick service. This includes convenience stores and service-oriented retailers, some of which are more high end. Examples of Marble Walk retailers include Potbelly Sandwich Shop, Freshii, Gazebo, News Centre, The Cobbler and Bespoke Tailor Service.

The Balcony

Offering a contemporary environment and al-fresco dining in cooler months, restaurants on the Balcony generally offer a casual dining experience, along with several fine-dining and lounge concepts, including Caramel and Royal China. Several service-oriented retailers also have shops here. Examples of restaurants and cafes operating on the Balcony include More Café, Bateel, Costa, Starbucks, u concept and 1762.

The Gate Village

This area is the heart of the Centre's fine-dining restaurants, which are located amid low-rise office buildings that house art houses and galleries. There also are a few service-oriented retailers that attract footfall. Examples of dining and art establishments in the Gate Village include Zuma, Gaucho, La Petite Maison, Roberto's Ristorante, Christie's, Ayyam Gallery and the offices of Art Dubai.



“The decision by The Ritz-Carlton Hotel Company to be in DIFC was a strategic one - as the international financial hub of the Middle East, it reflects our global business approach and plays a major role in the regional positioning of our brand.”

*Lothar Quarz
General Manager
The Ritz-Carlton, DIFC*



Supporting Art's Vital Role

DIFC supports a strong role for art in the community, not only because there are multiple commercially associated links between art and finance, but also because DIFC believes that art can stimulate new ideas and new perspectives in business. Not only does DIFC serve as home to one of Dubai's most well-known gallery communities, but it also has placed works of art in public spaces across the financial district to complement the Centre's beautiful architecture.

Ultimately, DIFC's support for this vision of a vibrant role for art in society is helping to establish Dubai as a regional and international centre for art and culture. Galleries based in DIFC offer an eclectic mix of contemporary art from across the region and the world. Galleries and art establishments that joined DIFC in 2011 include Ayyam Gallery, XVA Gallery, Art Dubai Fair LLC, Christie's Dubai Ltd., Art Sawa, Cube Arts and Rira Gallery. By the end of 2011, there were 15 galleries and art houses operating from DIFC.

The busy exhibition calendar for these galleries included shows such as:

- ◆ **ARTSPACE:** 'Pulse' by Charbel Samuel Aoun
- ◆ **Art Sawa:** 'Self Stories-Birds & I' by Ahmed Askalany
- ◆ **Ayyam Gallery:** 'Still Dreaming' by Safwan Dahoul
- ◆ **Christie's:** bi-annual modern and contemporary Middle Eastern art and the important jewellery auctions
- ◆ **Cuadro Fine Art Gallery:** 'Fragmented Events: New Works' by Athier
- ◆ **Opera Gallery:** 'Orient View'
- ◆ **The Empty Quarter:** 'Euphoria & Beyond'
- ◆ **The Farjam Collection:** 'Love Is Not Everything: A Selection of Works' by Farhad Moshiri
- ◆ **XVA Gallery:** Al Braithwaite's 'Transgressions'

Further contributing to the broader Dubai art scene, DIFC continued during 2011 to hold the extremely popular and successful DIFC Art Nights, in coordination with galleries located at the Centre. These evenings, which combine the opening of new shows with live entertainment, and which are held throughout the gallery and outdoor pedestrian spaces of the DIFC Gate Village, became firmly established during 2011 as an essential part of Dubai's culture calendar. They succeeded in part because they attract everyone from art collectors and bankers to young creatives and families.

Art Dubai

DIFC Authority's most significant effort to nurture the art scene in Dubai and across the region comes through its support and ownership of Art Dubai, an annual art fair that has become an important gathering place for artists, galleries and art critics from across the region and the globe.

Art Dubai, which annually draws widespread critical praise from the world's press, is recognised as the premier contemporary art fair in the Middle East and a significant new platform for galleries and artists across Asia, Europe and North America. The exhibition is part of the reason why Dubai has successfully established itself as one of the region's leading centres for contemporary art.

DIFC Authority's involvement in the fair began in February 2007, when it entered into a strategic partnership with the Gulf Art Fair to develop a major annual exhibition for international contemporary art.

The fair's fifth edition in 2011 featured more than 80 established and emerging galleries from more than 30 countries in the Middle East, Asia, Europe and the Americas. With a record 20,000 visitors from around the world, the fair attracted widespread regional and international attention.

For the first time, in 2011 four GCC cities collaborated to present the Global Art Forum. Art Dubai joined forces with Abu Dhabi Authority for Culture and Heritage, Mathaf: Arab Museum of Modern Art in Doha and the Ministry of Culture in Manama, Bahrain to develop the forum, which discussed and debated issues and strategies to improve the art industry in the region.





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