



Boursa Kuwait: A Year of Achievements

AlKhaled: We have successfully solidified our position within the first year and we will continue to achieve great success

- Boursa Kuwait aims to gradually develop the market to operate at world class standards
- Boursa Kuwait team concludes the first year with record achievements and continues to work towards a more developed Kuwaiti market

Kuwait- April, xx, 2017: Boursa Kuwait successfully concluded its first year since it assumed responsibility of Kuwait's stock market, marking the start of a new era for the Kuwaiti exchange.

During this time, Boursa Kuwait put forward a series of achievements in record time, solidifying its position in the market and restoring the faith of investors. The main achievements include the launch of new investment tools, for which Boursa Kuwait has established a system and rulebook for each independent trading activity.

Only several months after taking on the operations of the exchange and emphasising the element of transparency in all its deliverables, Boursa Kuwait launched the Company Information Portal (CIP), a tool designed internally, which provides a credible and updated information platform for all listed companies, and is used as a reference site by all stakeholders. A workshop was held in this regards for listed companies to introduce the system, its benefits and how to use it.

Further building on the system, Boursa Kuwait embarked on a partnership with the Public Authority for Civil Information (PACI), to offer the latest Electronic Signature feature. The new feature acts as an authentication system for the information provided by listed companies on the CIP.

Commenting on this, Boursa Kuwait Vice Chairman and CEO, Mr. Khaled Abdulrazzaq AlKhaled said: “The CIP helped to create a more transparent and efficient exchange. The Boursa Kuwait website acts as the main reference for information for all stakeholders and it is our duty to ensure that our News Capturing and Dissemination Process is as developed as possible and that the information disclosed on the site is credible and valid. This falls in line with our aim to progressively transition the stock exchange and deploy basic tools, systems and products that lead to the improvement of the standards of our operations.”

The Boursa Kuwait website is the main source of exchange related news, and as a means of providing updates to all stakeholders and ensuring maximum reach, Boursa Kuwait has developed a bilingual RSS Feed. Boursa Kuwait’s website has also been fully revamped to reflect a modern layout that better serves traders and other stakeholders, and is available in both the Arabic and English language.

Boursa Kuwait went on to enrich the type of information disclosed to its stakeholders, through an affiliation with Thomson Reuters. Boursa Kuwait now offers upgraded Financial Data Services on its website, with a new range of the most up to date financial information in relation to all listed companies, including charts and comparability abilities.

Defined Objectives

“Boursa Kuwait is a mission-driven company that aims to progressively transition the Kuwait Stock Exchange to operate at world class standards. Through an on-going partnership with experts, Boursa Kuwait will secure excellence in the services and products it provides to its stakeholders, on all levels” AlKhaled stated.

Trading Rules

Mr. AlKhaled recognized the extreme efforts made in this regards, and affirmed that it is only the beginning to a more advanced phase for the Kuwait market as a whole.

He stated: “One of the main achievements Boursa Kuwait boasts is the preparation and development of IPTM1, which includes key improvements such as, change of price limits and tick size movements and randomized closing auction; a matching mechanism which will be set at a randomized time on a daily basis, in order to minimize price manipulation during the closing auction. The launch of the IPTM2 draft is also a major highlight, as it is the first of its kind in Kuwait. It was refined after a market wide consultation was issued by Boursa Kuwait, and will be officially launched upon final approval from the CMA.”

AlKhaled affirmed that the launch of the rulebook falls directly in line with the company’s transparent approach, which will ultimately support the progressive development of the exchange while ensuring alignment with all concerned stakeholders.

The rulebook features the new layout for listed companies, whereby Boursa Kuwait has proposed a segmentation system, which is basically an approach to divide the market in a meaningful manner to ensure that listed companies receive the most effective level of service for their size and activity.

“The consultation exercise allowed us to assess the suitability of the draft in relation to market needs, and more importantly, provides with a clear market view when finalizing the rulebook.” he added

AlKhaled emphasized on the importance of transparency in the short and long terms plans and solutions which the company presents.

A Positive Change

AlKhaled: “Boursa Kuwait was established to progressively transition the stock market operations to a regionally competitive exchange, operating to world class standards, while driving transparency, efficiency and accessibility.”

Special Trades

In line with its aim to cater to market needs and increase liquidity, Boursa Kuwait launched Special Trades, in collaboration with the CMA. This tool has facilitated the trading process among investors and revived the overall market condition. Accordingly, Boursa Kuwait held an awareness workshop targeted for listed companies and other concerned stakeholders, to provide a complete understanding of the trade mechanism.

AlKhaled confirmed that several Special Trade transactions have already been executed, in line with the approved trading rules, and have positively improved the overall market liquidity.

This is only one of a series of trading products and solutions Boursa Kuwait intends launch into the Kuwait market, all in favour of supporting stakeholders to manage investments more efficiently and uplift the overall market status.

AlKhaled added: “The achievements recorded by Boursa Kuwait during this year encompassed several strategic developments which are anticipated to have a major positive impact”.

Boursa Kuwait sought to embark on partnerships that would benefit the overall objectives of the company. One of the main partnerships it recently finalized is that with the Middle East Investor Relations Association (MEIRA). The partnership came in an effort to promote effective communication among listed companies, the capital markets and regulators, in addition to supporting the latest Corporate Governance Code published by the Capital Markets Authority

(CMA) of Kuwait, which states that each company [incorporated/listed] in Kuwait is expected to integrate an investor affairs unit or investor relations function within its organisation.

Training programs

Further reinforcing the importance of Investor Relations, Boursa Kuwait hosted a special training program for listed companies and brokerage firms. This is one of a series of training sessions to take place in support of the IR function and overall agreement with MEIRA.

AlKhaled said: “Developing the exchange scene in Kuwait requires extensive work on many different levels. One is primarily engaging with our stakeholders while maintaining the same level of transparency we have embraced since the start. This has allowed us to establish positive relations with them and that in turn has and will continue to support the overall Boursa Kuwait operations and their evolvement. ”

Market Maker

Boursa Kuwait also succeeded in launching the Market Maker rulebook, in collaboration with the CMA and in line with its efforts to establish a transparent approach aligned with international best practices and all market related developments. Boursa Kuwait once again set out to collate stakeholders’ opinions and thoughts with regards to the draft Market Maker rulebook.

AlKhaled said: “The launch of the Market Maker rulebook has a positive effect on the improvement of the overall performance of the market through the active participation of stakeholders.”

Market Maker is a significant means to specifically increasing market liquidity, improving market efficiency and activating overall trading tools.

AlKhaled affirmed that Market Making is a crucial part of stock exchange operations across the world. He also stated that it serves as an important tool to boost liquidity of shares by creating specific markets, thereby helping improve the efficiency of the overall market and overall economic growth. Applying market making principals through Boursa Kuwait is a major milestone towards developing the Kuwaiti capital market and transforming it into a major regional trading hub, which will benefit Boursa Kuwait and the Kuwaiti economy in general.

Over The Counter

One trading tool Boursa Kuwait is keen to officially launch into the market upon CMA approval is Over the Counter (OTC) trading.

AlKhaled commented in this regards saying: “Boursa Kuwait is keen to cater to all existing companies through a set of defined rules and regulations, whether they are unlisted, legally withdrawn or eliminated from the stock market.”

“OTC is an important tool that is offered across the modern exchange markets, which Boursa Kuwait is keen to develop and execute.”

Boursa Kuwait will be launching the official OTC rulebook upon receiving approval from the CMA.

Partnerships and Affiliations

In light of the aforementioned substantial achievements, Boursa Kuwait was also able to join the United Nations Sustainable Stock Exchanges (SSE) initiative. SSE is a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators, and companies, can enhance corporate transparency – and ultimately performance – on ESG (environmental, social and corporate governance) issues and encourage sustainable investment.

It was also recently granted membership in the International Capital Market Association (ICMA). This is a major step for Boursa Kuwait as it puts it on the international map as contributors to the capital market as a whole and as active participants in shaping the future of the Kuwaiti market through dialogues on international best practices.”

Boursa Kuwait is keen to keep up with market developments, and continuously seeks to offer training and educational courses to employees and traders, and more importantly, to provide a stimulating environment, while equipping today’s generations with the skills required to successfully take on administrative functions.

Raising awareness of Boursa Kuwait and its objectives will continue to be one of the company’s main focuses, while further promoting the privatization concept among governmental institutions through ongoing educational sessions.

“We have successfully solidified our position within the first year and we will continue to achieve great success by continuing to deploy our strategy that will support the ongoing success of our operations for many more years to come.” AlKhaled concluded.

For more information about Boursa Kuwait, please visit www.boursakuwait.com.kw or email info@boursakuwait.com.kw.