ADX partners with HSBC to Develop Digital Assets

ABU DHABI, November 2, 2023:
Abu Dhabi Securities Exchange (ADX) and HSBC Bank Middle East Limited (HSBC) are working together in the first regional collaboration of its kind to develop digital fixed-income securities, paving the way for the introduction of a broader array of capital market use cases in the Middle East.

The initiative leverages the investment product knowledge of ADX, the fastest growing Middle Eastern exchange, and HSBC's world-class investment banking, capital markets and blockchain capabilities.

Abdulla Salem Alnuaimi, Chief Executive Officer of ADX, said: "We are delighted to collaborate with HSBC, one of the world's leading banks, in developing a digital fixed income product. We believe that digital assets will grow in significance in the future and ADX intends to be at the forefront of this innovation. The project reaffirms our commitment to ADX's digital transformation journey and complements our efforts to continue providing innovative products to our expanding investor base. ADX and HSBC will explore a framework that enables digital assets, such as digital bonds, to be made available on HSBC Orion, the bank's digital assets platform, and to be listed on ADX."

Mohamed Al Marzouqi, Chief Executive Officer, UAE, HSBC, **said:** "HSBC is digitising at scale by adopting new technologies like blockchain to enable the issuance of digital assets, hold them in custody and make them available for trading. This capability will help accelerate efficiency and drive new and innovative opportunities for investors. HSBC and ADX are working together to leverage HSBC Orion, our proprietary digital assets platform, and use our collective capabilities in capital markets and custody, to bring this exciting development to the market."

Digital bonds are financial instruments that are created and managed using blockchain and smart contract technology to create efficiencies in capital markets. With the use of blockchain technology, a broader range of assets such as equity, fixed income, real estate and private equity can be tokenised. This will enable ownership of these assets for a broader range of investors, making securities markets more accessible.

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About Abu Dhabi Securities Exchange
Abu Dhabi Securities Exchange (ADX) was established on November 15 of the year 2000 by Local Law No. (3) Of 2000, the provisions of which vest the market with a legal entity of autonomous status, independent finance and management. The Law also provides ADX with the necessary supervisory and executive powers to exercise its functions. On 17th March 2020, ADX was converted from a "Public Entity" to a "Public Joint Stock Company PJSC" pursuant to law No. (8) of 2020. ADX is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.
ADX is a market for trading securities; including shares issued by public joint stock companies, bonds issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the UAE Securities and Commodities Authority (SCA).

ADX is the second largest market in the Arab region and its strategy of providing stable financial performance with diversified sources of incomes is aligned with the guiding principles of the UAE “Towards the next 50” agenda. The national plan charts out the UAE’s strategic development scheme which aims to build a sustainable, diversified and high-value added economy that positively contributes to transition to a new global sustainable development paradigm.

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About HSBC

HSBC is the largest and most widely represented international banking organisation in the Middle East, North Africa and Türkiye (MENAT), with a presence in nine countries across the region: Algeria, Bahrain, Egypt, Kuwait, Oman, Qatar, Saudi Arabia, Türkiye and the United Arab Emirates. In Saudi Arabia, HSBC is a 31% shareholder of Saudi British Bank (SABB), and a 51% shareholder of HSBC Saudi Arabia for investment banking in the Kingdom. Across MENAT, HSBC had assets of US$71bn as at 31 December 2022. www.hsbc.ae

HSBC
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