

## **Prime Minister's Decree**

**No: 4664/2022**

**To amend some provisions of the executive regulations of the Capital Market Law which issued by the minister of economy and foreign trade decree No: 135/1993**

### **Prime minister:**

In pursuance of the constitution,

The Law of Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies, and Sole Proprietorship issued by Law No. 159 of 1981;

In addition, the shareholding companies law NO. 159/1981,

Law No. 95 of 1992 Promulgating the Capital Market Law;

The Environment Law Issued by Law No. 4 of 1994;

And the Law No. 10/2009 regulating the Supervision of Non-Banking Financial Markets and Instruments,

And the Presidential Decree No. 269/2018 to form the Ministry,

Presidential Decree No. 279 of 2018 on the Delegation of Some Powers vested in the President of the Republic to the Chairman of the Council of Ministers;

The Executive Regulations of the Capital Market Law Enacted by Decree No. 135/1993 of the Economy and Foreign Trade Minister;

After counselling the Financial Regulatory Authority of Egypt (FRA); and the Egyptian Environmental Affairs Agency,

### **(Article 1)**

Two new articles had been added to the executive regulations of the Capital Market Law designated as (Articles 35 bis 7 and 35 bis 8), with the following text:

#### **Article (35 bis 7)**

A voluntary market is to be established by the Egyptian Stock Exchange for trading "certificates of carbon emissions reduction (Carbon credits)"

These credits shall be considered as an exchange-tradable financial instruments, and they defined as" Greenhouse gas emission reduction

units". These credits shall be issued in favor for any entity implementing Greenhouse gases emissions' reduction projects upon obtaining the requisite approval from the relevant competent authorities.

All government entities, Public sector entities, Private sector and all projects developers shall be obligated to notify the Financial Regulatory Authority (FRA) and the Ministry of Environment of all projects, for which carbon credits are to be issued.

Any and all entities that hold carbon credits shall be obligated to disclose to the relevant competent authorities any and all circumstances or changes that occur regarding the approval under which such credits were originally issued.

### **Article (35 bis 8)**

A committee shall be established upon a decree of the Board of Directors of the Financial Regulatory Authority, in coordination with the Ministry of Environment, called "supervisory and overseeing committee on carbon credits " and shall include representatives from the relevant competent authorities. This committee assume putting the provision related to the issuance of carbon credits as well as overseeing and regulating it. The resolution establishing the committee shall delineate its specific functions and operational framework.

The Financial Regulatory Authority prepares a database to register the projects, upon which carbon credits are issued, and it should be shared with the Ministry of Environment on a monthly basis.

The Egyptian-exchange shall issue trading rules and procedures of these credits. They shall not be valid until approved by the Financial Regulatory Authority.

(Article 2)

This decree shall be published in the Official Gazette, and will be enforced on the following day of its publication.

Issued by the Prime minister on 25<sup>th</sup> December 2022