

Prime Minister's Decree

No: 4664/2022

Amending provisions of the executive regulations of the Capital Market Law issued by decree No: 135/1993 of the Minister of Economy and Foreign Trade

Prime Minister:

In accordance with

The constitution,

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

Law NO. 159/1981 for shareholding companies'

The Capital Market Law No. 95 of 1992 and its Executive Regulations,

The Environment Law No. 4 of 1994;

Law No. (10) of 2009 for the Regulation of Non-Banking Financial Markets and Instruments,

Presidential Decree No. 269 of 2018 forming the Ministry,

Presidential Decree No. 279 of 2018, Delegating Certain Competencies to the Prime Minister

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

Subsequent to the consultation with the Financial Regulatory Authority (FRA); and the Egyptian Environmental Affairs Agency (EEAA),

(Article 1)

The executive regulation of the Capital Market Law was amended by the addition of two new articles, designated as (Articles 35 bis 7 and 35 bis 8).

Article (35 bis 7)

The Egyptian Stock Exchange is establishing a voluntary market for trading "certificates of carbon emissions reduction (hereinafter referred to as "Carbon Credits")"

Carbon credits shall be considered tradable financial instruments, and they are to be defined as "certificates of greenhouse gases emissions reduction". These credits may be issued in the benefit of the entity that implements greenhouse gas emissions reduction projects and after the entity obtains the requisite approval from the relevant competent authorities.

All governmental entities, public sector entities, private sector entities, and project developers are obligated to notify the Financial Regulatory Authority (FRA) and the Ministry of Environment of any project that intends to generate carbon credits.

Any entities holding carbon credits are obligated to disclose any changes occur in regard to the obtained approvals from the related competent authority under which such credits were originally issued.

Article (35 bis 8)

A committee, to be named the "Supervisory and Monitoring Committee on Carbon Credits," shall be formed upon an issued decree of the Financial Regulatory Authority's (FRA) Board of Directors, in coordination with the Ministry of Environment. The members of the committee shall be comprised of representatives from the relevant competent authorities. The related decree shall identify the committee's specific responsibilities and operational framework, including, but not limited to drafting the carbon credits' issuance regulations, and trading, as well as the supervisory and monitoring regulation.

The Financial Regulatory Authority (FRA) shall establish and maintain a database for the registration of all projects that generate Carbon Credits. This database shall be shared with the Ministry of Environment on a monthly basis.

The Egyptian Exchange shall issue trading rules and procedures for these Carbon Credits. These rules and procedures shall not become effective until formally approved by the Financial Regulatory Authority (FRA).

(Article 2)

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

Issued by the Prime minister on 25th December 2022