

15 / 9 / 2004

Circular No. (35)

Chairman of the Board

Company:

Dear Sir:

Reference is made to the Minister of Investment's Decree No. 54 of 2004 issued on 7/ 9/ 2004 of which the first article states, "The text of Article No. 256 of the Executive Regulations of the Capital Market Law promulgated by the Minister of Economy and Trade's Decree No. 135 of 1993 shall be replaced with the following text:

The company shall conclude an account opening contract with each and every one of its clients indicating the nature of transaction between the parties thereto and all obligations and rights of the parties thereto. Such contracts shall be executed in documents that the company develop for this purpose and in accordance with the form attached to this Decree. The mentioned contract must, in addition to the data set out in Article 229, include the following:

- 1) The company's obligation to purchase and sell securities in the name and on account of the client
- 2) Determination of the investment targets of the client
- 3) Specifying whether the client wish to purchase foreign securities
- 4) The company's obligation to adopt due diligence when filling the orders of the client
- 5) Specifying the commission the company charges for its services
- 6) Indicating the agreed-upon method for communication between the two parties and delivering the client's orders to the company
- 7) The custodian for the client's shares
- 8) Method for settlement and adjudicating disputes that arises between the two parties as a result of performance of the provisions of the agreement."

The second article of the decree also stated that it must be published in the Official Gazette and that it will come into effect the day following its publication.

Please be advised that you can have access to a sample of the contract referred to in the above-mentioned article either through the Official Gazette or the Authority's website (www.coa.gov.eg)

The company must comply with the provisions of the above-mentioned article when it deals with those transacting with it in the field of its securities brokerage business.

Yours truly,

Dr. Ahmed Saad Abd Al-Latif

Head, Market Operations Sector