

Circular No. 3

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To: Securities companies

Please be advised that amounts deposited by brokerage firms approved for allowing their clients to conduct transactions in the same session under what is known as the "Intra Day Trading" are frozen and designated for online clearing transactions for financial positions resulting from addition to and deduction from the ad hoc account at the clearing bank. If the amount designated for clearing transactions is not sufficient, the company must cover the deficit prior to the next day session of trading to meet requirements for conducting deals according to this system and in light of the special nature of such frozen, designated amounts so as to let the brokerage company conduct deals using the intra-day trading system.

Therefore, the Authority asserts that such amounts are not free or liquid sums of money that can be used by a company to fulfill its other obligations. Therefore, the security amounts designated for clearing transactions conducted under the intra -day trading system must be weighted with a factor of zero in the capital adequacy report of the brokerage firm.

Hesham Ibrahim

Supervisor, Authority Chairmanship Affairs Sector