

Decision No. 91 of 2007
Dated 20/5/2007
Regarding Application of Capital Adequacy Requirements
Upon Opening New Branches, Adding a Purpose,
Or Introducing a New Financial Instrument related Activities

CMA Chairman

After considering Capital Market Law promulgated by Law No. 95 of 1992 and its amendments;

Law on Central Depository and Registry of Securities promulgated by Law No. 93 of 2000 and its amendments,

Decision of the Minister of Economy and Foreign Trade No. 135 of 1993 promulgating the Executive Regulations of the Capital Market Law and its Amendments; and

Memorandum of the Central Department for Inspection and the Central Department for Surveillance on Companies

DECIDED

Article (1)

Capital adequacy Requirements issued by CMA Chairman's Decision No. 14 of 2007 shall apply when securities brokerage companies practicing securities brokerage and/or bond brokerage, and/or custodians open up new branches, add other purposes, or obtain the CMA approval for introducing one of the following, new financial instruments:

1. Margin trading and short selling
2. Same day trading
3. On-line trading

Article (2)

A company shall, when submitting its applications for items mentioned in Article (1) hereinabove, file an auditor's certificate acknowledging therein that calculation of the net liquid capital is correct according to CMA Chairman's Decision No. 14 of 2007, and that said capital is no less than 10% of its total liabilities according to the last report submitted to the CMA.

Article (3)

Concerned divisions at the CMA, the Cairo and Alexandria Stock Exchanges and Misr for Clearing, Depository and Central Registry shall implement this Decision, each within its scope of competence.

Article (4)

This decision shall apply as of the date of its issuance.

Dr. Hani Sarei El-Din
CMA Chairman