

Decision No. 97/2006
Dated 24/8/2006
Regarding
The appeal -Review-Procedures Stated in
Articles 51 and 52 of Law No. 95/1992

Capital Market Authority Chairman

After reviewing Capital Market Law no. 95/1992 and its Executive Regulations, and for the sake of the work process, it was

Decided

Article (1)

Appeal , against administrative Decrees issued by the Minister or the CMA shall, pursuant to the provisions of the Law, the Executive Regulations and Decrees thereof, be submitted to the appealCommittee prescribed in Article 50 of the Law.

Unless an exceptional provision is stipulated by the Law, the appeal shall be submitted to the Committee within thirty days from the date of notifying the concerned person of the decree or from the date of notification therewith.

Article (2)

The appeal shall be submitted to the appeal Office of the CMA in the form of a petition including the following:

- Complainant's name, surname, capacity, profession and address.
- The Decree appealed against, the date of its issuance and the date of receipt of relevant notice or the date of awareness thereof.
- Statement of the reasons on which this appeal was based, accompanied by supporting documents.
- A statement of the complainant's requests, particularly if the complainant aims to cancellation of the Decree or any portion thereof.
- A document proving settlement of the amounts provided for in Article (211) of the Executive Regulations of the Law.

Article (3)

Upon receipt of the appeal the appeal Office shall register same in the registry prepared for this purpose and provide the complainant with a copy of the appeal bearing the number and the date of registration.

Complainant shall specify the means of receiving the notices related to his/her grievance, whether by fax, by phone or by any other means of communicationThe .

appeal shall be distributed to appeal committees according to the sequence and the date of submission Appeal Office shall, within two business days, submit the appeal to the CMA Chairman to elect a representative of the Authority and a secretary , and shall then send the appeal to the Head of the Committee within two business days from the date of the CMA Chairman's endorsement thereon.

Article (4)

The Head of the Committee shall, upon receipt of the appeal notice, undertake the procedures required and hold a session for review of the appeal in coordination with the Committee members within three days at most from the date of notice. The Committee secretary shall forthwith notify the appeal Office of every date scheduled to review the appeal

Article (5)

Parties of the appeal shall be notified of the date of the session scheduled for review and all documents related to the appeal . Notice shall be served either by hand with signature against receipt, by a registered letter with acknowledgement of receipt, by fax, by telex, by cable or by any other means of communication, at least one week prior to the date of the session. Each complaining party may appear at the session either in person or through a representative .

The Committee may, at a request from the complaining company, invite the representative of the Professional Association for Securities, of which the complaining company is a member, to attend the session held for review of the appeal

Article (6)

If any complaining party fails to appear in spite of receiving a notice regarding the scheduled session, as stated in the above Article, the Committee may review the appeal in his/her/its absence, and the Office shall keep a document proving dispatch of the notice, and any person

claiming non-receipt of the notice shall be required to prove his/her/its claim.

Article (7)

An appeal must be reviewed using a number of procedures properly applying the rules of justice and equity to the complaining parties. Reviewing the appeal shall commence by reciting a report including the reasons for the appeal. An appeal shall be reviewed without pleadings and shall be based on the written defense submitted by the parties thereto. The Committee, however, may allow for verbal defense, and shall have the authority to determine the legality to accept the evidences submitted, their relevance to disputed issue, their feasibility and importance. If the Committee believes that an expert's report or any documented evidence is required to be relied thereon, the Complaining party shall be notified of this requirement. The Committee shall then determine the expert's fees, which shall be assumed by the party requesting the assignment of the expert.

Article (8)

The Committee shall decide upon the complaint within a period not exceeding sixteen days from the date of notice of complaint by the Complaints Office. The Complainant shall, within one week at most, provide the Committee with any clarifications required.

Article (9)

The Committee shall issue resolutions by majority votes of attendees, while resolutions in procedural matters shall be issued by the Head of the Committee. Committee's resolutions shall be issued in writing and shall include the reasons on which these resolutions were based, and the draft resolution shall be signed by the attending members of the Committee.

Article (10)

, the Committee shall on the day subsequent to issuance of the resolution deposit, with the appeal Office, the appeal file supported by the resolution issued. The appeal Office shall forthwith notify the Complainant of the resolution upon issuance thereof, using the same means of notice of procedures taken during review of the appeal The

Committee's resolutions shall be final, irrevocable and enforceable upon receipt of relevant notice.

Article (11)

This Decree shall be applicable and enforceable by all competent authorities as from the date of issuance thereof.

CMA Chairman
Dr. Hani Sarie-ELDin

**A Manual for the procedures of Grievance
administrative decisions Issued by the
Minister or the CMA**

**A guiding manual on grievance administrative decisions in
pursuance of Law no. 95/1992 and its Executive Regulations
and decisions issued for their implementation**

August 2006

Guide for Ministerial Decrees ‘ and Capital Market Authority Resolutions’ Procedures

In light of the Capital Market Authority ‘ s belief in the implementation of the principle transparency in the capital market and desire to improve the legal knowledge of the public (individual investors and institutions), thus educating such investors, through publishing guides and manuals, on the rules and regulations governing the market.

In this context, the Capital Market Authority is hereby issuing a guide for the resolution of disputes pertaining to administrative decisions issued by the Minister or the Capital Market Authority pursuant to the provisions of the Capital Market Law, its Executive Regulations, and resolutions passed thereunder. Such guide shall be in the form of Questions and Answers covering almost the frequently asked questions by the investors.

1- What is the legal mechanism for resolution of disputes related to administrative decrees issued by the Minister or the decisions passed by the Capital Market Authority?

The first step is to file a contestation by furnishing the original contestation file and six copies thereof. One copy of same shall be delivered to the contesting party on the same date of filing. The date and serial number of the relevant contestation (as in the Contestations' Record) shall be indicated on such copy.

2- Who is entitled to file a contestation?

The right to file a contestation is granted to any interested party having a lawful reason, and a legal capacity to request abolishment of the contested decree or decision.

3- Which administrative decisions may be contested?

Ministerial Decrees issued by the Minister and Resolutions passed by the Capital Market Authority pursuant to the Capital Market Law No. 95 of 1992 and its Executive Regulations and the administrative resolutions issued thereunder (Article 51 of Law No.95 of 1992) .

Accordingly, the decisions of the Stock Exchange shall not be subject to the rules applied by the Contestation Committee.

4- What are the time limits for filing a contestation?

Unless otherwise exceptionally mentioned in the Law No. 95 of 1992, a contestation may be filed within thirty days from the date of notification of the contested decision to the concerned party, or his\her knowledge thereof. Such period shall be – in accordance with Article 32 of Law No. 95 of 1992 – reduced to fifteen days only in the event the contestation is related to administrative decisions issued pursuant to articles 30&31

5- What is the comptent body for reviewing the contestation?

A Committee, which is formed by virtue of a Ministerial Decree pursuant to Article 50 of the Law No. 95 of 1992. The said Committee shall be chaired by one of the Counsel of State Deputy Chairman; two counselors of the Counsel of State appointed by the said counsel as members, one of the top management officers of the Capital Market Authority appointed by its Chairman and an Expert appointed by the Minister.

The Committee will elect a secretary to be approved by the Chairman of the Capital Market Authority.

6- To whom the contestation should be furnished?

According to Article 207 of the Executive Regulations of the Capital Market Law, the Contestation Office is open for the public at the Capital Market Authority's offices. Officers are available to receive the contestations and register same in the relevant record on the same date of receipt thereof.

7- What are the main information to be included in the Contestation Form?

According to Article 206 of the Executive Regulations the Contestation should be filed in one original and six copies and should include the following information:

1- Name of the Contesting party, title, capacity, profession and address.

2- Date of issuance of the contested resolution, date of notification, and/or date of knowledge thereof.

3- Subject matter of the contestation, reasons, and the supporting documents must be furnished.

4- Payment receipt of the amount specified in Article 211 of the Executive Regulations.

5- Final Claims, which must be clear.

The approval of the Contesting party may be obtained on receipt of notices related to the contestation by fax, email, telegram or telex, provided the fax or email details are clearly indicated.

8- Should filing a contestation cease the execution of the contested decision?

Paragraph two of Article 205 of the Executive Regulations of the Capital Market Law No. 95 of 1992 was replaced by virtue of the Ministerial Decree No. 140 of 2006 to read as follows:

“The Authority’s resolutions issued pursuant to Article 30 of the Law shall not enter into force until time limits for contestations specified in Article 32 of the said Law lapses, or the contestation is conclusively resolved. However, the resolutions issued pursuant to Article 31 of the Law shall enter into force as of the day following the date of notification thereof, unless the Board of the Capital Market Authority stipulates otherwise”.

Accordingly, decisions issued pursuant to Article 31 shall enter into force as of the day following the date of notification of the concerned party unless otherwise specified by the board of the Capital Market Authority.

If the resolution is issued pursuant to Article 30, entrance into force shall be subject to:

First: Lapse of contestation time limits (15 days according to Article 32 of the Law) without filing thereof.

Second: Filing the contestation with the Contestation Office plus payment of charges and registration thereof in the Contestation Record. In this case the contested resolution shall not enter into force until the Contestation Committee decides thereupon either by denial or rejection.

9- What are the amounts to be paid by contesting party?

A- Article 211 of the Executive Regulation of the Law No. 95 of 1992 provides that “the party contesting the Ministerial Decrees, the Authority’s resolutions issued will deposit with The Capital Market Authority five thousand Egyptian Pounds to be refunded in the event the decision of the Contestation Committee is in his\her favor, after deductin of 10% as administrative expenses.

10- What are the procedures followed in revieing the Contestation and the service of notice for dates of the sessions?

According to Article 208 of the Executive Regulations, the Contestation Office shall carry-out the following:

- 1- Immediately, after registration in the relevant Record, the Contestation Office shall submit the contestation to the Head of the Contestation Committee to take the necessary measures to review and determine the date for such review.
- 2- The secretary of the Committee shall serve a notice by virtue of a registered letter (or by fax or email) as may be agreed upon to the contesting party appear before the Committee in person or by a representative.
- 3- If the contestation is related to a securities company, the Committee, upon the company’s request, may invite a representative of the professional association in which the said company is a member.
- 4- The Committee may request from the interested parties any further clarifications of documentations.
- 5- The secretary of the Committee shall notify the Contestation Office of the date of the session to be held by the Committee so that the Office may arrange for the relevant premises.

11- What would be the legal status if the contesting party fails to attend despite being duly notified?

According, to the practice, the Committee may decide upon the Contestation , as the contesting party failed to attend and present his\her case.

12- Can the Contesting party furnish documents to the Office of Contestations?

The Contesting party may furnish to the Office of Contestations the documents supporting his\her contestation. Such documents must be presented in a docket on which it is indicated whether the said documents are originals or copies. No documents may be presented during the sessions. Any documents need to be furnished later must be submitted to the secretary of the Committee.

13- What is the quorum required for the validity of the session of the Committee?

The majority of the members.

14- What is the majority requirements for issuance of the Committee's decision?

The majority of the attending members.

15- Can the Committee appoint an Expert to prepare a technical report on the subject matter of the contestation and which party incurs the fees thereof?

Any party may request from the Committee the appointment of an expert or a consultant to prepare a technical report on a matter related to the contested decision . The Committee, upon nomination of the expert, should determine the task of such expert and set down a time limit for finalizing the said report. The fees of the expert shall be incurred by the party requesting appointment thereof, which fees shall not exceed the fees of the Committee's members set down in Article 212 of the Executive Regulations.

If the appointment of the expert is upon decision of the Committee, the said decision should determine which party will incur the fees thereof.

16- Will the Committee be bound to issue its decision within a specified period?

In accordance with Article 208 of the Executive Regulations, the Committee will have to decide on the contestation within sixty days from the date of its presentation to the Committee or from the date of obtaining final clarifications, as the case may be.

17- Would the decisions of the Committee be considered final and enforceable?

Pursuant to Article 51 of the Law No. 95 of 1992 and Article 208 of the Executive Regulations, the decisions of the Committee are final and binding. However, such decisions may

be further challenged, nevertheless, such challenges may not stop immediate enforcement of the decision.

18- Is filing a contestation before the Contestation Committee a condition for filing a cancellation case before the Counsel of State with respect to any Ministerial Decree or a Capital Market Resolution?

According to the final paragraph of Article 51 of the Capital Market Law No 95 of 1992, an abo case before the courts with respect to any resolutions will not be addressed, unless a contestation is filed before the Contestation Committee.

19- How is the contesting party notified of the decision of the Contestation Committee?

The secretary of the Committee will submit the file to the Contestation Office along with the draft decision on the day following issuance thereof. If the contesting party failed to attend the session on which the decision was issued, the said Office will notify the said party by the means agreed upon for service of notices.

The Office will send to the contesting party an officially certified copy of the decision either by a registered letter or in person, within one week from the date of signing the decision by the secretary of the Committee and the Chairman thereof.