

# **Egyptian Financial Supervisory Authority (EFSA)**

## **Chairman of the Board**

### **Chairman of the Board's Decision No 425 of 2010**

**Dated 30/ 8/ 2010**

### **Regarding executive procedures for registration and Bringing into conformity with regulatory requirements The Branches registered into the EFSA Branches Register**

#### **EFSA Chairman of the Board**

After considering the Capital Market Law promulgated by Law No. 95 of 1992 and its Executive Regulations;

Law on Depository and Central Registry of Securities promulgated by Law no. 93 of 2000 and its Executive Regulations;

Law no. 10 of 2009 on regulation of oversight of non-banking financials markets and instruments;

The President of the Republic's No. 192 of 2009 regarding the statute of the EFSA;

The Authority Board of Directors's Decision no. 24 issued on 7/ 8/ 2005; and

The Authority Chairman's Decision no. 68 of 2010 issued on 17/ 5/ 2010 regarding controls of licensing branches of brokerage firms and marketing dealing in Egypt Stock Exchange via the internet;

#### **DECIDED**

##### **Article (1)**

Brokerage firms licensed by the EFSA to engage in business shall conform to regulatory requirements related to the registration of their branches listed in the Authority Branches Register no later than December 31<sup>st</sup>, 2010, by providing documents set out herein and annexes attached hereto. The registration of new branches in the Authority Branches Register shall be effected after submission of documents set out herein and annexes attached hereto.

##### **Article (2)**

The competent department shall register new branches and bring the existing branches into conformity with regulatory requirements without prejudice to controls of approval of reports set out in the Authority Chairman's Decision No. 272 of 2010.

The competent department at the Authority shall not proceed with examination and consideration of applications for registration of new branches until the [concerned] company brings the existing branches into conformity with regulatory requirements of

the Authority Branches Register within the time limit set forth in Article (10) of the Authority Chairman's Decision No.68 of 2010 issued on 17/ 5/ 2010.

### **Article (3)**

The Central Department for Enforcement and the Central Department for Regulation and Supervision of entities engaged in the business of securities shall, within two workdays at most from the date they are notified, provide the Authority department authorized to register branches with the following:

1. A certificate from the Central Department for Enforcement listing all penalties or actions signed by the Authority and the date each penalty or action was imposed during the two years prior to the issuance of the board of directors' decision licensing the opening of the branch.
2. A letter from the Central Department for Regulation and Supervision for entities engaged in the business of securities including the status of the last inspection of the company, and the opinion of the Department regarding whether to continue processing the issuance of approval of the meeting or not.

The competent authority authorized to register new branches shall observe the expiration of the periods mentioned under Item (8) of the Authority Chairman's Decision no. 68 of 2010 dated 17/5/2010 regarding controls for licensing branches of brokerage firms before presenting to the Incorporation and Licensing Committee memos on registration of new branches.

### **Article 4**

The Market Services Department shall not receive any documents for registration of a new branch or bringing into conformity with regulatory requirements the registration of an existing branch unless they are complete and conform to the mentioned lists.

### **Article 5**

The department authorized to register new branches and bringing into conformity with regulatory requirements the registration of existing branches into the Authority Branches Register shall observe the following:

- As for brokerage firms with more than three branches, appointment of a managing director for supervision of the branches shall be subject to the discretion of the brokerage firm considering its internal control system since the responsibility of the branch falls on the managing director of the firm.
- There need not be an internal auditor in each branch (whether it is Class II execution type branch or a marketing branch) in addition to the internal auditor of the [firm's] headquarter except in Class I execution type branches, and, in such case, there shall be coordination between him and the internal auditor of the main office in the light of the internal control system of the firm.
- Clients' orders can be taken through the marketing branches provided there is evidence they have been received via approved means and that they may not be

- entered into the automated system for order management except through Class I or II execution branches or the main office.
- Class II execution branches may receive or disburse cash or checks provided there is a special safe for holding cash and checks and a full time person reporting to the financial manager and submitting to the branch director and the financial director of the main office [statement of] transactions of the safe and his reports while observing anti-money laundering controls and making sure transactions are done on the basis of receipts of delivering and receiving.

#### **Article 6**

The department authorized to register new branches shall bring into conformity with regulatory requirements registering existing branches into the Authority Branches Register and shall record in a branches register the entry of new branches as well as branches that have brought their registration to conformity with regulatory requirements in accordance with the dates of their entry into the register. Each branch recorded into the register shall be given a unique number.

#### **Article 7**

The department authorized to register new branches shall bring into conformity with regulatory requirements their registration by presenting to the Incorporation and Licensing Committee memos on examination of applications of branches once they are completed. The decision of the committee regarding registration, postponement or rejection of the application of the branch shall be issued, and shall not be valid unless approved by the Authority Chairman or his representative. In all cases, the committee shall have the right to approve registration of new branches in the light of the need of the capital market.

#### **Article 8**

Competent entities shall implement this decision, each to the extent of its jurisdiction, effective the next day of its issuance. The decision shall cancel any previous decisions contrary hereto.

Dr. Ziaad Bahaa El-Din  
EFSA Chairman

**Egyptian Financial Supervisory Authority (EFSA)**

**Chairman of the Board**

**Annex (A)**

**List of documents  
Required for recording a (new) Class I execution branch in the  
branches register**

**Documents related to the firm:**

1. A certified photocopy of the Authority's approval issued to the firm authorizing online trading in accordance with the provisions of the Authority Chairman's Decision no. 50 of 2006 that is referred to and signed by the chairman of the board or the managing director and stamped with the firm's seal.
2. A statement from the firm's auditor certifying therein that he verified the firm's adoption of an internal control system to ensure protection at the level of the firm as a whole, both at the main office and branches; and that the firm has fulfilled the standards of financial adequacy for the last three months. The statement must also reflect the net liquid capital on a daily basis for that period.
3. An official copy of the commercial registration showing the issued capital as well as capital paid in full. A firm may open up to four new branches as long as its issued and paid capital is not less than L.E 5 million. For each additional branch after the fourth one, capital must be increased by one million Egyptian pounds. (An exception to the condition of capital increase is applied when a branch is located in one of the remote area governorates where the number of branches is less than 10 based on the Authority register).
4. A certified copy of the Authority's approval [for the company] to use the call recording system for clients' orders. It must be stamped with the firm's seal and signed by the chairman of the board or the managing director (in case the firm has the approval of the Authority).
5. An acknowledgement from the chairman of the board or the managing director undertaking therein to :
  - Operationalize the communications security systems according to Annex (1) in the Authority Chairman's Decision no. 50 of 2006, especially making sure that a client receives his personal identification and verification tool as well as his ID code in a secure manner.
  - Prevent the firm and its staff from using the personal identification and verification tool of any of its clients in placing orders or executing

transactions at the stock exchange; not to allow its clients to execute their transactions at any of its offices or provide facilities for that purpose; and provide the Authority with evidence of development and operationalization of an internal control system to ensure monitoring of execution orders placed by online trading clients, which may lead to manipulation of prices or which is allowed for those who have online trading permit.

- Adopt automated systems for the back offices and operationalize the automated orders book in accordance with the Authority Chairman of the Board's Decision no. 49 of 2006 regarding actual adoption of call recording system for client's orders and remote trading screens.
6. A certificate from Misr for Clearing, Depository and Central Registry certifying therein that the firm has been actually engaged in online trading for a period of no less than three months prior to the date it submitted the application or for those having online trading license.

**Documents related to outfitting the office of the branch:**

1. Minutes of meeting of the board of directors of the firm including the decision for opening the branch, determining its location and defining the minimum staffing for the branch.
2. A certified copy of a dated lease contract or a notarized contract of ownership of the premises of the branch stamped with the firm's seal and signed by the chairman of the board of directors or the managing director.
3. Providing evidence that the branch is outfitted with instruments and equipment, physical and electronic, that suit the nature of the branch (with a list of such facilities stamped with the firm's seal and signed by the chairman of the board of directors or the managing director).
4. An acknowledgment by the chairman of the board or the managing director undertaking to:
  - Introduce any modifications to the facilities of the premises of the branch in accordance with the list of standards and specifications issued by the Authority and related to the office and facilities, which must be available once so required [as set out in that list].
  - Provide means for placement of orders through the automated orders management system which is connected to the main office of the firm; and not to place orders or execute transactions at the stock exchange except through licensed persons.
5. Provide a certified copy of Egypt Stock Exchange book evidencing that the connections lines between the branch, the stock exchange and Misr for Clearing are in place.

**General documents**

1. Submitting an application for registration of the branch, including the branch type

- and name of the responsible director and signed by the chairman of the board of directors or the managing director and stamped with the firm's seal.
2. Submitting a receipt evidencing payment of service charges for examination and study of the application in addition to annual services charges for the registration of the branch.
  3. Submitting a letter from the Authority Financial Department evidencing that the firm has paid all amounts due to the authority as well as its fees up to the date the application for registering the branch has been submitted.

Documents related to minimum staffing levels of directors and staff at the branch (to be submitted in a special file including licenses of professionals and all their documents).

Submitting licensing documents for:

1. Branch manager

Four years of experience and passing tests developed by the Authority.

2. Internal auditor

Two years of experience and passing tests developed by the Authority.

3. Client account managers

Two years of experience and passing tests developed by the Authority.

4. Transaction executors, Category A, B, C

Two years of experience, and passing one of the Authority-approved courses as well as the trading test administered by the stock exchange.

5. Customer service clerks

Providing evidence of passing or being enrolled in one of the Authority-approved courses, or an acknowledgment from the chairman of the board of directors or the managing director undertaking therein to have this job filled before the end of June 2011.

Internal documents

1. A certificate from the Central Department for Enforcement listing all penalties or actions signed by the Authority and the date each penalty or action was imposed during the two years prior to the issuance of the firm board of directors' decision regarding opening of the branch.
2. A letter from the Central Department for Regulation and Supervision of entities engaged in the business of securities stating therein the status of the last inspection of the firm, and the opinion of the Department regarding whether to continue processing the issuance of approval of the branch or not.

## **Annex (B)**

### **List of documents Required for recording a (new) Class II execution branch in the branches register**

#### **Documents related to the firm:**

1. A certified photocopy of the Authority's approval issued to the firm authorizing online trading in accordance with the provisions of the Authority Chairman's Decision no. 50 of 2006 that is referred to and signed by the chairman of the board or the managing director and stamped with the firm's seal.
2. A statement from the firm's auditor certifying therein that he verified the firm's adoption of an internal control system to ensure protection at the level of the firm as a whole, both at the main office and branches; and that the firm has fulfilled the standards of financial adequacy for the last three months. The statement must also reflect the net liquid capital on a daily basis for that period.
3. An official copy of the commercial registration showing the issued capital as well as capital paid in full. (To note, a firm may open up to four new branches as long as its issued and paid capital is not less than L.E 5 m. For each additional branch after the fourth one, capital must be increased by L.E 500,000. (An exception to the condition of capital increase is applied when a branch is located in one of the remote area governorates where the number of branches is less than 10 based on the Authority register).
4. An acknowledgement from the chairman of the board or the managing director undertaking therein to :
  - Adopt automated systems for the back offices and operationalize the automated orders book in accordance with the Authority Chairman of the Board's Decision no. 49 of 2006 regarding actual adoption of call recording system for client's orders and remote trading screens.
  - Operationalize the communications security systems according to Annex (1) in the Authority Chairman's Decision no. 50 of 2006, especially making sure that a client receives his personal identification and verification tool as well as his ID code in a secure manner.
  - Prevent the firm and its staff from using the personal identification and verification tool of any of its clients in placing orders or executing transactions at the stock exchange; not to allow its clients to execute their transactions at any of its offices or provide facilities for that purpose; and provide the Authority with evidence of development and operationalization of an internal control system to ensure monitoring of execution of orders placed by online trading clients, which may lead to manipulation of prices.
5. A certified copy of the Authority's approval [for the company] to use the call recording system for clients' orders. It must be stamped with the firm's seal and signed by the chairman of the board or the managing director (in case the firm has the approval of the Authority).

6. A certificate from Misr for Clearing, Depository and Central Registry certifying therein that the firm has been actually engaged in online trading for a period of no less than three months prior to the date it submitted the application or for those having online trading license.

**Documents related to outfitting the office of the branch:**

1. Minutes of meeting of the board of directors of the firm including the decision for opening the branch, determining its location and defining the minimum staffing for the branch.
2. A certified copy of a dated lease contract or a notarized contract of ownership of the premises of the branch stamped with the firm's seal and signed by the chairman of the board of directors or the managing director.
3. Providing evidence that the branch is outfitted with instruments and equipment, physical and electronic, which suit the nature of the branch (with a list of such facilities stamped with the firm's seal and signed by the chairman of the board of directors or the managing director).
4. An acknowledgment by the chairman of the board or the managing director undertaking to:
  - Introduce any modifications to the facilities of the premises of the branch in accordance with the list of standards and specifications issued by the Authority and related to the office and facilities, which must be available once so required [as set out in that list]. [by that list].
  - Be committed and undertake that the branch will not receive or disburse any cash or checks from and to clients. Cash transactions by clients will be conducted at the main office of Class I execution branches.
  - Provide means for placement of orders through the automated orders management system which is connected to the main office of the firm; and not to place orders or execute transactions at the stock exchange except through licensed persons.
5. Provide a certified copy of Egypt Stock Exchange book evidencing that the connections lines between the branch, the stock exchange and Misr for Clearing are in place.

**General documents**

1. Submitting an application for registration of the branch, including the branch type and name of the responsible director and signed by the chairman of the board of directors or the managing director and stamped with the firm's seal.
2. Submitting a receipt evidencing payment of service charges for examination and study of the application in addition to annual services charges for the registration of the branch.
3. Submitting a letter from the Authority Financial Department evidencing that the firm has paid all amounts due to the authority as well as its fees up to the date the application for registering the branch has been submitted.

Documents related to minimum staffing levels of directors and staff at the branch

Submitting licensing documents for:

1. Branch manager

Four years of experience and passing tests developed by the Authority.

2. One employee reporting to the firm's internal auditor

Documents evidencing two years of experience.

3. Account manager

Documents evidencing two years of experience and passing tests developed by the Authority.

4. One Category B transaction executor, and one Category C

Documents evidencing two years of experience, and passing one of the Authority-approved courses as well as the trading test administered by the stock exchange.

5. Customer service clerks

Providing evidence of passing or being enrolled in one of the Authority-approved courses, or an acknowledgment from the chairman of the board of directors or the managing director undertaking therein to have this job filled before the end of June 2011.

Internal documents

1. A certificate from the Central Department for Enforcement listing all penalties or actions signed by the Authority and the date each penalty or action was imposed during the two years prior to the issuance of the firm board of directors' decision regarding opening of the branch.
2. A letter from the Central Department for Regulation and Supervision of entities engaged in the business of securities stating therein the status of the last inspection of the firm, and the opinion of the Department regarding whether to continue processing the issuance of approval of the branch or not.

## **Annex (C)**

### **List of documents Required for recording a (new) marketing branch in the branches register**

#### **Documents related to the firm:**

1. A statement from the firm's auditor certifying therein that he verified the firm's adoption of an internal control system to ensure protection at the level of the firm as a whole, both at the main office and branches; and that the firm has fulfilled the standards of financial adequacy for the last three months. The statement must also reflect the net liquid capital on a daily basis for that period.
2. An official copy of the commercial registration showing the issued capital as well as capital paid in full. (To note, a firm may open up to four new branches as long as its issued and paid capital is not less than L.E 5 m. For each additional branch after the fourth one, capital must be increased by L.E 100,000. (An exception to the condition of capital increase is applied when a branch is located in one of the remote area governorates where the number of branches is less than 10 based on the Authority register).
3. An acknowledgement from the chairman of the board or the managing director undertaking therein to :
  - Adopt automated systems for the back offices and operationalize the automated orders book in accordance with the Authority Chairman of the Board's Decision no. 49 of 2006 regarding actual adoption of call recording system for client's orders and remote trading screens.
  - Operationalize the communications security systems according to Annex (1) in the Authority Chairman's Decision no. 50 of 2006, especially making sure that a client receives his personal identification and verification tool as well as his ID code in a secure manner.
  - Prevent the firm and its staff from using the personal identification and verification tool of any of its clients in placing orders or executing transactions at the stock exchange; not to allow its clients to execute their transactions at any of its offices or provide facilities for that purpose; and provide the Authority with evidence of development and operationalization of an internal control system to ensure monitoring of execution of orders placed by online trading clients, which may lead to manipulation of prices.
4. A certified copy of the Authority's approval [for the company] to use the call recording system for clients' orders. It must be stamped with the firm's seal and signed by the chairman of the board or the managing director (in case the firm has the approval of the Authority).
5. A certificate from Misr for Clearing, Depository and Central Registry certifying therein that the firm has been actually engaged in online trading for a period of no less than three months prior to the date it submitted the application or for those having online trading license.

### **Documents related to outfitting the office of the branch:**

1. Minutes of meeting of the board of directors of the firm including the decision for opening the branch, determining its location and defining the minimum staffing for the branch.
2. A certified copy of a dated lease contract or a notarized contract of ownership of the premises of the branch stamped with the firm's seal and signed by the chairman of the board of directors or the managing director.
3. Providing evidence that the branch is outfitted with instruments and equipment, physical and electronic, which suit the nature of the branch (with a list of such facilities stamped with the firm's seal and signed by the chairman of the board of directors or the managing director).
4. An acknowledgment by the chairman of the board or the managing director undertaking to:
  - Introduce any modifications to the facilities of the premises of the branch in accordance with the list of standards and specifications issued by the Authority and related to the office and facilities, which must be available once so required [as set out in that list]. [by that list].
  - Be committed to limiting marketing activities to online stock exchange dealing, opening accounts for clients and providing technical support for them.
  - Be committed and undertake that the branch will not receive or disburse any cash or checks from and to clients. Cash transactions by clients will be conducted at the main office of Class I execution branches.
  - Provide means for placement of orders through the automated orders management system which is connected to the main office of the firm; and not to place orders or execute transactions at the stock exchange except through licensed persons.

### **General documents**

1. Submitting an application for registration of the branch, including the branch type and name of the responsible director and signed by the chairman of the board of directors or the managing director and stamped with the firm's seal.
2. Submitting a receipt evidencing payment of service charges for examination and study of the application in addition to annual services charges for the registration of the branch.
3. Submitting a letter from the Authority Financial Department evidencing that the firm has paid all amounts due to the authority as well as its fees up to the date the application for registering the branch has been submitted.

Documents related to minimum staffing levels of directors and staff at the branch (to be submitted in a special file including licenses of professionals and all their documents).

Submitting licensing documents for:

1. Branch manager

Four years of experience and passing one of the Authority-approved tests.

2. Customer service clerks

Providing evidence of passing or being enrolled in one of the Authority-approved courses, or an acknowledgment from the chairman of the board of directors or the managing director undertaking therein to have this job filled before the end of June 2011.

Internal documents

1. A certificate from the Central Department for Enforcement listing all penalties or actions signed by the Authority and the date each penalty or action was imposed during the two years prior to the issuance of the firm board of directors' decision regarding opening of the branch.
2. A letter from the Central Department for Regulation and Supervision of entities engaged in the business of securities stating therein the status of the last inspection of the firm, and the opinion of the Department regarding whether to continue processing the issuance of approval of the branch or not.

## **Annex (D)**

### **List of documents**

#### **Required for bringing into conformity with regulatory requirements the change of an existing registered execution branch into a Class I execution branch**

##### **Documents related to the firm:**

1. A certified photocopy of the Authority's approval issued to the firm authorizing online trading in accordance with the provisions of the Authority Chairman's Decision no. 50 of 2006 that is referred to and signed by the chairman of the board or the managing director and stamped with the firm's seal.
2. A statement from the firm's auditor certifying therein that he verified the firm's adoption of an internal control system to ensure protection at the level of the firm as a whole, both at the main office and branches
3. An acknowledgement from the chairman of the board or the managing director undertaking therein to adopt automated systems for the back offices and operationalize the automated orders book in accordance with the Authority Chairman of the Board's Decision no. 49 of 2006 regarding actual adoption of call recording system for client's orders and remote trading screens.
4. A certified copy of the Authority's approval [for the company] to use the call recording system for clients' orders. It must be stamped with the firm's seal and signed by the chairman of the board or the managing director (in case the firm has the approval of the Authority).

##### **Documents related to outfitting the office of the branch:**

1. A certified copy of the Authority's approval for opening a branch, stamped with the firm's seal and approved by the chairman of the board or the managing director
2. An acknowledgment by the chairman of the board or the managing director undertaking to:
  - Introduce any modifications to the facilities of the premises of the branch in accordance with the list of standards and specifications issued by the Authority and related to the office and facilities, which must be available once so required [as set out in that list]. [by that list].
  - Provide means for placement of orders through the automated orders management system which is connected to the main office of the firm; and not to place orders or execute transactions at the stock exchange except through licensed persons.
  - Provide automated systems to prove orders received; and hand over on a weekly basis to the main office originals of orders or proof of their receipt, regardless of the means of receipt
3. Minutes of meeting of the firm board of directors including the decision of

bringing into conformity with regulatory requirements the registration of the branch and providing minimum staffing for it.

### **General documents**

1. Submitting an application for bringing into conformity with regulatory requirements the registration of the branch signed by the chairman of the board of directors or the managing director and stamped with the firm's seal.
2. Submitting a receipt evidencing payment of annual service charges for registration of the branch.
3. Submitting a letter from the Authority Financial Department evidencing that the firm has paid all amounts due to the authority as well as its fees up to the date the application for bringing into conformity with regulatory requirements the registration of the branch has been submitted.

### **Documents related to minimum staffing levels of directors and staff at the branch**

Submitting documents evidencing the existence of:

#### **1. Branch manager**

It is sufficient to produce evidence that he passed the execution branch director interview.

#### **2. Internal auditor**

A photocopy [of a document] proving that the internal auditor passed the personal interview held at the Authority must be submitted.

#### **3. Client account managers**

A photocopy [of a document] proving that the account manager passed the personal interview held at the Authority must be submitted.

#### **4. Transaction executors, Categories A, B, and C**

A photocopy of the card of the executor must be submitted.

#### **5. Customer service clerk**

A photocopy of [document] proving that the clerk has passed, or is enrolled in one of the Authority-approved courses, or an acknowledgment from the firm undertaking therein to have this job filled before the end of June 2010 must be submitted.

## **ANNEX (E)**

### **List of documents**

#### **Required for bringing into conformity with regulatory requirements the change of an existing registered execution branch into a Class II execution branch**

##### **Documents related to the firm:**

1. A certified photocopy of the Authority's approval issued to the firm authorizing online trading in accordance with the provisions of the Authority Chairman's Decision no. 50 of 2006 that is referred to and signed by the chairman of the board or the managing director and stamped with the firm's seal.
2. A statement from the firm's auditor certifying therein that he verified the firm's adoption of an internal control system to ensure protection at the level of the firm as a whole, both at the main office and branches
3. An acknowledgement from the chairman of the board or the managing director undertaking therein to adopt automated systems for the back offices and operationalize the automated orders book in accordance with the Authority Chairman of the Board's Decision no. 49 of 2006 regarding actual adoption of call recording system for client's orders and remote trading screens.
4. A certified copy of the Authority's approval [for the company] to use the call recording system for clients' orders. It must be stamped with the firm's seal and signed by the chairman of the board or the managing director (in case the firm has the approval of the Authority).

##### **Documents related to outfitting the office of the branch:**

1. A certified copy of the Authority's approval for opening a branch, stamped with the firm's seal and approved by the chairman of the board or the managing director
2. An acknowledgment by the chairman of the board or the managing director undertaking to:
  - Introduce any modifications to the facilities of the premises of the branch in accordance with the list of standards and specifications issued by the Authority and related to the office and facilities, which must be available once so required [as set out in that list]. [by that list].
  - Provide means for placement of orders through the automated orders management system which is connected to the main office of the firm; and not to place orders or execute transactions at the stock exchange except through licensed persons.
  - Provide automated systems to prove orders received; and hand over on a weekly basis to the main office originals of orders or proof of their receipt, regardless of the means of receipt
3. Minutes of meeting of the firm board of directors including the decision of

bringing into conformity with regulatory requirements the registration of the branch and appointment of the minimum staff and directors. It must meet requirements of the legal form.

### **General documents**

1. Submitting an application for bringing into conformity with regulatory requirements the registration of the branch signed by the chairman of the board of directors or the managing director and stamped with the firm's seal.
2. Submitting a receipt evidencing payment of annual service charges for registration of the branch.
3. Submitting a letter from the Authority Financial Department evidencing that the firm has paid all amounts due to the authority as well as its fees up to the date the application for bringing into conformity with regulatory requirements the registration of the branch has been submitted.

### **Documents related to minimum staffing levels of directors and staff at the branch**

Submitting documents evidencing the existence of:

#### **1. Branch manager**

It is sufficient to produce evidence that he passed the execution branch director interview.

#### **2. one Category B transaction executor & one Category C**

A photocopy of the card of the executor must be submitted or there must be a two-year experience. In addition, he must pass one of the Authority-approved courses as well as the trading test administered by the stock exchange.

#### **3. Customer service clerk**

A photocopy of [document] proving that the clerk has passed, or is enrolled in one of the Authority-approved courses, or an acknowledgment from the firm undertaking therein to have this job filled before the end of June 2010 must be submitted.

## **ANNEX (F)**

### **List of documents Required for bringing into conformity with regulatory requirements the change of an existing registered receiving branch into a marketing branch**

#### **Documents related to the firm:**

1. A statement from the firm's auditor certifying therein that he verified the firm's adoption of an internal control system to ensure protection at the level of the firm as a whole, both at the main office and branches
2. An acknowledgement from the chairman of the board or the managing director undertaking therein to adopt automated systems for the back offices and operationalize the automated orders book in accordance with the Authority Chairman of the Board's Decision no. 49 of 2006 regarding actual adoption of call recording system for client's orders and remote trading screens.
3. A certified copy of the Authority's approval [for the company] to use the call recording system for clients' orders. It must be stamped with the firm's seal and signed by the chairman of the board or the managing director (in case the firm has the approval of the Authority).
4. A certificate from Misr for Clearing, Depository and Central Registry certifying therein that the firm has been actually engaged in online trading for a period of no less than three months prior to the date it submitted the application

#### **Documents related to outfitting the office of the branch:**

1. A certified copy of the Authority's approval for opening a branch, stamped with the firm's seal and approved by the chairman of the board or the managing director
2. An acknowledgment by the chairman of the board or the managing director undertaking to:
  - Introduce any modifications to the facilities of the premises of the branch in accordance with the list of standards and specifications issued by the Authority and related to the office and facilities, which must be available once so required [as set out in that list]. [by that list].
  - Limit marketing activities to promote online stock exchange dealing, opening accounts for clients and providing technical support for them.
  - Provide means for placement of orders through the automated orders management system which is connected to the main office of the firm; and not to place orders or execute transactions at the stock exchange except through licensed persons.
  - Ensure signature of contracts is performed before the branch director and under his responsibility, send the client's file to the main office of the

- company and give a copy thereof to the client.
3. Minutes of meeting of the firm board of directors including the decision of bringing into conformity with regulatory requirements the registration of the branch and availability of the minimum staff and directors.

### **General documents**

1. Submitting an application for bringing into conformity with regulatory requirements the registration of the branch signed by the chairman of the board of directors or the managing director and stamped with the firm's seal.
2. Submitting a receipt evidencing payment of annual service charges for registration of the branch.
3. Submitting a letter from the Authority Financial Department evidencing that the firm has paid all amounts due to the authority as well as its fees up to the date the application for bringing into conformity with regulatory requirements the registration of the branch has been submitted.

### **Documents related to minimum staffing levels of directors and staff at the branch**

Submitting documents evidencing the existence of:

#### **1. Branch manager**

It is sufficient to produce evidence that he passed the receiving branch director interview.

#### **2. Customer service clerk**

A photocopy of [document] proving that the clerk has passed, or is enrolled in one of the Authority-approved courses, or an acknowledgment from the firm undertaking therein to have this job filled before the end of June 2010 must be submitted.