

# Translation of the Central Depository and Registry of Securities Law No. 93 of 2000

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ترجمة قانون الإيداع والقيود المركزي  
للأوراق المالية رقم ٩٣ لسنة ٢٠٠٠

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1 March 2026

  
ANDERSEN

**Law No. 93 of 2000 Concerning the Issuance of the Law on Central Depository  
and Registry of Securities**

In the name of the people: President of the republic

The House of Representatives has enacted the following law, which we hereby  
promulgate:

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**Preamble**

The People's Assembly has approved the following law, and We have promulgated it:

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**Issuance Articles**

**Article (1):**

The provisions of the accompanying law concerning central depository, registration, settlement, and clearing of securities shall come into force.

Any provision contrary to its provisions is hereby repealed.

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**Article (2):**

In applying the provisions of the accompanying law, its executive regulations, and implementing decisions, the term "Competent Minister" shall mean the "Minister of Economy," and the term "Authority" shall mean the "Financial Regulatory Authority."

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**Article (3):**

The Prime Minister shall issue, upon the proposal of the Chairman of the Board of Directors of the Financial Regulatory Authority and after taking the opinion of the Board, the executive regulations of the accompanying law within a period not exceeding four months from the date



of its entry into force.

Until the executive regulations and implementing decisions of the accompanying law are issued, the provisions, rules, and systems in force on the date of its implementation shall remain applicable insofar as they do not conflict with its provisions.

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#### **Article (4):**

Companies existing on the date of entry into force of this law and engaging in activities of depository, central registry, clearing, settlement of securities, or custodial services must regularize their status in accordance with its provisions within six months from that date.

Companies that issued securities prior to the effective date of this law must comply with the provisions of the accompanying law within a period not exceeding one year from the same date.

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#### **Article (5):**

The Prime Minister shall issue a decision specifying the phases and deadlines during which the certificates of securities that must be deposited and registered in accordance with the provisions of the accompanying law shall be deposited and cancelled with the Central Depository and Registry Company. The company shall take the necessary measures to comply with such deadlines.

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#### **Article (6):**

The provisions of the Companies Law governing Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981, and the Capital Market Law issued by Law No. 95 of 1992, shall apply to matters not specifically provided for in the accompanying law.

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#### Article (7):

This law shall be published in the Official Gazette and shall enter into force on the first day of the month following the lapse of one month from the date of its publication.

This law shall be sealed with the State's seal and enforced as one of its laws.

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### Chapter One

#### General Provisions

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#### Article (1):

The term "Company" shall mean any company licensed to carry out the activities of central depository and central registry of securities and financial instruments. The term "Central Depository Members" shall mean the entities stipulated in Article (19) of this law.

In matters for which no specific provision is contained in this law, all provisions relating to securities and their central depository and registry companies set forth herein shall apply to everything related to futures contracts, government financial papers and instruments, and their central depository and registry companies, insofar as this does not conflict with the nature of any of them.

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#### Article (2):

The activity of central depository shall mean every activity relating to the deposit and safekeeping of securities, the clearing and settlement of financial positions arising from trading transactions, and the transfer of ownership of securities through book-entry registration, including:

- Safekeeping securities with the company or with an entity licensed to do so.
- Transferring ownership of securities traded through central depository members by book entry.



- Recording pledge rights over securities.
  - Conducting clearing and settlement of financial positions arising from securities trading.
  - Safekeeping and settling government financial papers and instruments in accordance with the rules established by the Board of Directors of the Authority, after consulting the Central Bank of Egypt and the Ministry of Finance.
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#### Article (3):

The activity of central registry shall mean every activity involving the maintenance of records of ownership of securities and of pledge rights recorded thereon, including:

- Maintaining registers containing the names of shareholders and holders of other securities and all rights and dispositions relating thereto.
  - Distributing entitlements arising from securities deposited with the company, including principal, returns, dividend distributions, redemption values, and restructuring payments.
  - Publishing reports and information disclosed by entities issuing securities or relating thereto.
  - Providing services connected with the issuance of securities on behalf of the issuer.
  - Taking the necessary measures to replace securities upon the restructuring of the issuing entity.
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#### Article (4):

Ownership of securities deposited with the company shall not be transferred except upon completion of settlement of the transactions conducted thereon.

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#### Article (5):

The owner of a security shall have all rights arising from his ownership thereof, and the security shall be deposited and registered in his name.

However, securities may be deposited and registered in the name of one person, while another person or more shall hold the rights arising therefrom. The first shall be referred to as the "Registered Owner" and the second as the "Beneficial Owner." In such case, the registered owner shall be bound by the obligations of custodians provided for in this law.

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#### Article (6):

Only depository banks and entities engaged in custodial activities, portfolio management, or any other activity determined by a decision of the Competent Minister after consulting the Authority may act as a registered owner.

Depository banks shall mean banks that issue depository receipts registered and traded on local or international securities exchanges in return for their registered ownership of securities.

Every registered owner must record its name and details in a register prepared by the Authority for this purpose. The Board of Directors of the Authority shall determine the rules and procedures for registration therein.

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#### Article (7):

The issuer of a security shall deal with the registered owner, and such dealing shall discharge its liability. The registered owner shall enable the beneficial owner to exercise all rights arising from the security, including obtaining the financial rights due therefrom and the information relating thereto disclosed by the issuer. The registered owner shall also comply with the instructions of the beneficial owner regarding voting on the security and disposing thereof, and the proceeds of such disposition shall accrue to the beneficial owner.

In all cases of termination of the legal personality of the registered owner or its bankruptcy, registration of the securities shall be transferred to the beneficial owner.

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#### Article (8):

Securities deposited with the company, and the benefits arising therefrom, shall be fungible and interchangeable if they are of the same type, issue, and currency, and no central depository member may claim any right or obligation in respect of specific securities.

The provisions of the preceding paragraph shall apply to beneficial owners of securities having a single registered owner.

The registered owner shall vote on behalf of each beneficial owner in accordance with the instructions received from him.

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#### Article (9):

The company may conduct its activities in respect of securities, including foreign securities, provided that such securities are listed on a securities exchange in the state of their issuance.

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#### Article (10):

Representatives of members of the Board of Directors of the company, its employees, their spouses, and their minor children may not trade in securities except after obtaining the approval of the company's Board of Directors. A decision shall be issued by the Authority specifying the rules and procedures for such approval in accordance with the provisions set forth in the executive regulations.

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#### Article (11):

Securities listed on any securities exchange and all securities issued by any company offering its securities in a public subscription must be deposited with the company. Other securities may also be deposited.

In all such cases, the registration of deposited securities and the clearing and settlement of transactions conducted thereon shall be affected through the company.



**Note:**

Pursuant to Article 17, paragraph (e) of Law No. 159 of 1981 promulgating the Law on Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies, and Single-Person Companies as amended by Article 3 of Law No. 4 of 2018 amending certain provisions of the Law on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981:

*(The founders, or their representatives, must notify the Authority of the incorporation of the company, and the notification must be accompanied by a certificate from one of the licensed banks confirming the deposit of the securities of joint stock companies and partnerships limited by shares with the Central Depository and Registration Company.)*

Pursuant to Article 8 of Law No. 4 of 2018 amending certain provisions of the Law on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981:

*(Joint stock companies and partnerships limited by shares existing on the date this law comes into force must regularize their status in accordance with the provisions of item (e) of the first paragraph of Article (17), as substituted by this law, within a period not exceeding one year from the date it enters into force.)*

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**Article (12):**

No dealings in deposited securities or collection of the rights arising therefrom shall be affected except through book-entry registration with the company.

Securities may not be withdrawn after their deposit except in cases determined by a decision of the Chairman of the Board of Directors of the Authority.

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**Article (13):**

Upon cancellation of certificates of securities in accordance with rules determined by a decision of the Competent Minister, they shall be replaced by a single certificate for each issue of securities deposited with the company, provided that it records their number, type, value, and other particulars specified by the executive regulations.



## Chapter Two

### Clearing and Settlement

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#### Article (14):

The company shall carry out clearing operations in securities for the account of central depository members for the purpose of determining the net rights and obligations of each of them. The company shall also conduct settlement of financial positions arising from securities trading.

The executive regulations shall specify the operations included within clearing and settlement and the procedures they require.

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#### Article (15):

The company shall conduct clearing and settlement operations in securities on a delivery-versus-payment basis. The period between execution of a trading transaction and completion of its settlement shall not exceed the period determined by a decision of the Board of Directors of the Authority.

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#### Article (16):

The Board of Directors of the company shall, after obtaining the approval of the Authority, issue a decision establishing the systems necessary to ensure that central depository members fulfill their obligations relating to settlement in securities. For this purpose, it may resort to any or all of the following means:

- Requiring the member to provide a guarantee from a third party.
- Setting a maximum limit on the member's monetary obligations arising from its transactions with or through the company.
- Determining rules and procedures for liquidating transactions that are not settled.



- Establishing a system for lending securities among central depository members.

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**Article (17):**

The company shall safekeep securities either with itself or with an entity licensed to carry out custodial activities, and shall deposit funds belonging to central depository members with a bank subject to the supervision of the Central Bank of Egypt.

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**Article (18):**

The company shall establish and manage a fund to guarantee the fulfillment of obligations arising from securities transactions, in which members shall be required to participate. A decision of the Board of Directors of the Authority, upon proposal of the Board of Directors of the company, shall be issued regulating its system, rules of participation, and the delay compensation for failure to pay contributions when due.

A fine of (1%) of the value of the amounts subject to overdue obligations arising from securities transactions shall be imposed for each day of delay in fulfilling such obligations.

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**Chapter Three****Central Depository Membership**

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**Article (19):**

Central depository members must be among the following entities:

- Banks and branches of banks registered with the Central Bank of Egypt.
- Companies operating in the securities field in accordance with the activities determined by the Board of Directors of the Authority.



- Foreign companies and entities engaged in central depository activity for securities, provided that their head office is subject to supervision in accordance with the rules determined by the Board of Directors of the Authority.
- Other entities whose membership is accepted by the Board of Directors of the company in accordance with the conditions and procedures specified by the executive regulations.

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#### Article (20):

A central depository member must possess, in accordance with the rules and standards specified by the executive regulations, the following:

- Adequate financial resources to meet its obligations arising from membership and to address clearing and settlement risks in securities.
- Personnel, technical capabilities, books, registers, systems, and procedures necessary to conduct activities related to central depository and registry.

Entities referred to in Article (19) of this law that do not meet these requirements may obtain central depository services through one of its members.

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#### Article (21):

Central depository membership shall be available to the entities referred to in Article (19) of this law that satisfy the conditions set forth in Article (20) thereof. The member shall comply with the rules and procedures of the central depository.

The company must observe principles of equality among members whose positions are similar, including with respect to fees and charges it collects and the services it provides.



**Article (22):**

A central depository member must enter into a written agreement with the company in accordance with the form approved by the Authority, provided that it includes the member's commitment to the following:

- Complying with the rules, systems, and procedures relating to central depository and registry, and any amendments introduced thereto by the company after approval of the Authority.
- Paying the fees and expenses for the services provided by the company and compensating it for any breach of the rules, systems, and procedures relating to central depository and registry.
- Pledging the securities deposited with the company in its name and for its account whenever requested by the company as security for the fulfillment of its obligations, and authorizing the company to borrow against the pledge of such securities.
- Enabling any person delegated by the company to inspect the books and registers relating to the services provided to it and to verify their accuracy.
- Implementing the decisions of the Board of Directors of the company relating to the services it provides.
- Participating in the fund guaranteeing settlement of securities transactions.
- Sharing in bearing the company's losses in accordance with the rules established by its Board of Directors and approved by the Authority.

The agreement must specify the method for resolving disputes that may arise between its parties.

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**Article (23):**

Without prejudice to the provisions of Article (39) of this law, the Board of Directors of the company shall establish rules governing the measures to be taken with respect to central depository members in cases of their violation of the company's operating systems. Such rules shall not be effective unless approved by the Authority.

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**Chapter Four****Central Registry Provisions**

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**Article (24):**

The company shall observe equality among issuers of securities dealing with it whose positions are similar, including with respect to fees and expenses it collects from them and the central registry services it provides.

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**Article (25):**

Registration of securities with the company shall replace shareholders' registers or registers of ownership of securities maintained by the issuing entity.

The company shall create instruments that replace certificates of securities for purposes of transactions, attendance at general meetings of shareholders, distribution of dividends, pledging, exercise of pre-emptive rights, and other matters in accordance with the conditions and procedures stipulated in this law and the decisions issued in implementation thereof.

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**Article (26):**

The company may perform all acts necessary and appropriate to complete the registration of securities, the registration of transfer of their ownership, and the related data, in particular obtaining from registered owners of securities the names of their beneficial owners and the extent of each of their holdings.

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**Article (27):**

A register shall be maintained at the company for recording the data of beneficial owners obtained by the company from registered owners in accordance with the provisions of Article (26) of this law. This register may not be accessed by any party other than issuers of securities and entities legally authorized to do so, and only within the limits of the data concerning them.

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**Article (28):**

Registered owners shall disclose data of beneficial owners to the company in accordance with the rules and procedures specified by the executive regulations. If registered ownership is in the name of depository banks, they shall maintain a register of beneficial owners, which the company may inspect upon the request of the issuer of the securities.

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**Article (29):**

The company shall be obligated to complete registration of securities and to respond to inquiries from their issuers and other interested parties within the period and in accordance with the procedures specified by the executive regulations.

The company shall maintain the books and registers and prepare the reports necessary for carrying out its activities in accordance with what is specified by the executive regulations.

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## Chapter Five

### Custodians

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#### Article (30):

No entity other than banks and those specified by the executive regulations may engage in custodial activities. A decision licensing the practice of such activity shall be issued by the Authority in accordance with the rules and procedures specified by the said regulations.

Custodial activity shall mean every activity relating to safekeeping securities, dealing therein, and administering them in the name and for the benefit of the owner, or in the name of the registered owner for the benefit of the beneficial owner, all in execution of the client's instructions and within their limits.

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#### Article (31):

A licensee authorized to engage in custodial activities shall be obligated to:

- Segregate securities and accounts belonging to it from those belonging to each of its clients, while maintaining records thereof.
  - Credit and debit payments resulting from transactions in securities and their management to the account of each client.
  - Return securities to the client, along with any cash amounts due to him, upon his request.
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#### Article (32):

A licensee authorized to engage in custodial activities must enter into a written agreement with each of its clients, provided that such agreement does not conflict with the rules and provisions established by the Authority.

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Incorporation and Management of the Central Depository and Registry Company

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**Article (33):**

Without prejudice to the provisions stipulated in this law, the company shall be established in the form of a joint stock company to carry out its activities in accordance with the provisions governing companies operating in the securities field as stipulated in the Capital Market Law issued by Law No. 95 of 1992. Its articles of association shall conform to the model prepared by the Authority for this purpose.

Foreign central depository entities may enjoy membership status without being required to contribute to the company's capital, in accordance with the provisions specified by the executive regulations of this law.

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**Article (34):**

Repealed.

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**Article (35):**

A company applying for a license to conduct central depository and registry activities in Egypt must attach to its license application a copy of the internal rules and procedures it will follow in conducting such activity, in addition to any additional documents and data required by the Authority.

When issuing its decision on the license application, the Authority shall take into consideration the needs of the capital market and what serves its interests.

The license may be limited to one or more types of securities or to a specific geographic scope, and may include any conditions related to the conduct of the activity.

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#### Article (35 bis):

The Central Bank of Egypt may, through a joint stock company wholly owned by it or established in participation with others, carry out the activities of central depository and central registry with respect to government financial instruments and securities. The company shall be established in accordance with the provisions governing companies operating in the securities field as stipulated in the aforementioned Capital Market Law, without being bound by the provisions set forth in this Chapter.

The Board of Directors of the Authority shall issue rules regulating the deposit and registration of government financial instruments and securities and the settlement of financial positions arising from their تداول, including cases in which a fund is established to guarantee fulfillment of obligations arising from operations carried out by the company and the rules governing it, all after consulting the Central Bank of Egypt and the Ministry of Finance.

The provisions stipulated in this law shall apply to central depository and registry operations relating to government financial instruments and securities, as well as to central depository members and custodians, insofar as no specific provision is provided in the rules issued pursuant to the second paragraph of this Article.

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#### Article (35 bis 1):

Companies that conduct clearing and settlement operations for contracts traded on futures exchanges shall be established in accordance with the provisions governing companies operating in the securities field as stipulated in the aforementioned Capital Market Law, provided that they take the form of a joint stock company and are licensed by the Authority to carry out such activities. Their articles of association shall conform to the model prepared by the Authority for this purpose, without being bound by the provisions set forth in this Chapter.

In cases of physical settlement of commodity contracts, the commodities subject to the contracts shall be delivered in accordance with the rules established by the Unit for Supervision and Control over Approved Commodity Warehouses referred to in Article (26 bis 6) of the Capital Market Law.



**Article (35 bis 2):**

A company licensed to conduct clearing and settlement operations for futures contracts shall issue regulations governing clearing and settlement rules and procedures. Such regulations shall not be effective unless approved by the Authority.

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**Article (36):**

The company shall establish a separate department for each of the central depository activity, the central registry activity, and the settlement guarantee fund. Each department shall have independent accounts and its own financial position.

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**Article (37):**

Shares of the Central Depository and Registry Company for Securities shall be owned by Egyptian securities exchanges and by central depository members. The percentage held by each central depository member shall be proportional to the volume of its transactions with the company according to the fees and expenses it pays thereto, provided that the ownership of any member or any related group shall not exceed (5%) of the company's capital. The company's articles of association shall determine the percentage owned by securities exchanges, provided that it shall not be less than (5%) of the company's capital, and they shall be represented by at least one member on the company's Board of Directors. Ownership of shares may be transferred between central depository members and exchanges by decision of the Extraordinary General Assembly of the company in accordance with its articles of association, and such shares may not be disposed of except in cases of redistribution or where central depository membership ceases.

In such cases, ownership of shares shall be transferred to the company so that it may redistribute them in accordance with what is specified by the executive regulations of this law, and any disposition made in violation of this shall be void.

The executive regulations shall determine the rules for distribution of shares in the company's capital upon its establishment and upon admission of new members, as well as the rules governing redistribution of shares among members in implementation of the provisions of the first paragraph of this Article. Transfer of ownership of shares among members or between them and the company shall be made at their nominal value.



Foreign central depository entities may enjoy membership status without being required to contribute to the company's capital, in accordance with the provisions specified by the executive regulations of this law.

A "related group" shall mean any group of members subject to the effective control of the same natural persons or the same legal persons, or bound by an agreement to coordinate voting at meetings of the company's General Assembly or its Board of Directors.

The Board of Directors of the Authority shall determine the conditions, controls, and procedures for licensing companies referred to in this Chapter to conduct activity, the minimum issued and fully paid capital thereof, which shall not be less than fifty million pounds, and the maximum limits for fees charged for the services they provide.

The Board of Directors of the Authority shall issue a decision determining the categories of licensing fees for the companies referred to in the preceding paragraph, not exceeding one hundred thousand pounds. Such fees shall be paid in cash or by any of the non-cash payment methods stipulated in the Law Regulating the Use of Non-Cash Payment Methods issued by Law No. 18 of 2019.

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**Article (38):**

In such cases, ownership of the shares shall be transferred to the company so that it may redistribute them in accordance with what is specified by the executive regulations, and any disposition made in violation thereof shall be void.

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**Article (39):**

A central depository member shall lose membership status in the following cases:

- Bankruptcy of the member or termination of its legal personality.
- Revocation by the Authority of the member's license to carry out the activity for which it was licensed.
- Cancellation of membership by decision of the Authority due to the member's violation of the provisions of this law or the decisions issued in implementation thereof.



- Cancellation of membership by decision of the Extraordinary General Assembly of the company issued by a majority of three-quarters of the members present.
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**Article (40):**

Repealed.

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**Article (41):**

The Board of Directors of the Authority may revoke the license to conduct central depository and central registry activities due to the company's violation of the provisions of this law or the decisions issued in implementation thereof, where such violation would cause harm to the capital market or threaten its stability. This shall be done after notifying the company of the violation attributed to it and granting it an appropriate period to remedy the violation or present its defense.

The decision revoking the license must include the procedures and arrangements necessary to address the consequences of revocation, and the decision shall not become effective unless approved by the Competent Minister.

The executive regulations shall determine the rules and procedures to be followed in this regard.

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### Supervision of the Central Depository and Registry Company

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#### Article (42):

The Authority shall supervise the company and inspect its activities in accordance with the provisions governing companies operating in the securities field as stipulated in the aforementioned Capital Market Law.

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#### Article (43):

The company shall undertake the following:

- Utilize adequate and appropriate systems and procedures to safeguard the securities held in its custody.
  - Engage external certified public accountants to evaluate its financial auditing methods.
  - Prepare periodic reports on the company's performance and notify central depository members and issuers of securities thereof.
  - Establish arrangements to ensure the proper functioning of the electronic data processing system and the retrieval system for stored information in the event of system failure.
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#### Article (44):

The company shall establish the technical systems for deposit, clearing, settlement, central registration, and other systems related to trading in the securities market and their supervision, after obtaining the approval of the Board of Directors of the Financial Regulatory Authority.

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**Article (45):**

The company's accounts shall be audited by two auditors selected from among those registered in a register maintained by the Authority for this purpose.

The company shall submit to the Authority the reports and financial statements required from companies offering securities for public subscription in accordance with the provisions of the Capital Market Law, in addition to other reports specified by the executive regulations.

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**Article (46):**

Without prejudice to the authority of the company's General Assembly to select members of its Board of Directors, the majority of such members shall be persons with relevant expertise, including the Chairman of the Board and the Managing Director.

The list of nominees for the chairmanship and membership of the company's Board of Directors shall, after approval by the Board of Directors of the Financial Regulatory Authority, be submitted to the General Assembly for selection therefrom. Likewise, the appointment of executive directors responsible for clearing, settlement, central depository, and the Settlement Guarantee Fund shall be subject to the approval of the Board of Directors of the Authority.

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**Article (47):**

In order to safeguard the stability of the capital market and ensure the proper conduct of the company's business, the Board of Directors of the Authority may issue a reasoned decision to exclude one or more members of the Board of Directors. It may also appoint an observer member to the company's Board for such period as it determines. Such member shall have the right to participate in Board discussions and record his opinion regarding decisions taken, without having voting rights.

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#### Article (48):

The company shall be liable for damage resulting from:

- Failure to deliver securities or transfer funds belonging to a member or any of its clients, or failure to register or transfer ownership of securities.
- Loss of securities or funds.
- Any other damage sustained by a member, any of its clients, issuers of securities, or third parties, for which the company is responsible pursuant to its articles of association, its applicable rules and procedures, or the agreement governing its relationship with the member or with the issuer of securities.

Members shall bear compensation for damage arising from the company's liability in accordance with the rules governing participation in such liability, unless the damage is covered by insurance.

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#### Article (49):

The company must have the means and procedures necessary to preserve the confidentiality of information relating to transactions conducted through it and to ensure that none of its directors, employees, or agents disclose such information. The company must also have appropriate mechanisms to detect violations of these procedures and rules.

A central depository member and an issuer of securities may request access to the company's books and records relating to their transactions with it. The company shall enable them, or their appointed representatives, to review such books and records at its premises and to obtain copies thereof.

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#### Article (50):

The Board of Directors of the Authority shall establish rules concerning the measures to be taken in respect of the company in cases of violation of the provisions of this law and the decisions issued in implementation thereof. Such measures shall not take effect until approved by the competent minister.



**Article (51):**

The provisions of the Capital Market Law concerning persons vested with judicial ضبطية powers and their authority to establish offenses committed in violation of this law and the decisions issued in implementation thereof shall apply.

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**Chapter Seven (bis):**

Pledge of Securities, Financial Instruments, and Government Securities and Financial Instruments

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**Article (51 bis):**

Subject to the provisions of the Commercial Law issued by Law No. 17 of 1999, the provisions of this chapter shall apply to the pledging of securities, financial instruments, and government securities and instruments.

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**Article (51 bis 1):**

A pledge agreement over securities or financial instruments in accordance with this law shall be binding and enforceable against third parties if it is in writing, has a fixed date, and specifies the pledged assets. Registration of the pledge in the pledgor's account with the company shall be sufficient for identifying the subject matter of the pledge.

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**Article (51 bis 2):**

A debtor who pledges securities or financial instruments shall have the right to utilize them if the pledge agreement so provides, provided that the debtor replaces them, prior to the maturity of the secured obligation, with other securities or financial instruments of no lesser value or conditions than those pledged. This shall not prejudice any rights of the pledgee creditor over the pledged securities or instruments in accordance with the pledge agreement, including the right to enforce against the pledged assets or their replacements.



**Article (51 bis 3):**

Upon the occurrence of the event giving rise to the pledgee creditor's right of enforcement, and after five days from serving the debtor with a registered notice accompanied by acknowledgment of receipt demanding payment, the creditor may proceed with enforcement by selling or appropriating the securities or financial instruments and deducting their value from the amounts owed.

Direct appropriation shall not be permitted unless expressly provided for in the pledge agreement together with the method for valuing the securities or instruments for enforcement purposes.

In all cases, it shall not be permissible to agree to defer enforcement against pledged securities or financial instruments pending an administrative decision, judicial ruling, auction procedure, or the lapse of a specified period. Enforcement shall not be deferred by reason of the bankruptcy or restructuring of either the pledgor debtor or the pledgee creditor.

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**Article (51 bis 4):**

A pledge agreement over securities or financial instruments, together with any related additional pledges or substitution of the pledged assets, shall be valid and enforceable against all parties if concluded before the commencement of liquidation or restructuring proceedings of the pledgor debtor or on the day such proceedings commence, provided the pledgor proves lack of knowledge thereof.

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## Chapter Eight

### Bankruptcy of Central Depository Members

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#### Article (52):

All entries and transactions completed and finalized in accordance with rules approved by the Board of Directors of the Authority shall remain valid and may not be suspended, annulled, or subjected to attachment, notwithstanding any contrary provision in any other law.

In the event of the bankruptcy of a central depository member, the company shall complete clearing and settlement of transactions to which the member was a party and the financial positions arising from final orders issued by it prior to notification of the company of the bankruptcy judgment. Such transactions and orders shall be enforceable against all parties.

Without prejudice to the finality of the transaction, the Authority may, on its own initiative or upon request of the bankruptcy trustee or any interested party, reverse the entry of such transactions if it is established that they were carried out through fraud, deceit, error, negligence, or bad faith by the company or by one of the central depository members.

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## Chapter Nine

### Grievances

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#### Article (53):

The provisions of Articles (50) and (51) of the Capital Market Law shall apply to grievances submitted by concerned parties against decisions issued by the competent minister or the Authority pursuant to this Law and its implementing decisions.

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## Chapter Ten

### Penalties

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#### Article (54):

Without prejudice to any more severe penalty prescribed under another law, any person who carries out an activity subject to this Law without the required license shall be punished by imprisonment for a term of not less than one year and a fine of not less than one hundred thousand pounds and not exceeding two hundred thousand pounds, or by either of these two penalties.

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#### Article (55):

Without prejudice to any more severe penalty prescribed under another law, a fine of not less than fifty thousand pounds and not exceeding one hundred thousand pounds shall be imposed on any person who violates the provisions of the third paragraph of Article (8) and Articles (10, 28, 31, 43, and 46) of this Law.

Decisions issued by the Board of Directors of the Authority pursuant to this Law may also prescribe a fine for violations thereof, provided that such decision is published in the Egyptian Gazette and that the fine is not less than ten thousand pounds and not more than fifty thousand pounds.

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#### Article (56):

Without prejudice to any more severe penalty prescribed under another law, any person who discloses a secret obtained by virtue of their work in implementation of this Law, or who derives direct or indirect benefit from it, shall be punished by imprisonment for a term of not less than six months and a fine of not less than fifty thousand pounds and not exceeding one hundred thousand pounds, or by either of these two penalties.

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**Article (57):**

In addition to the penalties prescribed for the crimes set forth in the preceding articles, the court may order deprivation from practicing the profession or prohibition from engaging in the activity in connection with which the crime was committed for a period not exceeding three years. Such penalty shall be mandatory in the case of recidivism.

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**Article (58):**

The person responsible for the actual management of a violating company shall be subject to the same penalties prescribed for acts committed in violation of this Law if it is established that they were aware of such acts and that their breach of the duties imposed upon them by virtue of that management contributed to the وقوع of the offence.

The company shall be jointly liable for the payment of any financial penalties imposed if the violation was committed by one of its employees in its name or for its benefit.

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**Article (59):**

Criminal proceedings for the offences stipulated in this Law may not be initiated except upon a written request from the competent minister after obtaining the opinion of the Chairman of the Authority.

The competent minister may reach a settlement with the accused or convicted person in any of such offences in return for payment to the Authority of an amount not less than the maximum prescribed fine and not exceeding double that amount, in addition to the value of any benefit gained by the offender or damage caused by the offence, whichever is greater. Such settlement shall result in the extinguishment of the criminal case.

The Public Prosecution shall order suspension of the execution of a custodial sentence if a settlement is reached during its enforcement, even after the judgment has become final.



# Translation of

the Executive Regulation  
of the Central Depository  
and Registry of Securities  
Law No. 906 of 2001

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ترجمة اللائحة التنفيذية لقانون الإيداع  
والقيد المركزي للأوراق المالية  
رقم ٩٠٦ لسنة ٢٠٠١

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1 March 2026

  
ANDERSEN

Minister of Supply and Internal Trade Decree No. 906 of 2001

**Concerning the Issuance of the Executive Regulations of the Central Depository and Registry  
Law for Securities issued by Law No. 93 of 2000**

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**Preamble**

After reviewing the Law of Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981 and its Executive Regulations;

And the Capital Market Law issued by Law No. 95 of 1992 and its Executive Regulations;

And the Commercial Law issued by Law No. 17 of 1999;

And the Central Depository and Registry Law for Securities issued by Law No. 93 of 2000;

And Presidential Decree No. 51 of 1997 concerning the provisions regulating the management of the Cairo and Alexandria Stock Exchanges and their financial affairs;

And after taking the opinion of the Board of Directors of the Capital Market Authority;

And based on what was presented by the Chairman of the Authority;

**It is hereby decreed:**

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**Issuance Provisions**

**Article (1):**

The provisions of the Executive Regulations of the Central Depository and Registry Law for Securities issued by Law No. 93 of 2000, attached to this Decree, shall enter into force. In matters not specifically provided for therein, the provisions of the Executive Regulations of the Law of Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981, and the Executive Regulations of the Capital Market Law issued by Law No. 95 of 1992 shall apply.

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### Article (2):

For the purposes of applying the provisions of the attached Regulations, the term “Law” shall mean the *Central Depository and Registry Law for Securities issued by Law No. 93 of 2000*; “Competent Minister” shall mean the *Minister of Foreign Trade*; “Authority” shall mean the *Capital Market Authority*; “Exchange” shall mean *each of the Cairo and Alexandria Stock Exchanges*; “Company” shall mean the *Central Depository and Registry Company*; “Member” shall mean a *Central Depository Member*; and “Issuing Entity” shall mean *any entity or company that has issued securities*.

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### Article (3):

This Decree shall be published in *Al-Waqa’i Al-Misriyya* and shall enter into force on the day following the date of its publication.

Issued on: 26 / 11 / 2001.

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## Chapter One: Central Depository Operations

### Section One: Central Depository

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### Article (1):

The following securities must be deposited with the Company:

- Securities listed on stock exchange registers.
- Securities issued by a company if it offers its securities through a public subscription.

Other securities may be deposited in accordance with the conditions established by the Company’s Board of Directors and approved by the Authority.

Securities listed on stock exchange registers or offered for public subscription prior to the effective date of these Regulations must be deposited within six months from that date.

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**Article (2):**

The deposit of securities delivered to their owners through a Central Depository Member shall be made by submitting a request on the form prepared by the Company, accompanied by proof of ownership in respect of registered securities.

The Company shall issue to the depositing member, within three days from the date of submission of complete documents, a statement of deposited items, provided that it includes the type of security, quantity deposited, date of deposit, and whether the securities are pledged or subject to attachment. The member shall deliver to the client a statement of the client's balance including the aforementioned data. This statement shall replace securities instruments and temporary certificates in all transactions, including attendance at general meetings, receipt of dividends, pledging, and other rights. No dealings in deposited securities or collection of any rights arising therefrom shall be permitted except through book-entry registration with the Company.

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**Article (3):**

Entities and companies issuing securities after the entry into force of these Regulations must issue a single certificate for each issuance to be deposited with the Company within a period not exceeding fifteen days from the date of registration in the commercial register for shares, and from the closing date of subscription for other securities.

For securities issued whose certificates had not been printed by the date these Regulations enter into force, a single certificate must be issued for each issuance and deposited with the Company within three months from that date.

In all cases, the certificate shall contain all essential data relating to the securities, in particular: their type, number, nominal value, currency of issuance, last due coupon, and the company's details and its previous issuances.

The Company shall be prohibited from destroying deposited securities certificates before a decision cancelling them is issued in accordance with Article (5) of the Law and the issuing entity delivers to it a single certificate for each issuance containing the aforementioned data.

Certificates shall be destroyed at the Company's premises in the presence of a representative of the issuing entity, and minutes shall be drawn up to that effect.



**Article (4):**

Registration of securities with the Company shall be made upon request of the issuing entity, accompanied by the following documents and data:

- Basic data of the securities issued thereby, including: types of securities, issuances for each type, currency of issuance, number of shares and their classes, value of each, the paid-up portion thereof, and serial numbers for each class of shares.
- A statement of securities for which replacements for lost or damaged certificates have been issued.
- Securities marked as attached, pledged, or suspended from trading, together with supporting documentation.
- A list of names of subscribers to the securities subject of registration and the percentage paid by each.

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**Article (5):**

Any shareholder wishing to carry out a transaction whereby the percentages stipulated in Article (59) and subsequent articles of the Executive Regulations of the Capital Market Law No. 95 of 1992 are exceeded must notify the Company at the same time as notifying the issuing entity.

The Company may, on behalf of the issuing entity and by agreement with it, notify any shareholder owning at least (1%) of the shares of such companies.

The preceding provisions shall apply to the registered owner in respect of beneficial owners dealing through that owner.

The Company must suspend settlement of any trading transactions immediately upon becoming aware that they were conducted in violation of the preceding provisions and must notify the issuing entity and the Authority.



**Article (6):**

The Company shall preserve the certificates of securities deposited with it in secure places designated for that purpose, whether in its own vault or in a vault held by a third party. The Company shall establish the necessary systems for this purpose.

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**Article (7):**

Members shall be responsible for the accuracy of the data submitted by them to the Company and for the integrity of the securities deposited through them.

Issuers of securities shall likewise be responsible for the accuracy of the data, reports, and statements delivered by them to the Company.

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**Article (8):**

The Company shall maintain orderly records for all services related to the activities it conducts. All members and registered owners shall reconcile their records with those of the Company whenever requested to do so, and they may request such reconciliation.

The Company may correct or amend any inaccurate data in its records, either on its own initiative or upon request of the Authority or any interested party.

The Company must notify concerned persons of any correction or amendment within fifteen days from the date it is made, without prejudice to the right to claim compensation from the person responsible for damage resulting from any incorrect entry.

A grievance may be submitted to the Authority concerning any correction or amendment made by the Company.

In all cases, the data recorded in the Company's records shall be deemed authoritative.

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## Chapter One: Central Depository Operations

### Section Two: Clearing and Settlement

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#### Article (9):

The Company shall carry out clearing operations and settlement of transactions conducted in securities for the account of Central Depository Members, for the purpose of determining the net rights and obligations of each and settling positions arising from trading in securities deposited with it and transferring ownership thereof.

Parties to trading transactions conducted in securities deposited with the Company but not listed on the stock exchange must notify the Company of the essential details of such transactions in accordance with the system established by the Company.

Clearing shall take place on a delivery-versus-payment basis within a period not exceeding the timeframe determined by the Authority's Board of Directors for completion of the relevant settlement process.

The Company must transfer ownership of the securities subject of these transactions through book-entry registration in its records and deliver to the concerned party a document evidencing settlement of these transactions on the form approved by its Board of Directors.

The annex attached specifies the transactions covered by clearing and settlement operations and the procedures they include.

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#### Article (10):

Without prejudice to the provisions of Article (4) of the Law, if the reason for delay in completing settlement is attributable to the seller, the rights and advantages arising from the securities shall accrue to the buyer as of the specified settlement date, subject to the rights of the Settlement Guarantee Fund or the Securities Lending System, as the case may be.

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**Article (11):**

The Company shall establish the necessary systems to ensure that Central Depository Members fulfill their obligations relating to settlement of transactions arising from trading in securities, in accordance with the provisions of Article (16) of the Law.

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**Article (12):**

If a judgment is issued declaring the bankruptcy of a member, the Company shall conduct clearing and settlement for transactions in which that member was a party prior to the issuance of the judgment, even if the procedures extend beyond the date of issuance of the judgment.

Such transactions shall be enforceable against all parties.

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**Article (13):**

A fund shall be established within the Company to guarantee fulfillment of obligations arising from securities transactions, in which all members shall participate in its capital. Its system and rules for participation shall be issued by a decision of the Authority's Board of Directors upon proposal of the Company's Board of Directors.

The fund shall have a financial year beginning and ending with the start and end of the Company's financial year, and its accounts shall be independent, provided they are disclosed in the Company's financial statements.

At the end of each financial year, returns shall be distributed to the accounts of the fund's members in accordance with a decision of the Company's General Assembly in this regard, taking into account each member's cash contribution relative to the total capital of the fund, after deducting the percentage of returns allocated to the Company in consideration for managing the fund's operations.

In all cases, a member may not receive any returns on amounts paid to the fund as compensation for delay.

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## Chapter Two: Central Depository Membership

### Section One: Conditions and Procedures of Membership

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#### Article (14):

An entity wishing to obtain Central Depository membership must submit an application to the Company accompanied by the following:

#### First: For banks and branches of foreign banks registered with the Central Bank of Egypt:

- Approval of the Central Bank of Egypt.
- A statement of the members of the bank's Board of Directors and those authorized to sign.
- A copy of the bank's articles of association.
- A copy of the bank's commercial register.
- Proof of payment of the membership fee.

#### Second: For companies operating in the securities field:

- License issued by the Authority to conduct the activity.
- A copy of the company's articles of association.
- A copy of the commercial register.
- A statement of the members of the Board of Directors and managers of the company and those authorized to sign on its behalf.

The company's field of activity must be one or more of the activities specified by a decision of the Authority's Board of Directors.



**Third: For foreign companies and entities conducting central depository activities for securities:**

- A certificate from the Authority confirming that the foreign company or entity is subject to supervision in accordance with rules determined by the Authority's Board of Directors.
  - The commercial register of the company or its equivalent for foreign entities.
  - A statement of the names of those responsible for the actual management of the foreign entity and those authorized to sign on its behalf.
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**Article (15):**

The following shall be required for acceptance of a membership application:

- The applicant entity must have a department specialized in clearing, settlement, and central depository affairs headed by a full-time manager with not less than five years' experience in the securities field, and a full-time deputy with at least three years' experience in the same field, in addition to a sufficient number of full-time employees.
  - Employees occupying technical positions must successfully complete the training courses prepared by the Company for use of its technical operating systems.
  - The member must possess the technical tools and means enabling it to perform its role in accordance with rules established by the Company and approved by the Authority.
- 

**Article (16):**

The Company must decide on the membership application within two weeks from submission of a complete application.

The Company may not reject the application except for failure to satisfy one of the conditions stipulated in the Law or these Regulations. The rejection decision must be in writing and reasoned.

In all cases, the concerned party must be notified of the acceptance or rejection decision within one week from the date of its issuance.



The concerned party may file a grievance against the decision before the Authority within ten days from the date of notification.

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**Article (17):**

The Company's Board of Directors may, after approval of the Minister, accept membership of natural persons or legal persons provided that the volume of their business is influential in the securities market in Egypt.

Applications shall be submitted and decided upon in accordance with the procedures and timeframes specified in the preceding article.

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**Article (18):**

The member shall be responsible before the Company for obligations imposed on entities that obtain central depository, clearing, and settlement services through that member.

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**Chapter Two: Central Depository Membership**

**Section Two: Membership Provisions**

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**Article (19):**

A Central Depository Member must comply with the rules, systems, and procedures relating to central depository activities established by the Company in implementation of the Law and these Regulations.

Such rules, systems, procedures, and any amendments introduced thereto by the Company shall not become effective unless approved by the Authority, notified to the members, and at least one week has elapsed from the date of notification. The member shall be liable to compensate the Company for any breach of the aforementioned rules, systems, and procedures. The contract signed between the two parties shall determine the basis and method of calculating compensation.



**Article (20):**

All members must notify the Company of the services they provide to their clients, the timing and manner of performance thereof, and the consideration charged for such services.

The Company shall publish this information to participants in the securities market in the manner it deems appropriate.

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**Article (21):**

The Company may set a maximum limit on the volume of transactions that a member may execute in accordance with a system it establishes and that is approved by the Authority.

The maximum transaction limit of a member must be linked to its net capital if financial settlement is carried out directly for its own account. A member may execute any purchase transactions without adhering to this limit if the clearing bank deposits the value of such transactions and notifies the Company thereof at least one business day prior to execution, or if the member provides adequate collateral acceptable to the Company.

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**Article (22):**

The Company may delegate such of its employees or external experts as it deems appropriate to inspect, at the member's premises, the books and records relating to services provided to it by the Company and verify their accuracy.

Such inspection shall take place at the member's premises or any other location where such books and records are kept, during official working hours, and in a manner that does not disrupt the member's business operations.

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**Article (23):**

The member's share in the Company's capital shall serve as security for fulfillment of its obligations toward the Company. Shares deposited in its name and for its account with the Company, and any entitlements arising therefrom, shall serve as security for fulfillment of its obligations resulting from its dealings in securities.

The Company may request that the member pledge securities deposited in its name and for its account and authorize the Company to borrow against such pledge to settle its obligations. The member must comply with this request within one week from notification thereof, without prejudice to the Company's right to request other guarantees pursuant to Articles (16) and (22) of the Law.

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**Article (24):**

The Company's Board of Directors may, after approval of the Authority, issue rules regulating securities lending to ensure fulfillment of obligations arising from securities trading transactions for the purpose of settling such transactions within their prescribed deadlines.

The Company may determine the appropriate guarantees to be provided by the member to whom securities are lent.

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**Chapter Two: Central Depository Membership****Section Three: Suspension and Termination of Membership**

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**Article (25):**

The Company's Board of Directors may suspend a member's membership if it violates the established rules and systems of operation and fails, after being warned, to remedy the violation under the conditions and within the period specified by the Board of Directors.

Suspension shall be issued by a reasoned decision of the Company's Board of Directors by an absolute majority of members present at the Board meeting, for a period not exceeding thirty days. The decision shall specify the procedures to be followed during the suspension period.

The Company must notify the Authority of the suspension decision and its reasons within three days from the date of issuance.



The Company shall administer the member's client records existing at the time the suspension decision is issued.

After notifying the Company, the member may obtain clearing and settlement services through another member.

The member may submit a grievance before the Authority against the suspension decision within one week from the date of notification thereof.

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### Article (26):

A Central Depository Member shall lose membership status in the following cases:

- Bankruptcy of the member, loss of its legal personality, or loss of any membership condition.
- Revocation of the member's license by the Authority to conduct the activity for which it was authorized.
- Cancellation of membership by decision of the Authority due to the member's violation of the provisions of this Law or decisions issued in implementation thereof.
- Cancellation of membership by decision of the Extraordinary General Assembly of the Company issued by a three-quarters majority of members present.

Cancellation of membership in the cases referred to in items (3) and (4) shall occur after the member has been notified of the violations attributed to it and has failed to remedy them within the period and under the conditions specified in the notice.

In all cases, a member whose membership has been terminated must notify its clients within three days from the date of termination and must settle all obligations toward them and provide the Company and the Authority with details of actions taken in this regard.

A decision cancelling membership due to loss of its conditions or violation of central depository rules and systems shall not become effective until the Authority and the stock exchange are notified thereof.



The member may file a grievance before the Authority against the Company's decision cancelling its membership within seven days from the date of notification of the decision.

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### Chapter Three: Central Registration Operations

#### Section One: Book-Entry Registration

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##### Article (27):

The Company shall maintain registers containing the names of owners of securities and all rights and dispositions relating thereto, in accordance with systems established by the Company, including electronic systems.

The Company must retain ownership transfer data for no less than five years and the related documents and records for no less than three years, unless applicable laws prescribe other periods.

The Company shall be responsible for such data from the date of registration therein, and the issuing entity must provide the Company with all data it considers necessary for registration or for the exercise of its powers and provision of its services.

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##### Article (28):

The Company shall directly record transfers of ownership of securities deposited with it where final judicial rulings have been issued in respect thereof, and securities whose ownership may legally be transferred without executing trading transactions on the stock exchange.

It must also record transfers of ownership of securities sold due to a shareholder's failure to pay amounts due thereon, after verifying that the issuing company has complied with legally prescribed procedures and time limits.

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### Article (29):

The Company must perform book-entry registration for all securities deposited with it, including the type of security, its nominal value, data relating to the issuing entity and the owner in whose name it is deposited, the date of deposit, and data of the Depository Member through whom the transaction is conducted.

For the purposes of applying these Regulations, book-entry registration means recording data in the books and registers prepared by the Company for that purpose, including electronic registers.

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### Article (30):

Issuing entities of securities registered with the Company must notify it of information relating to their securities after the end of the trading session of the preceding day, and the Company shall notify the stock exchange so that such information may be displayed on trading screens before the trading session of the following day.

The information referred to means information required to be disclosed under the rules governing listing and delisting of securities on the stock exchange, or that must be published if the company is a public subscription company.

The Company shall, on behalf of the issuing entity and at its expense, publish such information by appropriate means ensuring publicity and transparency, without prejudice to legal rules governing publication of reports, documents, and data relating to the issuing entity, unless the issuing entity publishes such information itself within the specified time in accordance with the latest shareholder ownership structure.

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### Article (31):

The Company may design an automated voting system for general assembly meetings of entities issuing securities registered with the Company that enables a shareholder to express an opinion on matters presented to the assembly without being required to attend its meetings. The forms and methods through which voting is conducted under this system must be established so as to ensure ease and accuracy of voting and verification that voting has in fact been carried out by the shareholder or the shareholder's legal representative.

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### Article (32):

The Company shall, without fees, disburse dividend coupons and other rights arising from securities in accordance with the system it establishes and notifies issuing companies thereof.

The issuing entity must ensure that the date for commencement of distribution is at least ten days after the date of announcement.

In all cases, the issuing entity must provide the Company with the full value of coupons and rights arising from securities at least three business days prior to the scheduled payment date.

The Company shall notify both the Authority and the stock exchange of issuing entities that fail to comply with the aforementioned provisions.

The Company may also refrain from providing its services to such entity, taking into consideration the rights of its shareholders.

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## Chapter Three: Central Registration Operations

### Section Two: Registered Owner and Beneficial Owner

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### Article (33):

The registered owner must conclude a contract with the beneficial owner specifying the rights and obligations of each, particularly the following:

- The services provided to beneficial owners, the commissions payable for such services, the method of determining them, and the timing and method of payment.
- The reports and account statements the registered owner must provide to the beneficial owner, and the timing and manner thereof.
- Regulation of the manner in which the registered owner attends general assemblies of companies in which shares are owned in the capital, and votes on behalf of the beneficial owner.



**Article (34):**

Where there are a registered owner and a beneficial owner, the registered owner must:

- Separate personal transactions from those of beneficial owners and maintain a separate account for each.
  - Prepare a special file for each beneficial owner in which data relating thereto and account movements and transactions are recorded. Such files and the data contained therein shall be subject to supervision by the Authority.
  - Use the regulations and systems prepared by the Company or those compatible therewith.
- 

**Article (35):**

The registered owner must notify the Company of the data of beneficial owners of securities deposited and registered in its name on the form prepared by the Company for this purpose within three days from completion of the deposit of securities or amendment of ownership registration, as the case may be.

If ownership is registered in the name of a custodian bank, it must prepare a register recording data of its beneficial owners.

The Company may request inspection of this register at the custodian bank's premises in Egypt during official working hours, and the custodian bank must allow any person delegated by the Company to inspect such register and obtain a copy thereof.

In all cases, the Company may request the registered owner to disclose any other data relating to beneficial owners whenever necessary for the performance of its functions.

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**Article (36):**

The Company shall prepare a register for recording data of beneficial owners obtained from registered owners. This register may not be inspected except by entities legally authorized to do so.



Issuers of securities deposited or registered with the Company may inspect this register with respect to such securities.

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**Article (37):**

The registered owner must enable beneficial owners to obtain all rights arising from securities deposited or registered in its name, particularly financial rights, including returns from such securities and proceeds from their disposal, no later than the day following receipt thereof.

The registered owner must notify the beneficial owner in writing of information disclosed by the issuer of the security within no more than three days from the date of becoming aware thereof.

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**Article (38):**

The registered owner must maintain registers containing complete data on its beneficial owners.

It must notify the Company of all data relating to its beneficial owners, the size of each owner's holdings of various securities, and any changes occurring to such ownership, within no more than three days from the date of settlement of transactions affecting their ownership.

The Company may inspect the aforementioned registers and obtain printed copies or copies stored on magnetic media.

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**Article (39):**

The registered owner must notify beneficial owners in writing of matters to be voted on at general assemblies of companies in which they hold shares in the capital at least ten days prior to the date of the general assembly meeting. The notice must include a comprehensive statement of the nature of the matter subject to voting and any information known to the registered owner relating thereto.



The registered owner may, when voting, divide the votes it represents in accordance with instructions received from beneficial owners. In all cases, the registered owner may not vote except on the basis of written instructions issued to it by the beneficial owner and within the limits thereof.

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**Article (40):**

If the registered owner is prevented from carrying out its activity, it must notify beneficial owners thereof on the next business day following occurrence of the impediment. In such case, securities shall be registered in the name of the beneficial owner, who may request the Company to transfer registration into the name of another registered owner.

In all cases, transfer of registration of securities pursuant to the provisions of this Article shall be affected without fees.

The Company shall notify the Authority and the stock exchange of the cessation of the registered owner and its replacement by another no later than the day following the Company's entry of such amendments in its records.

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**Chapter Three: Central Registration Operations**

**Section Three: Custodian Banks**

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**Article (41):**

Registration of entities wishing to operate as custodian banks shall be conducted in accordance with the following:

- The applicant entity must be among entities connected with securities, and those responsible for its management must possess the experience required for managers of companies operating in the securities field.
- If the applicant is a foreign entity, its head office must be subject to supervision in accordance with rules established by the Authority's Board of Directors.



- Approval of the Central Bank of Egypt must be obtained if the applicant is an Egyptian bank or a branch of a foreign bank.

The Authority must decide on the registration application within fifteen days from submission of complete documents, and the concerned party shall be notified of the Authority's decision accepting or rejecting registration within one week from its issuance. The applicant may file a grievance before the Authority against a rejection decision.

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### Chapter Three: Central Registration Operations

#### Section Four: Pledge of Securities

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#### Article (42):

The Company shall register pledge rights over securities deposited with it through book-entry registration, provided the following documents are submitted:

- A copy of the pledge agreement.
- Approval of the pledging debtor to the pledge.
- A statement signed by the pledgee creditor and the pledging debtor specifying the powers granted to the pledgee creditor over the value of the pledged securities, their accessories, and the returns due thereon.

The pledge must be registered within no more than three days from submission of the aforementioned documents in complete form. Registration of the pledge shall result in prohibition of disposal of the pledged securities until cancellation of the pledge upon request of the pledgee creditor or its termination for any legally prescribed reason.

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**Article (43):**

Returns arising from pledged securities shall be paid to the pledgee creditor throughout the duration of the pledge. The Company shall also register the pledge in favor of the pledgee creditor over any bonus shares issued in respect of the pledged shares and notify the creditor thereof, provided that registration of the pledge and notification of both creditor and debtor are completed within no more than ten days from the date the Company is notified of the bonus distribution.

All of the foregoing shall be without prejudice to any provisions contained in the pledge agreement.

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**Article (44):**

A registered owner may not pledge securities owned by beneficial owners through that registered owner, nor create any right over them nor borrow against them as collateral, unless the beneficial owner provides written consent.

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**Chapter Four: Custodians**

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**Article (45):**

For the purposes of this Regulation, custodial activity means any activity involving safekeeping of securities and dealing therein and their management, including securities accounts held in the name and for the benefit of the owner or in the name of the registered owner for the benefit of the beneficial owner, all within the limits of client instructions.

A custodian shall carry out its activity, particularly in the following fields:

- Securitization of financial rights.
- Purchase of securities on margin.
- Lending and borrowing of securities for trading purposes.
- Acting as registered owner.



This shall be in accordance with the provisions of these Regulations and the provisions stipulated in the Executive Regulations of the Capital Market Law issued by Ministerial Decree No. 135 of 1993, which shall supplement the provisions of these Regulations insofar as they do not conflict with them.

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#### **Article (46):**

No entity other than the following may carry out custodial activities without a license from the Authority:

- Banks and branches of foreign banks registered with the Central Bank of Egypt in accordance with the conditions set by the Authority's Board of Directors.
  - Foreign companies and entities engaged in custodial activities, provided that their head offices are subject to supervision in accordance with rules determined by the Authority's Board of Directors.
- 

#### **Article (46 bis):**

Licenses to conduct this activity shall be granted to companies operating in the securities field and companies licensed to carry out registered owner activity, provided that shareholders' equity is not less than ten million Egyptian pounds.

Licensing shall be subject to the following conditions:

- The auditor's report for the year preceding the license application must not contain reservations that materially affect the company's financial position.
- Custodial activity must be carried out through an independent department reporting directly to a member of senior management, staffed by at least four full-time employees, and allocated suitable premises at the company's head office.
- Custodial activity must have separate accounts audited independently, with a report submitted to the Authority at least every three months.



- The custodial department must maintain computer systems meeting specifications set by the Central Depository and Registry Company, together with a communication link between its information system and that of the Company.
- The custodial department must maintain a written internal operating and documentation cycle system specifying each employee's responsibilities, especially those responsible for receiving, recording, executing, and retaining client instructions.
- A system must be in place for storing and retrieving client instructions, data, and activity records for no less than five years.
- Staff of the custodial department must be of good reputation and must not have been convicted of any of the crimes stipulated in Article (47) of the Executive Regulations of the Securities Central Depository and Registry Law, unless rehabilitated.
- Custodial department staff must pass the training course organized by the Central Depository and Registry Company or any equivalent course approved by the Authority.
- Evidence must be submitted showing application for membership in the central depository, provided that membership is obtained within fifteen days from the date of issuance of the license.
- A cash deposit must be paid to the Authority to cover any damage resulting from violation of the Securities Central Depository and Registry Law, its Executive Regulations, or implementing decisions.
- The deposit shall equal one-half per thousand of the value of securities requested to be kept, with a minimum of ten thousand Egyptian pounds and a maximum of five hundred thousand Egyptian pounds.
- The amount shall be increased at the beginning of each calendar year if the market value of those securities increases.
- The Authority may require the custodian to replenish or increase the deposited amount in accordance with this decision.
- The Authority shall administer a system for holding these amounts and shall set rules and procedures for deductions and increases; interest generated from deposits shall accrue to the Authority.



- Insurance must be obtained against liability for non-commercial losses and damages, professional liability, and risks of loss, damage, or theft of client documents or funds through an insurance method approved by the Authority.
- A mechanism for settlement of disputes arising between the parties must be provided.

The application for a custodial license shall be submitted on the form prepared by the Authority, including and accompanied by the data and documents it requires.

In all cases, the Authority may verify at any time that licensing conditions continue to be met.

In the event of a violation, it may suspend or cancel the license, increase the amount payable to the Authority pursuant to item (12) of this Article, or take any legally prescribed measures.

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#### Article (47):

An entity applying for a license to conduct custodial activities must attach the following documents to its application:

- A certificate of registration in the commercial register, including registration number and date.
- A statement listing members of the board of directors and those responsible for actual management, together with their experience.
- Proof that board members and persons responsible for actual management are of good reputation and have not been convicted of a felony or misdemeanor involving dishonor or breach of trust, or any crime stipulated in the Law, Companies Law, Capital Market Law, or Commercial Law, nor declared bankrupt, unless rehabilitated.
- Proof of payment of the insurance amount as determined by a decision of the Authority's Board of Directors.
- Proof that the entity has obtained insurance against liability for non-commercial losses and damages, professional liability, or loss, damage, or theft of client documents or funds, in accordance with a decision issued by the Authority's Board of Directors.



- Approval of the Central Bank of Egypt if the applicant is an Egyptian bank or a branch of a foreign bank.
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#### Article (48):

A license to conduct custodial activities shall be issued by decision of the Chairman of the Authority within a maximum of fifteen days from the date complete documents are submitted, taking into account the needs and best interests of the capital market.

A refusal decision must be reasoned.

In all cases, concerned parties must be notified of the Authority's decision within fifteen days from its issuance.

Licensed entities shall be entered into a register maintained by the Authority for this purpose. Appeals against the Authority's decision in this regard are permitted.

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#### Article (49):

A custodian must conclude a written agreement with its clients in accordance with rules set by the Authority, including the following:

- The custodian's obligation to safeguard, maintain accounts of, and manage securities in the name and for the benefit of their owner, in accordance with and within the limits of the owner's instructions.
- The custodian's obligation to exercise the utmost diligence of a prudent professional in executing client orders.
- Determination of the custodian's fees for services rendered.
- The method for settlement of disputes arising between the parties.

The Authority shall be notified of the agreement template and may provide comments within fifteen days from the date of notification.

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#### Article (50):

The custodian shall maintain a record for each client including:

- The client's name, profession, residence, legal form, and nationality.
- A statement indicating whether the client deals in his own name and for his own benefit, or as a registered owner acting for beneficial owners.
- The address for correspondence.
- The names and capacities of persons authorized to sign on behalf of or represent the client before the custodian.

Client data must remain confidential and may not be disclosed to third parties, subject to data requests made by the Authority, the Company, or competent authorities.

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#### Article (51):

In dealing with clients, the custodian must adhere to principles of honesty and protection of client interests, ensure equal treatment of clients whose transactions are similar in nature and circumstances, and avoid any direct or indirect preferential treatment.

The custodian must also comply with all rules and systems issued by the Authority and the Company concerning custody and management of securities.

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#### Article (52):

The custodian shall be obligated to:

- Segregate securities owned by the custodian and its own accounts from those belonging to clients, and maintain the records necessary for that purpose.
- Credit and debit payments resulting from transactions in and management of securities to each client's account.
- Return securities and funds due to the client upon request, subject to the agreement concluded with the client.



- Maintain a list of all clients and a file for each client containing basic data, details of securities traded for the client's account, contracts concluded between the client and the licensed entity, and correspondence exchanged between them.
- Provide each client periodically with a detailed account statement showing executed transactions and the client's balance.
- Provide the Authority and the Company with any data requested by either of them.

For the purposes of this Article, a client means any natural or legal person for whom an account has been opened or with whom a contract has been concluded for custody and management of securities in his name and for his benefit, even if no transactions have yet been executed for that account.

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## Chapter Five: The Central Depository and Registry Company

### Section One: Incorporation, Licensing, and Capital Distribution

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#### Article (53):

The Central Depository and Registry Company must take the form of a joint-stock company with issued capital of not less than thirty million Egyptian pounds, fully paid upon incorporation.

Ownership of the company's shares shall be permitted only in accordance with the provisions of the law and these regulations, and any transaction conducted in violation thereof shall be deemed null.

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#### Article (54):

The company shall be incorporated in accordance with the conditions and procedures prescribed for companies operating in the securities field.



In addition to documents required under the Executive Regulations of the Capital Market Law and any additional documents requested by the Authority, the incorporation application must include a copy of the internal rules and procedures the company will follow, which must contain:

- Templates and rules governing services to be provided by the company.
- A summary of technical specifications of the automated systems to be used by the company.

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**Article (55):**

Upon incorporation, the company's capital shall be distributed in accordance with a decision issued by the Authority's Board of Directors, proportionate to each founder's volume of activity in the capital market during the year preceding incorporation, provided that Egyptian stock exchanges collectively own five percent (5%) of the company's capital. They shall agree among themselves on how this percentage is allocated and how their representative on the company's board is determined, taking into account the volume of securities listed on each exchange.

With respect to an existing company at the time these regulations come into force, its capital shall be distributed among its members proportionate to their volume of dealings with it based on fees and expenses paid during the preceding year.

The company's capital shall be redistributed among its members every three years based on each member's transaction volume with the company during that period. Transfer of shares among members shall be at nominal value.

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**Article (56):**

Transfer of company shares pursuant to the preceding article shall be made from the member to the company, and the member must be notified of completion of transfer procedures within three days of completion.

The company may redistribute these shares among its members or retain them for allocation to new members.



For purposes of the preceding paragraphs, transfers shall be made at nominal value.

The company must notify the Authority of any capital redistribution within one week at most from its completion.

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**Article (57):**

If a member of the central depository loses membership status for any reason, the company must transfer ownership of that member's shares in its capital to itself at nominal value within one week from notifying the member of termination of membership status, and the company shall then redistribute those shares in accordance with the preceding article.

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**Chapter Five: The Central Depository and Registry Company****Section Two: Board of Directors**

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**Article (58):**

The company shall have a board of directors consisting of no more than thirteen members, the majority of whom must be experienced professionals, including the chairman and the managing director. Egyptian stock exchanges must be represented by at least one member on the board.

The company's articles of association shall specify representation ratios of shareholder groups on the board and the method for preparing the list of nominees for chairmanship and membership.

The Authority's board shall determine experience criteria required for nominees representing shareholder groups and independent experts. Nomination for representatives of shareholder groups shall be limited to persons nominated by shareholder entities meeting the Authority's prescribed conditions.

After approval by the Authority's board, the list of nominees for chairmanship and board membership shall be presented to the general assembly for selection.



The company's board shall appoint managing directors and determine their powers as well as those of the chairman.

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**Article (59):**

The Chairman of the Authority shall be notified of the decision appointing the company's chairman and board members within two weeks from the date of issuance. The same notification period shall apply to any change in board membership.

If a board seat becomes vacant due to cancellation of the license of the member company represented, termination of its shareholding in the company, termination of the relationship between the shareholder member and its representative, or loss by a board member of any membership requirement, the next candidate in the same electoral group—according to vote ranking in the most recent board election—shall replace him. The new member's term shall complete the remaining term of his predecessor.

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**Article (60):**

An advisory committee shall be formed consisting of members and non-members to provide opinions on matters related to rules and systems governing central depository and registry operations and the services the company provides in the capital market.

The company's articles of association shall determine the method of forming this committee and its operating procedures.

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**Article (61):**

Representatives of member companies on the board, employees of the company, and their spouses and minor children may not trade in securities except with prior approval of the company's board in accordance with rules and procedures issued by decision of the Authority, which must include the following:

- Each such person must conduct trading through a single brokerage firm of their choice, which must be notified to the company together with a copy of the contract concluded with it.



- Dealings with the brokerage firm must be conducted through the company directly.
- The company must maintain a register recording purchase and sale transactions, the name of the person for whose account the transaction was executed, execution date, quantity of shares, value, and execution price.
- The company must keep a complete file for each such trader containing detailed data on all securities transactions and supporting documents.

These rules shall also apply to dealings with portfolio management companies and managers of securities portfolios.

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## Chapter Five: Central Depository and Registry Company

### Section Three: Company Financial Statements

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#### Article (62):

The company shall have a financial year determined by its statutes, and shall prepare financial statements in accordance with Egyptian accounting standards. It must prepare independent annual and quarterly financial statements for each of the following activities: central depository activities (including clearing and settlement), central registry, and the settlement guarantee fund, in addition to consolidated financial statements for the company as a whole.

If the company generates profits, the percentage contribution of each activity to total profits shall be calculated. After allocating required reserves, a distribution statement shall be prepared in accordance with the bylaws and resolutions of the general assembly, taking into account the following:

- Employees' profit shares and board remuneration shall be calculated from total company profits, then allocated proportionally according to each activity's share of total profits.



- The general assembly, upon proposal of the board, shall distribute a portion of profits from central depository activity to members in proportion to their shareholding in the company's capital, with the remainder distributed according to each member's transaction volume with the company during the preceding financial year.
- Any profits from central registry activity shall be allocated to issuing entities proportionally according to their transaction volume with the company during the previous year. Each issuer's share shall be credited to a dedicated account held with the company and used to offset amounts owed by that issuer during the following financial year.

A portion of net profits may be allocated to finance the settlement guarantee fund. The fund's regulations shall determine distributable profit and distribution rules.

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**Article (63):**

The company's accounts shall be audited by two auditors selected and remunerated by the general assembly from among auditors registered in a register maintained by the Authority for this purpose in accordance with rules it sets. Audits shall be conducted in accordance with Egyptian auditing standards.

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**Article (64):**

The company must appoint external certified public accountants to evaluate its financial audit methods and internal control systems and prepare a report thereon. The report shall be presented to the board at its first meeting at the beginning of the financial year, and a copy of the report together with the board's actions regarding it shall be submitted to the Authority within one week of that meeting.

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## Chapter Six: Supervision, Inspection, and Measures

### Section One: Supervision and Inspection of the Company

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#### Article (65):

The company must provide the Authority with the reports and statements referred to in Article (45) of the law, in addition to any of the following reports requested by the Authority:

- A daily report on settled trading transactions.
  - A monthly report on settlement guarantee fund activity.
  - A quarterly report listing securities registered with the company.
  - A quarterly report on the quantity of securities deposited with the company.
  - A quarterly report on payment of dividends for deposited securities.
- 

#### Article (66):

The company must prepare a manual of services it provides to its members or others, including details of those services, procedures for obtaining them, fees charged, and payment methods and dates.

The company must deal with its members in good faith, safeguard their interests, treat them equally, and avoid any discrimination, whether direct or indirect. It is prohibited from performing any act that causes harm to any member, and it must take necessary measures to prevent conflicts of interest between itself and its members or among members.

The company must establish a system ensuring the integrity of transactions involving deposited securities and confirming that transactions are carried out by the owner of the security or an authorized representative, including execution through secure cards.

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#### Article (67):

The company must adopt procedures ensuring full confidentiality of data and information and must not disclose them to third parties except with written authorization from the concerned person or their representative, heir, or legatee; the Authority; pursuant to a judicial ruling; or upon request of the public prosecution in connection with an investigation.

The company must also establish and operate systems and programs sufficient to safeguard shareholder data it is required to maintain under the law and these regulations. It must take necessary measures to protect such data from loss or damage, including establishing a backup emergency center located at an appropriate distance from its main center to address potential risks or disasters, using anti-intrusion protection software, preparing regular backup copies of its databases during trading days, and maintaining a standby backup system for shareholder databases to address potential risks.

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#### Article (68):

A licensed custodian, registered owner, or depository bank may not cease its activity except after notifying the company and obtaining approval from the Authority's board of directors, following verification that it has fully discharged all its obligations in accordance with the conditions and procedures determined by the Authority's board.

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## Chapter Six: Supervision, Inspection, and Measures

### Section Two: Measures

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#### Article (69):

The activity of a custodian, registered owner, or depository bank may be suspended if it violates the provisions of the law, these regulations, the Capital Market Law No. 95 of 1992 and its executive regulations, or decisions issued by the Authority's board or the company in implementation thereof, or if it loses any licensing condition and fails, after being notified, to remedy the violation or complete licensing requirements within the period and under the conditions specified by the Chairman of the Authority.



Suspension shall be issued by a reasoned decision of the Chairman of the Authority for a period not exceeding thirty days, and the decision shall specify measures to be taken during the suspension. The concerned entity shall be notified within one week of issuance, and the decision shall be publicly announced at its expense by an appropriate means.

If the reasons for suspension are not remedied within that period, the matter must be referred to the Authority's board to consider revoking the license or registration, as applicable.

The Central Bank of Egypt must be notified if the suspended entity is an Egyptian bank or a branch of a foreign bank.

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### Article (70):

The Authority's board may revoke the license granted to a company to conduct central depository or registry activity, or both, in accordance with the Central Depository and Registry Law, after notifying the company of the violation committed, investigating it with the responsible officials, and giving them an opportunity to respond.

The revocation decision must include:

- The effective date and the deadline granted to the company to regularize its status.
- Formation of inventory committees for the company.
- Procedures for transferring depository and registry services to other licensed entities.
- Calling the company to convene a general assembly to dissolve and liquidate the company and distribute its assets among members.
- Arrangements for transferring members' and issuers' files to other licensed entities carrying out the same activity.

Such revocation decision shall not become effective until approved by the competent minister and published in the Official Gazette.



### Article (71):

Appeals against decisions issued by the minister or the Authority pursuant to the law and these regulations shall be submitted to the Grievances Committee provided for in Article (50) of the Capital Market Law No. 95 of 1992, in accordance with Article (51) thereof.

Appeals against decisions issued by the company pursuant to these regulations shall be submitted to a committee within the Authority formed and regulated by a decision of the Authority's board of directors.

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### Annex: Clearing and Settlement Operations and Procedures

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#### Fundamental Principles of the Clearing and Settlement System:

- Application of the Delivery versus Payment (D.V.P.) principle.
  - Acting as intermediary between brokerage firms in receiving and delivering securities subject to trading transactions.
  - Completing clearing and financial settlement of securities transactions within the prescribed timeframes.
  - Settling legal positions arising from trading operations.
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## Annex: Clearing and Settlement Operations and Procedures

### Chapter One: General Provisions

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#### Article 1 (Annex):

Clearing and settlement operations and procedures for securities trading transactions shall be conducted in accordance with the procedures set out in this Annex, subject to the provisions of laws, regulations, rules, and systems governing the rights and obligations of entities and companies operating in the securities field, the rules governing the Settlement Guarantee Fund, and the procedures of the securities lending system among central depository members.

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#### Article 2 (Annex):

##### Definitions

For purposes of applying these provisions:

- **Settlement Member:** A securities brokerage firm or any other entity whose transactions are settled directly through clearing banks.
  - **Execution Day (T):** The day on which buy and sell transactions are executed on the exchange.
  - **Settlement Day:** The day designated by decision of the Capital Market Authority's board for settlement of trading transactions.
  - **Seller's Custodian:** The custodian managing the securities account of the selling client.
  - **Buyer's Custodian:** The custodian designated by the buying client to manage the purchased securities account.
  - **Physical Securities:** Securities not registered with a central depository and registry company.
- 



### Article 3 (Annex):

Each brokerage firm or other entity whose financial settlement is conducted directly through a clearing bank must:

- Open a settlement account in Egyptian pounds and another in U.S. dollars.
  - Open a current credit account in Egyptian pounds and another in U.S. dollars.
  - Authorize the company to access, debit, and credit its accounts at clearing banks for purposes of settling financial positions resulting from securities transactions.
- 

### Article 4 (Annex):

The company shall complete financial settlement based on the difference between the value of purchase transactions settled for the account of the settlement member and the value of sale transactions settled for its account, plus its credit balance in its settlement account at the clearing bank. This shall be done on each settlement day.

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### Article 5 (Annex):

The company shall be obligated to open securities accounts and cash accounts on its automated system for each settlement member, through which securities and cash settlement of that member's trading transactions shall be conducted.

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### Article 6 (Annex):

Subject to the settlement deadlines specified by decision of the Authority's board, transactions submitted by brokerage firms shall be settled in accordance with the dates of trading sessions and within the prescribed timeframe.

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#### Article 7 (Annex):

The company shall carry out clearing and settlement for trading transactions executed in bearer securities and shall issue to the concerned party a certificate confirming completion of settlement of the transaction, in accordance with the legal provisions regulating trading and transfer of ownership of bearer securities.

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#### Article 8 (Annex):

Any investor wishing to invest in securities deposited with the company must select one of the custodians licensed by the Authority and execute a securities account management agreement with such custodian.

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#### Article 9 (Annex):

A custodian that has entered into an agreement with a client to manage the client's securities account shall obtain for the client a unified code from the exchange, notify the client thereof immediately upon issuance, and open a securities account for the client on its automated securities account management system. Such account may not be opened prior to contracting with the client.

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#### Article 10 (Annex):

The custodian shall complete registration of all personal data of the client with whom it has entered into a securities account management agreement in the database of the securities account management system, in particular:

National identification number or personal identification card number and its date and issuing authority; insurance number; date of birth; client type (male/female); nationality; religion; legal form; address; telephone and fax numbers; and other means by which the client may be identified in accordance with the "Know Your Client" principle.

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## Annex: Clearing and Settlement Operations and Procedures

### Chapter Two: Clearing and Settlement Procedures for Transactions Executed on Securities Deposited with the Company

#### Section One: Purchase Transactions

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##### Article 11 (Annex):

A purchase order shall be issued by the client or the client's legal representative, either by signature or through use of the secure card, in accordance with the system prepared by the company and approved by the Authority. The order must include, in particular:

- The type and quantity of securities the client wishes to purchase.
  - The name of the custodian to whom the purchased securities are to be transferred for management.
  - The validity period of the order.
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##### Article 12 (Annex):

The purchasing broker shall verify the purchaser's code and the existence of a securities account in the purchaser's name with the custodian specified in the purchase order.

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##### Article 13 (Annex):

The purchasing custodian shall match the client data stated in the purchase order with the data registered in its records for the purchasing client. In case of a code discrepancy, the purchasing broker and the purchasing custodian shall agree on the correct unified code corresponding to the client's name as stated in the client's identification document. The purchase order shall then be executed on the exchange using that code.

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**Article 14 (Annex):**

The custodian shall record the purchase order in its securities account management system.

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**Article 15 (Annex):**

Trading transactions shall be executed in accordance with the rules, systems, and procedures applicable at the exchange.

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**Article 16 (Annex):**

The exchange shall provide each securities brokerage firm with a statement of the purchase transactions executed through it.

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**Article 17 (Annex):**

The exchange shall send the data of purchase transactions executed during the trading session to the company immediately after the session ends, through the computerized system.

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**Article 18 (Annex):**

The company shall provide purchasing custodians with the purchase transactions relating to each of them.

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**Article 19 (Annex):**

The purchasing custodian shall match the data of the purchase transactions relating to it and allocate them to its purchasing clients' orders, and shall electronically send its confirmation of receipt of the quantity of purchased securities for crediting to the purchasing client's account no later than (T + 2).

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#### Article 20 (Annex):

The settlement fund member shall fund its cash account at the clearing bank with sufficient amounts to settle purchase transactions settled on its account, taking into consideration the proceeds of sale transactions settled for its benefit.

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#### Article 21 (Annex):

Clearing banks shall provide the company with the outstanding cash balances in settlement members' accounts by sending a balances file through the computerized system accompanied by a certified printout of those balances, immediately after the end of client transaction hours.

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#### Article 22 (Annex):

The company shall feed settlement members' cash accounts in the automated settlement system with the balances received from clearing banks.

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### Annex: Clearing and Settlement Operations and Procedures

#### Chapter Two: Clearing and Settlement Procedures for Transactions Executed on Securities Deposited with the Company

#### Section Two: Sale Transactions

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#### Article 23 (Annex):

A sale order shall be issued by the client or the client's legal representative, either by signature or through use of the secure card, provided that it includes in particular:

- The type and quantity of the securities sold.
- The name of the custodian managing the client's securities account.
- The validity period of the order.



#### Article 24 (Annex):

The selling broker shall send a copy of the sale order to the custodian specified in the order, accompanied by a copy of the selling client's identification document, together with a request to reserve the quantity in favor of the selling broker if the client's securities balance is sufficient to execute the transaction. The reservation request shall state the unified code of the selling client.

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#### Article 25 (Annex):

Upon receiving the sale order, the selling custodian shall match the client's data stated in the order with the data recorded for the selling client. In case of a code discrepancy, the selling broker and the selling custodian shall agree on the correct unified code corresponding to the client's name based on the client's identification document. The sale order shall then be executed on the exchange using this code.

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#### Article 26 (Annex):

The custodian shall record the sale order in its securities accounts management system and respond to the selling broker either confirming that the client has a sufficient balance to execute the transaction—while reserving the quantity in that case—or stating that the balance does not exist or is insufficient to execute the sale.

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#### Article 27 (Annex):

The reservation of the securities referred to in the preceding article shall remain valid for the period specified for the validity of the sale order issued by the client. If the sale order does not specify a period, the quantity shall remain reserved for the period determined by the operational rules of the central depository system.

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**Article 28 (Annex):**

Trading transactions shall be executed in accordance with the rules, systems, and procedures followed by the exchange.

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**Article 29 (Annex):**

The exchange shall provide each securities brokerage firm with a statement of the sale transactions executed through it.

---

**Article 30 (Annex):**

The exchange shall send the data of sale transactions executed during the trading session to the company immediately after the session ends, through the computerized system.

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**Article 31 (Annex):**

Immediately upon receiving trading session data from the exchange, the company shall provide the selling custodians with the sale transactions relating to each of them during that session.

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**Article 32 (Annex):**

The company shall verify that sufficient securities balances exist for selling clients to settle these transactions and shall notify the competent authorities of cases in which sale transactions are executed despite the absence of a securities balance for the selling client.

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**Article 33 (Annex):**

The selling custodian shall match the data of sale transactions relating to it with the sale orders recorded for its selling clients and shall send transfer instructions to the company for the securities subject of the transactions for which approval was issued and quantities reserved in favor of the selling broker, no later than the second day following the execution day (T+2).

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#### Article 34 (Annex):

The company shall ensure that the cash balance of the settlement member at the clearing bank, together with the proceeds of sale transactions settled for its account, is sufficient to settle purchase transactions settled on its account.

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#### Article 35 (Annex):

The company shall complete clearing and settlement between settlement members as follows:

- Transfer the securities subject of the transaction from the account of the selling client with the selling custodian to the account of the buying client with the buying custodian.
- Debit the value of the trading transactions being settled from the cash account of the buying settlement member and credit it to the cash account of the selling settlement member at the company.
- Deliver daily aggregate account statements to the clearing banks for each settlement member showing the net settlement result (credit or debit), via an electronic file accompanied by a certified printout from the company of the settlement statements.
- Upon receipt of the settlement statements, clearing banks shall credit the credit balances to the settlement member's account and debit the debit balances so that the settlement result is reflected in the settlement members' accounts on the same day.
- Deliver to each settlement member a detailed account statement including all trading transactions settled for its account as seller and those settled on its account as buyer.

The net settlement result in the aggregate statement delivered to the clearing bank for each settlement member must match the net settlement result in the detailed statement delivered to that member.

- Deliver to selling custodians detailed account statements of transactions settled through deduction of securities from their clients' balances.
  - Deliver to buying custodians detailed account statements of transactions settled through addition of securities to their clients' balances.
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**Article 36 (Annex):**

Upon receiving the settlement account statement from the company, the broker shall notify the client that settlement of the client's sale or purchase transaction has been completed.

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**Article 37 (Annex):**

Upon receiving the settlement account statement from the company, the selling custodian shall issue a statement to the client showing the client's securities balance after settlement of the sale transaction.

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**Article 38 (Annex):**

Upon receiving the settlement account statement from the company, the buying custodian shall issue a statement to the buying client showing the addition of the purchased securities to the client's account after settlement of the purchase transaction.

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**Annex: Clearing and Settlement Operations and Procedures**

**Chapter Three**

**Clearing and Settlement Procedures for Transactions Executed on Physical Securities**

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**Article 39 (Annex):**

The selling broker shall examine the securities subject to sale, verify their integrity and tradability, and confirm that they are owned by the selling client. The broker must also prepare a detailed statement specifying denominations, serial numbers, and coupon numbers attached to the securities sold.

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**Article 40 (Annex):**

The exchange shall deliver to each securities brokerage firm a statement of executed purchase transactions and another of executed sale transactions carried out through it.

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**Article 41 (Annex):**

The selling broker shall deliver the sold securities to the company accompanied by the sale transactions statement issued by the exchange and a statement of denominations, serial numbers, and attached coupons of the securities sold.

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**Article 42 (Annex):**

The company shall receive and examine the sold securities and verify the following:

- That the securities are complete in their legally required form.
  - That the details of the securities instruments match the statement of denominations, serial numbers, and coupons delivered by the selling broker.
  - That the name of the selling client in the transaction matches the name of the owner of the security stated on the instrument or on the attached transfer certificate.
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**Article 43 (Annex):**

The company shall record the denominations and serial numbers of the sold securities in its database as part of the transaction data received from the exchange for the trading session.

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**Article 44 (Annex):**

The company shall verify that trading in the sold securities has not been suspended and that they are not subject to any pledge, in accordance with notifications received in this regard.

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**Article 45 (Annex):**

The company shall conduct the necessary checks under its clearing and settlement system to ensure the accuracy of the data relating to the securities subject of trading transactions, based on data published about those securities in exchange bulletins concerning listed securities and data provided to the company by the issuing entities.

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**Article 46 (Annex):**

The company shall debit the value of the purchased securities from the account of the purchasing settlement member and credit it to the account of the selling settlement member at the clearing bank.

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**Article 47 (Annex):**

The company shall deliver the purchased securities to the purchasing broker together with documentation evidencing transfer of ownership to the purchasing client.

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**Article 48 (Annex):**

The company shall send ownership transfer notices to the exchange for onward transmission to the issuing entities of the securities so that the transfer of ownership may be recorded in their shareholder registers.

