

EFSA Decision No. 132/2010
Dated 1/11/2010
Amending The Egyptian Securities Listing, Resumed Listing and Delisting
Controls

EFSA Board of Directors

After reviewing Joint Stock, Limited-by-Shares and Limited Liability Companies Law No 159/1981, its Executive Regulations and Executive Decisions, Capital Market Law No. 95/1992, its Executive Regulations as amended and Executive Decisions, Central Depository and Registry Law No. 93/2000, its Executive Regulations as amended and Executive Decisions, Non-Banking Markets and Financial Instruments Control Law No. 10/2009, Presidential Decree No. 191/2009, Promulgating the Provisions Regulating the Egyptian Stock Exchange Management and Financial Affaires Presidential Decree No. 192/2009, Promulgating the EFSA Statutes, EFSA Board Decision No. 30, Issued on 18/6/2002, Regarding the Egyptian Securities Listing, Resumed Listing and Delisting Controls, as amended, EFSA Board Decision No. 118, Issued at Session No. 14/2010, on 4/10/2010, Regarding Extension of the Grace Period for Submission of Regular Consolidated Financial Statements, and
Based on memorandum submitted to the EFSA Board in this respect, it was

Decided

Article One

Paragraph (e) shall be added to the provisions of Article (3)

“(e) Submission of documents proving the EFSA’s approval that the companies, licensed to practice the activities set forth in Article (27) of Capital Market Law No. 95/1992 or any activities added thereto, submit applications for listing their securities.”

Article Two

The following provisions shall be added to Articles (11-bis), (12-bis/1) and (12-bis/2):

Article (11-bis):

In case a company, whose securities or Egyptian Depository Receipts are listed, enters into restructuring process resulting in other one or more companies, the said companies arising out of restructuring shall be considered as extension of the listed company, even if the said companies are recorded in the commercial registry under new entries. This is without prejudice to conditions (a), (b), (c) and (e) of clause one

of Article (9) of rules of listing restructured companies. It is a conditional that the disclosure report, referred to in Article (138) of the Executive Regulations of Law No. 159/1981 with respect to all companies arising out of restricting processes, shall be published prior to the first day of trading securities after listing same.

Article (12-bis/1):

“For the purpose of maintaining market stability, the company whose securities are listed in the Egyptian Stock Exchange shall not subject its securities to secondary listing in any other foreign stock exchange whether in their original form, in the form of Global Depository Receipts or in any other form, except after obtaining the EFSA’s approval, which approval shall be given in light of EFSA-acceptable reasons”

Article (12-bis/2)

“The company having listed securities or Egyptian Depository Receipts shall complete the procedures for registering a reduction of its listed capital within two months at most from the date of issuance of an Extra-Ordinary General Meeting’s resolution ruling for such reduction”.

Article Three

Paragraph One of Article (16) shall be amended to read as follows:

“The ordinary and extra-ordinary general assembly meetings shall not convene during any trading sessions. The company shall provide the EFSA and the Stock Exchange with a summary of the board resolutions having impact on the securities’ trading price as well as a summary of resolutions of the ordinary and extra-ordinary general meetings, provided that these summaries shall be provided immediately upon issuance of resolutions or prior to the first trading session following convocation of such meetings”

Article Four

The provisions of Article (20) shall be replaced with the following text:

"Any company having listed shares, Egyptian Depository Receipts or investment instruments shall provide the EFSA and the Stock Exchange with the following documents:

- 1- A statement approved by the company's board, regarding the most important business results of the company as compared to the previous period. Such statement shall be submitted upon completing a discussion by the company's board regarding the (regular) annual and quarterly financial statements for which no comprehensive or limited auditor report has yet been provided. The statement shall further be submitted at most prior to commencement of the following day's trading session and shall be prepared in the form provided by the Stock Exchange for this purpose.

- 2- A hardcopy of the annual financial statements upon approving same by the company's board, to which the auditor's report shall be attached. Submission shall be effected at most prior to commencement of the following day's trading session.
- 3- A hardcopy of the annual financial statements after approving same by the ordinary general assembly of the company. This hardcopy shall be submitted within ten days from the date of approval. The financial statements shall further be submitted in an electronic form, i.e., on a CD duly prepared according to the program specified by the Stock Exchange in coordination with the EFSA. In case the financial statements are amended by the general assembly, the EFSA and the Stock Exchange shall be provided with a statement of amendment approved by the company's board regarding the amendments made and their impact on the financial statements. The statement of amendment shall be submitted prior to commencement of trading session to be held at most on the day following convocation of the general assembly.
- 4- A hardcopy of the (regular) quarterly financial statements to which a limited auditing report prepared by the company's auditor shall be attached. These documents shall be submitted prior to convocation of trading session on the next day as from the date of issuance of the limited auditing report. An electronic version, i.e., a CD, of these documents shall also be prepared according to the program specified by the Stock Exchange in coordination with the EFSA.

In all cases, the annual financial statements shall be prepared and approved within a period not exceeding three months from the expiry date of the pertinent fiscal year. The financial statements shall be accompanied by the annual board of directors' report referred to in Article (17) of the Listing Rules. Moreover, the (regular) quarterly financial statements shall be prepared and subjected to limited audit within forty five days as a maximum from the date of above-mentioned grace period.

The companies required to prepare consolidated financial statements shall provide the EFSA and the Stock Exchange with their (regular) annual and quarterly separate financial statements together with the board of directors' and the auditor's reports on the dates referred to herein above. Moreover, companies shall provide the EFSA and the Stock Exchange with their (regular) quarterly consolidated financial statements attached to the board of directors' and the auditor's reports at most within sixty days from the date of the aforementioned grace period.

Article Five

The provisions of Article (33) shall be replaced with the following text:

"Without prejudice to the provisions of Chapter Twelve of the Executive Regulations of Capital Market Law No 95/1992, any company having listed securities and desiring to acquire, either solely or through affiliates, 20% or more of the capital or the voting rights in another company with unlisted securities, shall submit to the Stock Exchange a study on the fair market price of the other company's securities subject to acquisition, which study shall be prepared by a duly listed independent financial consultant and shall be accompanied by a report on this study duly prepared by the auditor of the acquisitioner company as well as a board minutes approving this study."

Article Six

The following Clause (4) shall be added to Article (35):

- 4- With respect to the companies arising out of restructuring process which do not meet the conditions of resumed listing, the original company's extraordinary general assembly's resolution ruling for restructuring shall include an obligation of purchasing the shares of shareholders negatively affected by restructuring process, provided that purchase shall be made in accordance with the fair market value to be determined by an independent financial consultant, whether prior to or after restructuring.

Article Seven

This Decision shall be published on the EFSA website and shall be enforceable as of the day of publication, but the provisions of the last paragraph of Article (20) shall be applied as from the grace period of the (regular) annual financial statements consolidated on 31/3/2011. This Decision shall further appear on the screens of the Egyptian Stock Exchange.

Dr Ziad Bahaa El-Din
Board Chairman