

Decision No. (123/2010)
Amending Some Provisions of the EFSA Chairman's Decision No (41/2007)
Regarding the Financial Consultants Listing Controls

EFSA Chairman

After reviewing Joint Stock, Limited-by-Shares and Limited Liability Companies Law No 159/1981, and its Executive Regulations, Capital Market Law No. 95/1992, and its Executive Regulations, Non-Banking Markets and Financial Instruments Control Law No. 10/2009, The Minister of Investment's Decree No101/2007 which provides for adding the activity of financial consultancy on securities to the activities of the companies operating in the field of securities, The CMA Chairman's Decision No. 41/2007 on the Financial Consultants Listing Controls, and EFSA Board's Approval issued at Session No. 16/2010 on 1/11/2010, it was

Decided

Article One

The provisions of paragraph one of Article One, clauses (2,3,4 and 6) of Article Three, clauses (1 and 5) of Article Four, and Article Six of the CMA Chairman's Decision No. (41/2007) shall be replaced with the following provisions:

Article One (Paragraph One)

A registry for listing independent financial counselors shall be created in the EFSA. The term "financial consultants" shall mean the entities rendering consultation services or studies in the fields of assessing capital increases, public offerings, acquisitions, mergers and/or restructuring.

Article Three: Clauses (2,3,4 and 6)

- 2- The company - or the officials responsible for consultations management therein- shall have prepared or participated in preparing at least three studies relating to financial assessment or determination of the fair market value, whether in case of capital increase, merger, acquisition or restructuring, during the three years preceding the listing application
- 3- The company shall have internal controller with at least five years experience in the above-mentioned areas. The internal controller shall be responsible for ensuring due compliance by the shareholders, board members, executive management, analyzers and the associated working groups, with the key standards of professional performance for which a Authority Chairman's Decision shall be issued.

- 4- The managing director and/or the chief executive officer of the company shall undertake to properly comply with the key standards of professional performance for which a Decision from the Authority Chairman shall be issued.
- 6- The company shall pay the service charges to be determined by the Authority's board of directors.

Article Four: Clauses (1 and 5)

- 1- The curriculum vitae of each board member, executive management official, analyzer, internal controller of the company, as per the form prepared for this purpose.
- 5- A photocopy of the payment receipt regarding the duly settled service charges.

Article Six

The competent administration of the authority shall handle all matters relating to the listing applications, registration of the data of each counselor in a separate page, and recording the remarks and penalties imposed on each financial counselor.

The said administration shall further prepare an annual report for each listed financial counselor, detailing the scope of his/her compliance with the obligations set forth in the Executive Regulations of Law No. 95/1992, the provisions of this Decision and the key standards of professional performance for which a Authority Chairman's Decision shall be issued.

The Authority's board of director shall suspend or delist the financial counselor in case of failure to comply with the controls set out herein.

Article Two

Clauses (6,7 and 8) shall be added to the Article Four of CMA Chairman's Decision No. 41/2007, and a second paragraph shall further be added to Article Five of the same Decision, as follows:

Article Four: Clauses (6, 7 and 8)

- 6- Any declarations required by the Authority, duly signed by both the chairman and the managing director.
- 7- Authentic copies- imprinted with the company's official stamp- of three fair market value studies prepared by the company or the competent official therein prior to the date of the listing application, as well as approved copies of the letters of assignment whereby the company was entrusted with the tasks of preparing these studies.
- 8- A copy, duly signed by both the company's chairman and managing director and imprinted with the company's official seal, of the work guidelines containing an obligations to comply with the main standards of professional performance.

Article Five (Paragraph Two)

Moreover, the companies operating in the field of securities, which are licensed by the EFSA to act as independent financial consultants and are listed in the aforementioned registry, shall exclusively perform the EFSA-licensed activities, provide the EFSA with any required data and reply to any queries and remarks raised by the EFSA in this respect within the grace period scheduled for this purpose.

Article Three

The last paragraph of Article Two and Article Seven of EFSA Chairman Decision No. 41/2007 as well as any other provision to the contrary shall be cancelled.

Article Four

This Decision shall be published on the EFSA web-site and shall be applied as of the date of publication thereof.

Dr Ziad Bahaa El-Din
Board Chairman