

Financial Regulatory Authority (FRA) decree no. 95 of 2021, issued on 6 June 2021, regarding amending the Authority's Board of Directors decree no. 149 of 2018 regarding the requirements and conditions for obtaining a license to practice direct investment activity.

Source: Board of Directors Decree No. 95 of 2021, Issue No. 146 of the Official Gazette dated 30 June 2021.

This decree added a new paragraph to clause six of Article One of the Authority's Board of Directors Decree No. 149 of 2018 regarding the requirements and conditions for obtaining a license to practice direct investment activity.

This new paragraph added the case when the general partner did not meet the experience period required in this clause, which is a period of five years, and this period is reduced to four years for those who successfully passed the training courses in the field of stock markets approved by the Authority.

And whereas this general partner was affiliated with an Egyptian or a foreign company, it is required that the parent company to which the general partner is affiliated to be subject to a supervisory authority that has the competences of the Authority in case the company was a foreign company, and that it is obligated to provide the general partner with an investment management team that meets the conditions of experience and competence specified in this clause.

Financial Regulatory Authority (FRA) decree no. 106 of 2021, issued on 5 July 2021, regarding allowing companies licensed to practice investment funds management activity to manage the investments of other companies.

Source: Board of Directors Decree No. 106 of 2021, Issue No. 167 of the Official Gazette dated 31 July 2021.

Pursuant to the first Article of this Decree, Companies, licensed to practice investment funds management activity, are allowed to manage the investments of other companies which their contract or Articles of Association permit this. The foregoing is provided that; the investment director shall observe the following regulations:

1. Concluding a contract between him and the company. The said contract shall include at least the following :
 - Rights and obligations of each party.
 - The aspects of the investment targeted to be managed in accordance with the contracting company's contract or its articles of association.
 - The fees and commissions that the investment director paid for his work.
2. Considering the regulations to avoid conflict of interest.
3. Maintaining separate accounts for each company which the investment director is managing its investments.
4. Provide the Authority with a periodic report on his activities and the results of his work in accordance with the provisions of this decree.

The Investment director is prohibited from investing the funds of the companies under his management in the investment funds (which are under his management as well) except for the money market funds and the debt instruments funds. He is also prohibited from investing the funds of the investment funds he manages in other companies which its investment is under his management.