

Law No. 10 of 2009
for the regulation of non-banking financial markets
and instruments

A new Single Regulator for non-banking financial services will come to life on 1st. of July, 2009.

By virtue of this new law, three current regulators shall merge in a single regulator. Capital market Authority, Mortgage Finance Authority and Insurance Regulatory Authority shall merge in one single regulator. Also, supervision of factoring and financial lease, which are currently under the supervision of the Investment Authority (GAFI), shall be entrusted to the new single regulator.

The new regulator shall be named as “the Public Authority for Financial Services”, and the new chairman is expected to be appointed by the Prime Minister within the coming two weeks.

The new Egyptian single regulator concept has been inspired by the FSA in England; however the Egyptian legislator did not go that far, thus, unlike the FSA, the Egyptian single regulator shall not be responsible for banking services, the central bank of Egypt shall continue to be entrusted as the regulator for banks.

According to law No. 10 which comprises 19 articles, the new regulator shall be responsible for the supervision and regulation of non-banking financial markets and instruments including capital market, futures and derivatives exchanges, insurance activities, mortgage finance, financial lease, factoring and securitization. (Art 2)

The new regulator shall replace the insurance supervision authority, the Capital and the Finance Mortgage Authority in relation with the enforcement and implementation of the insurance law (law No. 0 of 1981), capital markets law (law No. 95 of 1992), and the central depository law (law No.93 of 2000) and the finance mortgage law (law No. 148 of 2001) (Art 3) .The assets and employees of the above mentioned authorities shall by virtue of law be transferred to the new regulator.

The Board of Directors of the Egyptian FSA shall be composed of the chairman, two deputies, one of the deputies of the governor of CBE, and five independent members. The term of the Board is four years subject to renewal without time limit.



The statues of the new regulator have not yet been issued; and they are expected to be issued by virtue of a presidential decree prior to the end of June. Also, the executive regulation has not been yet issued. It is expected to be issued prior to the end of June by virtue of a ministerial decree.

According to the presidential decree No. 93 of 2009 issued on 25 of March 2009, the Minister of Investment is the competent Minister for the purpose of law No. 10 of 2009.