

CG in Egypt

Moving Towards Implementation

IFC-GCGF

Workshop 3: Implementing, Monitoring, &
Reviewing Codes

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Codes of CG in Egypt

- During 2005-2006, 3 different codes were developed in Egypt
- Each code focuses on different types of companies
- There is overlapping between companies covered under the 3 codes
- Not all 3 codes are formal nor similar in their approach

1. Code of CG for Listed Companies

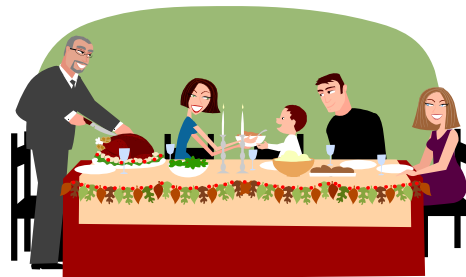
- Released in October 2005 by the EIOD
- Based on OECD guidelines
- Written by a group of Egyptian experts in cooperation with int'l experts
- Applies to all listed companies in Egypt, public or private, Egyptian or foreign
- Applies to financial institutions and companies that depend on banks for finance

2. Code of CG for SOE's

- Released in July 2006, EIOD
- Based on OECD guidelines
- Written by a group of Egyptian experts in cooperation with int'l experts
- Applies to all SOE's under Ministry of Investment, law 203/1991, whether listed or non-listed
- Some companies fall under this code as well as the code for listed companies

3. Code of CG for Family Business

- Released in October 2006, EJB, an NGO
- Written by an expert in Family Business
- It targets family businesses, mostly small and non-listed
- It focuses on how to transform a family business into a more successful JS company



Efforts Towards the Implementation

- Many steps were taken in Egypt with the ultimate goal of improving the level of implementation of CG
- This includes 4 main areas:
 - a. Awareness
 - b. Training
 - c. Company Support
 - d. Regulation

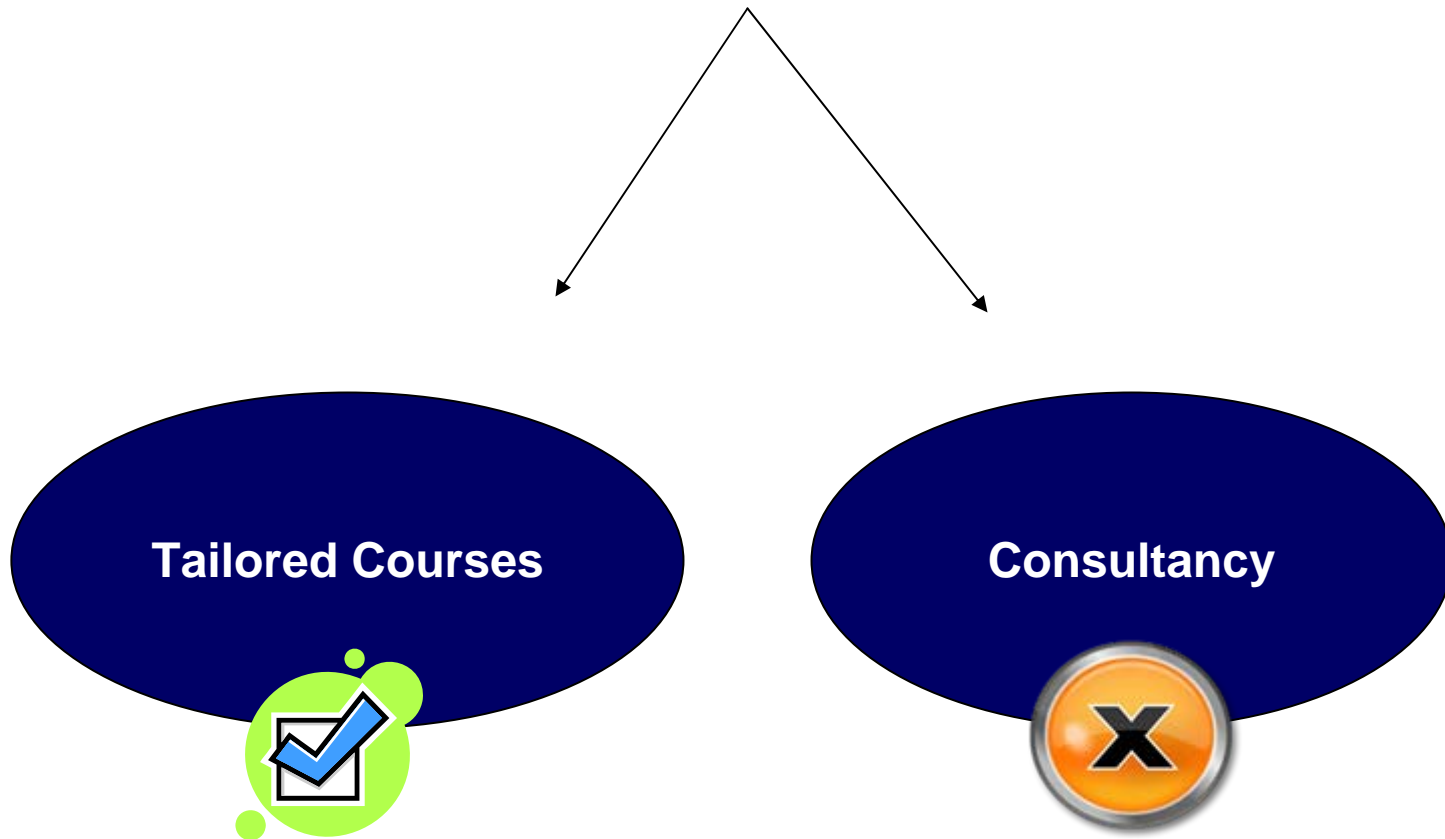
A. Awareness

- The EIOD has cooperated with some many local and international organizations to spread the awareness of CG in Egypt
- This includes the IFC, OECD, USAID, AIG, Arab Tax Society, EBI, etc.
- More than 20 activities in 2 years targeted different audience such as listed companies, financial institutions, SOE's, media, auditors, universities, and directors

B. Training

- The EIOD has designed and delivered many courses using the codes of CG and other sources of info as well:
 - Board Development Series, BDS, 28
 - Family Business, 25
 - SOE's, 130
- Currently designing:
 - Brokerage firms (600)
 - Financial Institutions (EBI-IFC)

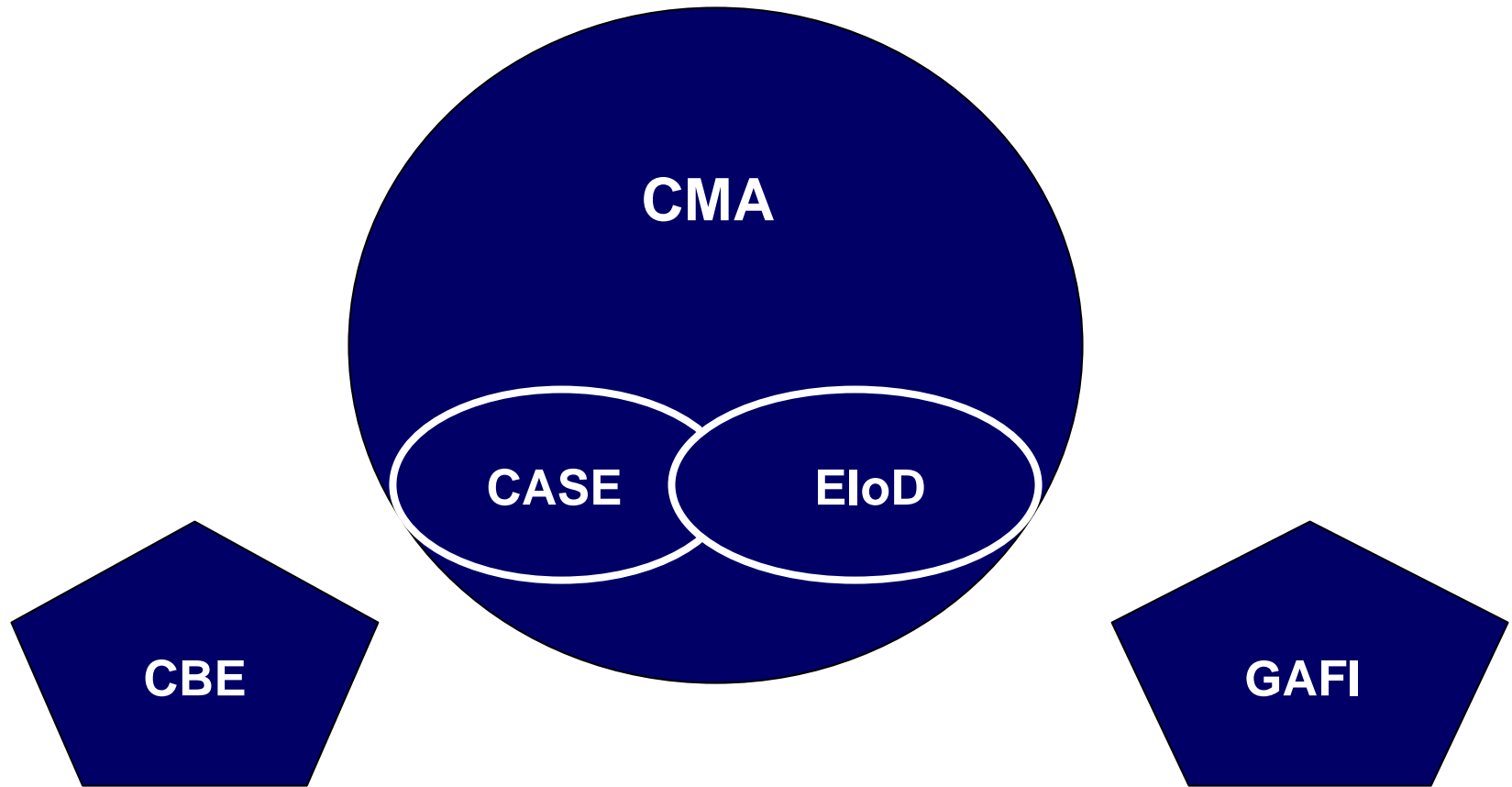
C. Company Support



D. Regulation

- The CMA has issued new “executive rules” for listed companies that contain most of the provisions of the Egyptian code
- The CMA has issued new rules regarding brokerage firms and non-listed financial intermediaries
- CASE has modified its listing requirements pressing for more disclosure & protection of shareholder rights
- Minister of investment issued many decrees for SOE’s to comply with some of the provisions in the Egyptian code
- A new unified company law is now being discussed and will have most of the CG provisions embodied

Key Institutions Working on the Implementation



Organizations That Need to Adopt the Code

- Currently, the following companies are obliged to comply partially with the codes:
 - Listed Companies
 - Brokerage Firms
 - Non-listed financial intermediaries
 - SOE's
- Expected, all Egyptian companies will be subject to CG provisions in the new company law

Companies we Need to Target More in the Near Future

- Listed Companies
- Brokerage Firms
- Banks
- Insurance Companies
- Government-Owned Enterprises, non-law
203/1991
- Qualifying more directors

Thank you

Questions, Comments, Suggestions?