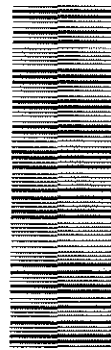


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Central Bank of Egypt

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BANKING LEGISLATION

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June 1984

# Central Bank of Egypt

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## BANKING LEGISLATION

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## BANKING LEGISLATION

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- Law No. 50 for 1984 amending some provisions of the following two Laws.
- Law No. 120 for 1975 relating to the Central Bank of Egypt.
- Law No. 163 for 1957 on Banking and Credit, together with its Executive Regulations.

*Translated from the original Arabic  
Version which shall govern in case  
of discrepancies or disputes.*

Cairo,

June 1984

LAW No. 50 FOR 1984

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**LAW No. 50 for 1984\***

Amending some of the provisions of the Banking and Credit Law, and the C.B.E. and Banking System Law.

In the name of the People,

The President of the Republic,

The People's Assembly decreed the following Law, which is hereby promulgated by us :

**(Art. I)**

The texts of the first paragraph of Article 34, the first paragraph of Article 42, and Article 47 bis of the Banking and Credit Law (Law No. 163 for 1957) shall be substituted for by the following texts :

**Art. 34** (First paragraph) : A bank may be crossed out of the Banking Registry in the following cases :

- a) If it is established that the bank is violating the provisions of this Law, the provisions of its Executive Regulations, or the Central Bank's Board of Directors resolutions implementing the aforementioned provisions, and fails to remove the violation in accordance with the conditions to be laid down by the Board of Directors of the Central Bank of Egypt.
- b) If it pursues a policy harmful to the public economic interests or the interests of depositors or shareholders.

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\* Published (in Arabic) in the Official Journal No. 13 bis (g) issued on 31st March 1984.

- c) If it ceases to carry out its activities.
- d) If it is merged into another entity.
- e) If it is declared bankrupt, or is decided to be liquidated.
- f) If revealed that its registration had taken place on the basis of wrong data forwarded to the Central Bank of Egypt.

**Art. 42** (First paragraph) : If a bank violates the resolutions of the Board of Directors of the C.B.E. taken in implementation of the provisions of Article 40 paragraph (a) or the provisions of the first paragraph of Article 41, the C.B.E. Board of Directors may decide to debit the balance of the commercial bank with an amount not exceeding a percentage of the shortage in the liquidity ratio requirements or in the **credit balance** referred to in the preceding Article, that equals the **highest** debtor interest rate declared by the C.B.E. for the period during which the shortage occurred; the amount thus debited shall be credited to the account pertaining to the **Banking Control**.

**Art. 47 bis** : Real estate banks, industrial banks, and investment and business banks shall not extend loans, overdrafts, credit facilities or any guarantee whatsoever to members of the Board of Directors of the same bank, or to any entity in which those members, on their personal capacities, are partners or board members.

**(Art. II)**

Unto the Banking and Credit Law shall be added : Articles 24 bis, 26 bis, 37 bis, a new paragraph following the first paragraph of Article 56, and Article 60 bis, as follows :

**Art. 24 bis** : Decisions taken by the constituting or the general assemblies of banks, or by their boards of directors for the appointment of board members shall be notified to the Governor of the Central Bank of Egypt within 15 days subsequent to the date of the said decisions; such appointments shall be final only after the lapse of 30 days, from the date of receiving the notification without transmitting to the bank the objection of the Minister of Economy and Foreign Trade to the appointment upon recommendation by the Governor of the Central Bank of Egypt. In case of objection the decision to the appointment of the Director objected against shall be considered null and void

The objection referred to in the preceding paragraph may be raised concerning the present members of banks' boards of directors under condition that such objection shall be effected within two months from the date of this law coming into force.

**Art. 26 bis** : All banks operating in the A.R.E. shall be subjected to the provisions of this law.

**Art. 37 bis** : No bank shall grant one and same client credit facilities of any kind totalling more than 25% (twenty five percent) of the paid-up capital and reserves of the bank, with the exception of credit facilities granted to government organs, public authorities and public sector companies.

**Art. 56 bis** : (A new paragraph subsequent to the first paragraph).

The same penalty shall apply to whoever submits false information or documents to a bank with the purpose of procuring any credit facility for which he has no right.

**Art. 60 bis :** Without violation to Articles 34, 42, 56, 57, 58, 59 and 60, the Board of Directors of the C.B.E. may take any of the following measures when a bank violates the provisions of this Law, the provisions of its Executive Regulations or the C.B.E. Board Resolutions, taken in implementation of the aforementioned provisions :

- a) Calling attention.
- b) Reducing or suspending the credit facilities granted to the violating bank.
- c) Preventing the violating bank from performing certain activities, or limiting the volume of credit it extends.
- d) To require the violating bank to deposit non-interest-bearing balances with the Central Bank of Egypt, and for the period and amount to be determined by the C.B.E., in addition to the credit balance stipulated by Article 41.
- e) To ask the chairman of the violating bank to summon the board of directors to convene to consider the contraventions alleged to the said bank, and take necessary actions to correct them; the board of directors meeting shall be attended in this case by one or more representatives of the C.B.E.
- f) Appointment of an observer at the board of directors of the violating bank for the period to be determined by the C.B.E. Board of Directors; this observer shall participate in the board discussions and record his opinion regarding the decisions taken.
- g) Dissolving the board of directors and temporarily appointment of a mandatory to manage the bank pending the appointment of a new board through the legal instrument specified by the statutes governing the bank.

**(Art. III)**

Texts of Articles 6, 22 and 23 of Law No. 120 for 1957 concerning the C.B.E. and the Banking System shall be substituted for by the following :

**Art. 6 :** The Bank shall have a board of directors to be constituted as follows :

- 1) The Governor of the Bank as Chairman of the Board.
- 2) The Deputy Governor of the Bank as Vice-Chairman of the Board.
- 3) Head of the General Authority for the Capital Market.
- 4) Two of banks chairmen.
- 5) A representative for each of the Ministries of Finance, Economy and Foreign Trade, and Planning.
- 6) Three personalities highly specialized in monetary, financial and legal affairs.
- 7) A member from the business sector.

as  
members

The Governor and the Deputy Governor shall be appointed and their salaries, allowances and remunerations fixed by a Presidential Decree at the recommendation of the Minister of Economy and Foreign Trade; their appointment shall be for a term of four renewable years.

The Governor shall not be dismissible during his initial or renewed term.



Board members, referred to in items 4, 5, 6 and 7 shall be appointed by the Prime Minister on nomination by the Minister of Economy and Foreign Trade; membership remuneration of the specialized members, referred to in items 6 and 7 above shall be fixed by the same decision of appointment.

**Art. 22 :** The C.B.E. Board of Directors, under the chairmanship of the Minister of Economy and Foreign Trade, shall be vested with the functions of the General Assembly for the public sector banks, especially as regards :

- a) Approval of the balance sheet, the profits and loss account and the distribution of profits.
- b) Authorizing the bank to utilize appropriations for purposes other than those for which they have been earmarked in the bank's balance sheet.
- c) Approval of the financial plan.
- d) Amendment of the Statutes of the bank, including prolongation or curtailment of the bank's duration, as well as increasing or reducing its capital.
- e) Merger or division of the bank; the decision to this effect, however, shall not be effective before approval by the Cabinet.

The Minister of Economy and Foreign Trade may delegate the Governor of the Central Bank to chair the above-mentioned General Assembly.

The General Assembly shall be attended by the chairman and board of directors of the bank, and the auditors who shall not have a countable vote.

The Minister of Economy and Foreign Trade, in his capacity as chairman of the general assembly, shall appoint the public sector banks' representatives at the boards of banks and companies, in which the said banks are shareholders; those representatives shall be nominated by the C.B.E. Governor on proposal by the respective chairmen of the public sector banks.

Chairmen of the public sector banks shall appoint their representatives to the general assemblies of the banks and companies in which their banks are shareholders.

**Art. 23 :** The C.B.E. Board of Directors shall be empowered to approve the financial plan of the C.B.E.; its decision in this respect shall be final.

The State Budget shall not include the current and capital resources and utilizations of the C.B.E. and the public sector banks. The profits of these banks shall accrue to the Treasury after the deduction of reserve allocations.

(Art. IV)

This law shall be published in the Official Gazette, and shall come into force as from the day subsequent to its publication.

This Law shall be stamped by the seal of the State, and shall be implemented as one of its laws.

Issued at the Presidency of the Republic on 28 Gumada Al Akhera 1404 Hegira (March 31, 1984).

(HOSNI MUBARAK)

LAW No. 120 FOR 1975

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LAW No. 120 for 1975\*

**RELATING TO THE CENTRAL BANK OF EGYPT**  
**AND THE BANKING SYSTEM**

In the Name of the People.

The President of the Republic.

The People's Assembly approved the following Law and it is hereby enacted by us.

**Chapter I**

**THE CENTRAL BANK OF EGYPT**

**Art. 1** — The Central Bank of Egypt is an autonomous public legal entity which regulates the monetary, credit and banking policy and supervises its fostering in accordance with the general plan of the State with a view to developing and fostering the national economy and maintaining the stability of the Egyptian currency. The Bank shall exercise the powers and carry out the functions entrusted to it by Law No. 163 of 1957 promulgating the Banking and Credit Law, and in accordance with the provisions and rules set forth therein without prejudice to the provisions of this Law.

**Art. 2** — The seat and the legal domicile of the Bank shall be the city of Cairo. The Bank may establish offices in the Arab Republic of Egypt or abroad, and may have agents and correspondents in Egypt or abroad as may be necessary for the conduct of its business.

\* Published in the Official Gazette (Arabic Version) No. 39 issued September 25th, 1975 .

**Art. 3** — The Bank shall carry out banking operations pertaining to the Government and other public legal entities, as well as internal and external financing, and credit operations with banks pursuant to the provisions of Law No. 163 of the year 1957 referred to above. The Bank shall not carry out such operations for bodies other than those mentioned.

The Bank may authorise any of the public legal entities referred to in the above paragraph, to deal with other banks.

**Art. 4** — The Bank's funds shall be considered as private funds.

**Art. 5** — The Bank shall adopt such administrative methods as usually applied by banking establishments, without being bound by administrative and financial rules and regulations provided for in Laws and By - Laws applicable to the Government and to the public sector.

**Art. 6** — The Bank shall have a Board of Directors composed as follows :

- The Governor of the Bank as Chairman of the Board.
- The Deputy Governor of the Bank as vice-Chairman of the Board.
- Chairmen of the public sector commercial banks.
- Representative for each of the Ministry of Finance and the Ministry of Economy and Economic Cooperation, to be appointed by the ministers concerned.
- Three persons highly competent in financial, monetary and legal affairs.

The Governor, the Deputy Governor and the competent members shall be appointed and their salaries, allowances and remunerations fixed by a Presidential Decree. Appointment shall be for a term of office of four years period which may be renewed.

The Governor may not be removed during his original term of office nor during a renewed term.

**Art. 7** — The Board of Directors of the Bank shall be the authority vested with the powers for the management of its affairs and for the regulation of the monetary, banking and credit policy and the supervision of its implementation. The Board shall also issue decisions on measures deemed necessary to achieve the purposes and objectives entrusted to the Bank to carry out pursuant to the provisions of Law No. 163 of the year 1957 referred to above, within the framework of the general plan for economic and social development, and in accordance with the general policy of the State.

In this respect the Board may resort to the following means :

- a) Influencing the orientation of credit with regard to its volume, type and cost, so as to meet the actual requirements of various aspects of economic activity.
- b) Participation in the arrangement for external credit for the fulfilment of the requirements of development plans, and the fostering of the national economy.
- c) Adoption of suitable measures to combat general and local economic or financial disturbances.

- d) Fixing discount rates as well as debtor and creditor interest rates for banking operations in accordance with their nature and term and the need thereof in conformity with the monetary and credit policy and without being bound by the ceiling stipulated in any other legislation.
- e) Control of banks so as to ensure the soundness of their financial positions, whether they are State-owned, joint ventures or branches of foreign banks.
- f) Management of the State gold and foreign exchange reserves, and the regulation of the foreign exchange movement between the Central Bank and other banks.
- g) Participation in the preparation of the State's foreign exchange budget and its implementation within the framework of the general policy drawn up by the Ministry of Finance in agreement with the Ministries of Economy and Economic Cooperation, Trade, Planning and Supply and with the Central Bank.
- h) Coordination between the regulations and decisions referred to in Paragraph (h) of Article 19, and their approval without prejudice to the provisions of Article 22 of this Law.
- i) Approval of the profit and loss account, the balance sheet as well as the report of the Bank on its financial position and operations as stipulated in Article 12 of this Law.
- j) Approval of the organizational structure of the Bank on the proposal of the Governor.
- k) Issuance of regulations concerning the conditions of service, staff salaries and wages together with their remunerations, privileges and allowances, as well as the rates of their travelling allowances internally and abroad.

In adopting resolutions according to items (j) and (k) of this Article, the Board of Directors shall not be bound by the rules and regulations stipulated in the Decree Law No. 58 of the year 1971 promulgating the Code of the State's Civil Servants and the Decree Law No. 61 of 1971 promulgating the Code of the Public sector's Service.

**Art. 8** — The Governor shall manage all the Bank's affairs in compliance with the decisions of the Board of Directors.

**Art. 9** — The Central Bank has the right to examine the books and records of the banks at any time, so that it may ensure obtaining the information and clarification it deems appropriate to achieve its objectives. Such examination shall take place in the premises of each bank, and shall be carried out by the Central Bank inspectors or their assistants who are delegated for this purpose by the Governor of the Central Bank from a list approved by the Minister of Economy and Economic Cooperation. The Central Bank shall report the inspection results and the Bank's recommendations to the Minister of Economy and Economic Cooperation.

**Art. 10** — The Bank's financial year shall start with the beginning of the financial year of the State and shall end with its closing.

**Art. 11** — The auditing of the Bank's accounts shall be annually entrusted to two auditors who will be appointed and their fees fixed by the Central Auditing Agency. This auditing shall be in lieu of the control of the Agency.

The Bank shall avail the auditors of whatever documents, books and data they may deem necessary to carry out such auditing.

**Art. 12** — The Bank shall, within three months following the end of the financial year, prepare the following :

- a) A profit and loss account for the financial year which has ended, in accordance with the practice followed by banking institutions;
- b) A balance sheet for the Bank, signed by the Governor and the auditors, drawn up according to the principles of financial accountancy followed by banking institutions;
- c) A report on the Bank's financial position and operations during the financial year which has ended. The report shall review in particular, economic conditions as well as monetary and banking developments in Egypt.

The above-mentioned profit and loss account, balance sheet and report, shall be submitted to the Minister of Economy and Economic Cooperation within a week from the date of their approval by the Board of Directors.

**Art. 13** — The Bank shall submit to the People's Assembly, within three months following the end of the financial year, an annual report on monetary and credit developments in the Arab Republic of Egypt.

**Art. 14** — The Statutes of the Bank shall be issued by a Presidential Decree. Pending the issuance of the said Statutes, the present Statutes of the Bank promulgated by Decree No. 2336 of the year 1960 shall remain in force, without prejudice to the provisions of this Law.

## Chapter II

### THE BANKING SYSTEM

**Art. 15** — The term "commercial banks" shall be held to mean banks that usually accept deposits payable on demand or within fixed periods; carry out internal and external financing and the servicing

thereof in such a manner as to achieve the objectives of the development plan and the State's policy as well as the fostering of the national economy; effect operations for the promotion of savings and for the financial investment locally and abroad, including participation in the establishment of projects as well as the banking, commercial and financial operations pertaining thereto, in accordance with the conditions laid down by the Central Bank.

**Art. 16** — The term "specialised banks" (non-commercial banks) shall be held to mean banks that carry out banking operations serving a specific type of economic activity, in conformity with their constituting decrees, and for which the acceptance of demand deposits is not one of their main fields of activity.

**Art. 17** — The term "investment and business banks" shall be held to mean banks that carry out operations related to the pooling and promotion of savings for the sake of investment in accordance with the economic development plans and the policies envisaging the fostering of the national economy. In this respect such banks may establish investment companies or other companies exercising various types of economic activity. They may also undertake financing of Egypt's foreign trade operations.

**Art. 18** — Each of the public sector banks, whether commercial, specialised, or investment and business banks, shall have a Board of Directors composed of :

- a) a Chairman,
- b) a Deputy-Chairman,
- c) three members from the bank's managers,
- d) two highly competent persons in financial and economic affairs.

The Minister of Economy and Economic Cooperation shall, on the proposal of the Central Bank's Governor, nominate the Chairman, the Deputy-Chairman and the members of the Board, who shall all be appointed by a Presidential Decree.

The salaries as well as the allowances and remunerations of the Board's Chairman, Deputy-Chairman and the two competent members, shall also be fixed by a Presidential Decree.

**Art. 19** — The Board of Directors of each of the public sector banks referred to in the preceeding Article, shall be the authority vested with the powers for the management of its affairs. The Board shall lay down the credit policy to be followed, supervise its implementation in accordance with the economic development plan, and take decisions on measures it deems necessary for achieving the purposes and objectives entrusted to the bank pursuant to the provisions of Law No. 163 of the year 1957 referred to above within the framework of the general policy of the State.

The Board, within the field of activity of each bank, may resort to the following means :

- a) Participating in and servicing of local and external financing operations, in accordance with the economic development plan and the conditions laid down by the Central Bank.
- b) Effecting operations for the promotion of savings and for the financial investment locally and abroad, in accordance with the general policy of the State and the conditions laid down by the Central Bank.
- c) Participating in the establishment of projects, and investment and trust companies.
- d) Carrying out banking operations — financial and commercial — in conformity with Law No. 163 of the year 1957 referred to above, and with the Decree constituting the bank and its statutes.

- e) Approving the draft budget as well as the final accounts and the balance sheet of the bank.
- f) Issuing regulations and decisions relating to the bank's operations, its financial and technical affairs, methods of administration, and programmes of work.
- g) Approving the organizational structure of the bank on the proposal of the Chairman of the Board of Directors.
- h) Drawing up the regulations concerning the conditions of service, staff salaries and wages, together with their remunerations, privileges and allowances, as well as the rates of their travelling allowances internally and abroad.

In adopting resolutions according to items (f), (g) and (h), the Board of Directors shall not be bound by the rules and regulations stipulated in the Decree Law No. 58 of the year 1971 promulgating the Code of the State's Civil Servants, the Decree Law No. 60 of the year 1971 promulgating the Organizations and Public Sector's companies Law, and the Decree Law No. 61 of the year 1971 promulgating the Code of the Public Sector's Service.

### **Chapter III**

#### **GENERAL AND CONCLUDING PROVISIONS**

**Art. 20** — Investment and business banks shall be subject to the provisions of Law No. 163 of the year 1957 referred to above, which are consistent with the nature and functions of these banks.

The Board of Directors of the Central Bank may issue general rules concerning control on the aforementioned banks, in conformity with the provisions of the said Law.

**Art. 21** — Decisions of the Board of Directors of the Central Bank as well as of the Boards of public sector banks, and the decisions of their chairmen, shall be enforced without having to be approved by a higher authority, in the following cases :

- a) Credit and banking operations carried out by the Central Bank and public sector banks, where they do not violate the provisions of Law No. 163 of the year 1957 and the executive regulations pertaining thereto.
- b) Staff appointment, promotion, secondment, lease, transfer and missions, except with regard to Board members, as well as penalties without derogation from the power of the Disciplinary Court.
- c) Sending employees on official business missions.

**Art. 22** — The Board of Directors of the Central Bank shall be vested with the powers of the General Assembly, with regard to public sector banks, in respect of the following matters :

- a) Approval of the balance sheet, the profit and loss account, and the distribution of dividends.
- b) Authorising the bank to utilise the appropriations for purposes other than those specified in the bank's balance sheet.

**Art. 23** — The Board of Directors of the Central Bank shall be empowered to approve the financial plan of the Central Bank and the public sector banks as well. Its decision in this respect shall be final.

The State Budget shall not comprise the current and capital resources and utilizations of the abovementioned banks.

The net profits of those banks, after deduction of the amounts to be allocated as reserves, shall accrue to the Treasury.

**Art. 24** — As exception from the provisions of Laws, regulations, and decisions governing importation, the Central Bank and the public sector banks shall be allowed to import without licenses — subject to inspection — either by themselves or through other parties — such machines, apparatuses and equipment including electronic computers necessary for the conduct of their business. Such cases shall be exempted from submission to Determination Committees.

**Art. 25** — Pending the issuance of regulations referred to in paragraph (k) of Article (7) and paragraph (h) of Article (19), present By-Laws applied in the Central Bank and the public sector banks shall remain valid, where they do not contradict with the provisions of this Law.

**Art. 26** — The phrase (Minister of Economy and Economic Cooperation) shall substitute that of (The Minister of Finance and Economy) wherever mentioned in Law No. 163 of 1967 referred to above.

**Art. 27** — Provisions of Law No. 163 of 1957 referred to, shall be applicable wherever a special clause is not provided for in the present Law and where they are not in contradiction with the provisions thereof.

Provisions of Chapter II Section 6 of Decree Law No. 6 of 1971 promulgating the Law of General Organisations and Public Sector companies, shall also apply to the Central Bank of Egypt.

**Art. 28** — As exception from the provision of Article 29 of Law No. 26 of 1954 relating to Joint Stock Companies, Partnership and Limited Liability Companies, chairmen and members of the boards of directors of public sector banks, may represent their banks on the boards of joint banks established in accordance with Law No. 43 of 1974 on the Investment of Arab and Foreign Funds and Free Zones. Such representation shall be in accordance with rules to be issued by a decision of the Board of the Central Bank.



**Art. 29** — The Minister of Economy and Economic Cooperation is authorised to issue, within three months from the date this Law comes into force, the decisions necessary for its implementation.

**Art. 30** — Boards of Directors of the Central Bank and the public sector banks as constituted at present shall continue to exercise the powers conferred upon them pending the issue of the decisions for the formation of the Boards of Directors for these banks in conformity with the provisions of this Law.

**Art. 31** — Law No. 250 of 1960 relating to the Central Bank of Egypt and the National Bank of Egypt, and all provisions contradictory to the provisions of this Law, are hereby cancelled.

**Art. 32** — This Law is to be published in the Official Gazette, and shall come into force as from the date of its publication.

This Law shall be stamped by the seal of the State and shall be enforced as one of its Laws.

Issued at the Presidency of the Republic on September 13, 1975 (8th Ramadan 1395).

(ANWAR AL SADAT)

LAW No. 163 FOR 1957  
WITH EXECUTIVE REGULATIONS

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**THE PRESIDENT OF THE REPUBLIC DECREE**

**LAW No. 163 FOR THE YEAR 1957**

**DECREEING THE BANKING AND CREDIT LAW\***

In the name of the Nation  
The President of the Republic

After having perused Law No. 57 for the year 1951 establishing  
a Central Bank for the State;

And Law No. 26 for the year 1954 regarding certain provisions  
concerning joint stock companies, limited partnerships, and limited  
liability companies;

And Law No. 20 for the year 1957 concerning the Economic  
Organization;

And Law No. 22 for the year 1957 on certain provisions concerning  
the pursuit of banking operations;

And what advised by the State Council;

**DECREED THE FOLLOWING LAW**

**Art. I** — The provisions of the accompanying Law concerning  
Banking and Credit are to be applied.

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\* Published (in Arabic) in the Official Journal No. 53 bis (g) issued  
on the 13th July 1957.

**Art. II** — Every establishment subject to the provisions of the accompanying Law and carrying out business at the time it is issued must submit, within three months from the date it applies, an application for its registration in the Registry prepared for this purpose at the Central Bank according to the rules and conditions laid down in Articles 20, 21 and 22.

Such establishments are to be exempted from the conditions laid down in Art. 21 provided that they should fulfil these conditions during the period and according to the rules and conditions stipulated by Law No. 22 for the year 1957 on certain provisions concerning the pursuit of banking business.

The registration of an establishment shall be cancelled if it fails to fulfil the conditions contained in this article within the fixed period.

**Art. III** — The Minister of Finance and Economy may, for the period and under the conditions he fixes, exempt any of the banks existing at the date this Law is published from the application of Art. 39 para. d.

**Art. IV** — With regard to matters concerning the Central Bank, the Minister of Finance and Economy exercises the functions conferred on the Economic Organization by virtue of Law No. 20 for the year 1957.

**Art. V** — The provisions of Art. 17 apply to the notes issued by the National Bank of Egypt before the application of this Law.

**Art. VI** — Law No. 57 for the year 1951 establishing a Central Bank for the State as well as whatsoever contradicts the provisions of the accompanying Law is hereby cancelled.

**Art. VII** — This Decree is to be published in the Official Journal and shall have the power of the Law. It applies after the lapse of thirty days from the date it is published.

This Decree is to be stamped by the State Seal and shall be executed as one of the State Laws.

(GAMAL ABDEL NASSER)

**PART I**

**BANKS AND BANK CONTROL**

**CHAPTER I — THE CENTRAL BANK**

**SECTION I — THE BANK STATUTES AND PURPOSES**

**Art. 1** — The National Bank of Egypt shall be the Central Bank of the State. It shall organize the credit and banking policy and supervise its execution in conformity with the general plans of the State and in such a way as to ensure the fostering of the national economy and the stability of the Egyptian currency.

To achieve this end, the Bank shall apply the following means :

- a) To influence the flow of credit as regards volume, nature and rate in order to meet the real requirements of commercial, industrial and agricultural activities.
- b) To take suitable measures to combat general and local economic or financial disturbances.
- c) To control banking institutions so as to ensure the soundness of their financial position.
- d) To administer the State reserves of gold and foreign exchange.

**Art. 2** — The Central Bank shall have a board of directors to exercise the powers conferred on the Bank in accordance with the provisions of the present Law.

The Board shall be formed of a Governor as chairman, a Deputy-Governor, a number of members not less than three or more than seven, and two delegates from the Ministry of Finance and Economy having the same powers and rights of the other members.

**Art. 3** — The Governor and the Deputy-Governor shall be appointed by a Presidential Decree for a renewable period of five years; both shall have no other occupation.

The two delegates of the Ministry of Finance and Economy shall be appointed by a Decision from the Minister of Finance and Economy.

The other members shall be elected by the general assembly for a period of five years.

**Art. 4** — The Governor, his Deputy, and the members of the Board shall fulfil the following qualifications :

- a) They should all be Egyptian by birth.
- b) They should have no serious interests in any other bank covered by the provisions of the present Law.
- c) They should be enjoying all their civil and political rights.

**Art. 5** — The President of the Republic shall decree the Statutes of the Central Bank .

**Art. 6** — The Board of Directors shall exercise the powers conferred on the Bank by the present Law.

**Art. 7** — The Board of Directors shall convene on invitation by the Governor to examine the matters put before them.

The Board shall also convene according to a demand submitted by half the number of members or on the demand of the two delegates of the Ministry of Finance and Economy.

The Board shall convene at least twice every month.

The meeting shall not be valid unless attended by at least half of its members including one of the two delegates of the Ministry of Finance and Economy.

Decisions shall be taken by absolute majority, and in case of equal votes the side including the chairman shall cast.

**Art. 8** — The Governor shall manage all the Bank's affairs in conformity with the Board decisions.

**Art. 9** — The Central Bank shall prepare a weekly statement on its financial position compared with its position during the preceding week, according to the form established by the Board in agreement with the Minister of Finance and Economy.

This statement shall be published in the Official Journal; a copy signed by the governor shall be sent to the Minister of Finance and Economy.

**Art. 10** — The auditing of the Bank accounts shall be entrusted annually to two auditors selected by the Minister of Finance and Economy.

The Bank shall place at the disposal of the auditors all books, papers and statements they deem necessary for carrying out their duty.

**Art. 11** — The net profits accruing from the note issue operations, after deducting the expenses as approved by the auditors, shall be divided between the Government and the Bank at the ratio of 85% for the Government and 15% for the Bank. Any increase arising from the revaluation of the gold in the cover accrues to the Government.

**Art. 12** — The annual net profits of the Bank — after deducting the transfers to the reserves and the part of the profits to be carried forward — as may be decided by the Bank's Board — shall be appropriated for the payment of dividends to shareholders within 20% of the nominal value of the shares.

## **SECTION II — THE BANK RELATIONS**

### **WITH THE GOVERNMENT**

**Art. 13** — The Bank shall act as the Government banker, and shall receive no charges for the services it renders to the Government.

The Bank — after the approval of its Board — may carry out banking operations for other public moral persons under the same conditions.

**Art. 14** — The Bank shall act on behalf of the Government in administering, floating, serving and amortizing the public debt.

The Bank gives advice to the Government before concluding local or foreign loans.

**Art. 15** — The Bank may advance loans to the Government to cover seasonal deficits in the Public Budget within 10% of the average public revenue during the three preceeding years. These loans shall be granted for three renewable months and shall be settled within 12 months at most from the date they are advanced.

The Conditions of these loans shall be fixed by agreement between the Government and the Bank according to money and credit prevailing circumstances.

## **SECTION III — ISSUE OF BANKNOTES**

**Art. 16** — The Central Bank shall have the exclusive right to issue banknotes. The Minister of Finance and Economy — after consulting the Bank — shall fix the denominations, dimensions, designs and other specifications of the notes to be issued.

These notes shall bear the signature of the Bank's Governor.

**Art. 17** — Notes issued by the Bank shall have unlimited legal tender.

**Art. 18** — Banknotes in circulation shall always have an equivalent cover consisting of gold, foreign exchange, foreign bonds, Egyptian Government bonds and bills, Egyptian bonds guaranteed by the Egyptian Government and discountable commercial papers.

The amount of gold requirements in the cover shall be fixed by a decision from the President of the Republic. The type and proportion of other assets shall be determined by a decision from the Minister of Finance and Economy after consulting the Bank.

## **Chapter II — BANKS**

### **SECTION I — GENERAL RULES**

**Art. 19** — No person, organization, or establishment not registered according to the provisions of this Law shall practise any of the banking operations as basic or habitual pursuit.

The following are exempted :

- a) Public institutions transacting such operations within the limits of the decision by virtue of which they are established.
- b) Houses which lend money against pledges.
- c) Real estate companies and other organizations which deal with dividing plots of land or the construction of buildings and selling same on credit.

**Art. 20** — Application for registration shall be submitted to the Central Bank in accordance with the rules and conditions to be established by the Executive Regulations, and after settling the fees to be fixed by the said Regulations within £100 for the head-office and £50 for every branch or agency. The proceeds shall be credited to the account specified for control and supervision fees.

**Art. 21** — Registration shall be made in a special register prepared for the purpose at the Central Bank, under the following conditions :

- a) That the institution should take the form of an Egyptian joint stock company or an Egyptian joint stock company under formation and that all its shares are nominal and always owned by Egyptians.
- b) That its paid-up capital should not be less than £500,000;
- c) That members of its board of directors and those responsible for its management should all be Egyptians.
- d) That the Central Bank Board approves its registration.

**Art. 22** — The Central Bank Board — after the approval of the Ministry of Finance and Economy — may reject the registration application for any of the following reasons :

- a) Violation of any of the provisions stipulated by this Law, its Executive Regulations, or by other laws and regulations.
- b) If the existence of the bank does not conform with the general economic interest or with the special circumstances of the locality where the establishment of the bank is proposed.
- c) If the commercial name adopted by the bank coincides with or is so similar to the name of another bank or institution that it may be confused with it.

The applicant shall be notified with the refusal and its reasons by a registered letter "avec avis de reception".

The applicant shall be considered as having renounced his application if — within three months from the date of his notification he fails to complete the application and its annexes or to fulfil the conditions required by the Board of the Central Bank.

In all these cases, the applicant shall have no right to draw back the paid fees.

The Board decisions approving registration applications shall be published in the Official Journal.

**Art. 23** — It is forbidden for any establishment not registered according to the provisions of this Law to use the term "bank", its synonyms or any similar term in any language, whether in its private or commercial name, or in its advertisement.

**Art. 24** — The Central Bank shall be notified with any suggested amendment to the memorandum of association or statutes of the company. Any change in the information submitted when applying for registration shall also be notified.

The notification shall be submitted in accordance with the rules established by the Executive Regulations. A decision shall be taken by the Central Bank Governor in connection with this notification in accordance with the rules laid down for decisions relating to registration applications.

These amendments shall not be effective before the margin of the register is marked accordingly.

**Art. 25\*** — The bank accounts shall be audited by two auditors: an auditor shall not obtain a loan with or without guarantee from a bank he is auditing its accounts.

No one and same auditor shall audit more than two banks at one and same time. As exception from this rule, an auditor may be permitted to audit three banks at the same time by virtue of a decision to this effect by the Governor of the Central Bank.

**Art. 26** — The auditor shall notify the bank in writing of any defect, error or violation that calls for objection.

The annual report of the auditor shall contain a statement on the means used to verify the existence of the assets and the methods applied for their evaluation and for the assessment of the outstanding liabilities.

The Auditor shall also state in his report whether the operations he audited violate any of the provisions of this Law or the regulations and decisions issued for its implementation.

He shall send a copy of this report to the Governor of the Central Bank.

**Art. 27** — Banks shall submit to the Central Bank monthly statements on their financial position at the dates and in the form designated by the Executive Regulations.

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\* As amended per Law No. 86 for 1980, published in the Official Gazette No. 17 dated 24.4.1980.

**Art. 28** — Every bank shall submit to the Central Bank a copy of every report submitted to the shareholders about its activities within three days at most from its being forwarded to them, and a copy of the minutes of every general assembly within 30 days from the date the assembly is held.

**Art. 29** — Every bank shall submit to the Central Bank all information or explanations it may require about the operations transacted by the said bank.

The Central Bank — whenever necessary and after the approval of the Ministry of finance and Economy — may delegate one or more officials from a list approved by the Ministry of Finance and Economy to peruse the books and records of a bank at its premises.

**Art. 30** — Every bank shall have funds in Egypt equivalent at least to its liabilities due for payment in Egypt to its creditors plus an amount not less than the minimum required for the paid-up capital.

For the application of this clause, funds held in Egypt include those amounts which the bank is permitted to keep abroad.

**Art. 31** — Banks may form from among themselves an association or more, provided that the Central Bank Board approves the statutes thereof.

The function of the association will be to reach agreement on the tariff of banking services or on applying uniform rules and procedures, and to discuss the questions in common and other matters of interest to members.

Every bank shall have right to join the association provided that it observes its rules. The Governor of the Central Bank shall appoint a delegate at the association entitled to attend its meetings and participate in its discussions without a voting power.



The decisions taken by the association regarding the tariff on banking services shall be referred to the Central Bank Board which may approve, reject or amend them. The Board decision in this respect is final.

**Art. 32** — No Bank can be amalgamated with another without prior authority from the Central Bank Board.

The executive Regulations shall indicate the procedures to be followed in this case.

**Art. 33** — No bank can cease its operations without prior authority from the Central Bank Board.

This authority can be given after making sure that the bank has completely liberated itself from all its obligations towards depositors and other creditors in accordance with the conditions and procedures specified by the Executive Regulations.

**Art. 34** — The registration of a bank may be crossed out in the following cases :

- a) If it appears that the bank violates the provisions of this Law or the regulations issued for its implementation, and fails to remove the cause of violation within the period and conditions specified by the Central Bank Board.
- b) If it follows a policy which would endanger the general economic interest.
- c) If it ceases its activities.
- d) If it is declared bankrupt or is decided to be liquidated.
- e) If it is amalgated with another bank.
- f) If it appears that the registration of the bank was made on the basis of false information submitted by it.

The crossing out of registration shall be effected by a decision taken by a two-thirds majority of the Central Bank Board and after the approval of the Ministry of Finance and Economy.

The said decision shall be published in the Official Journal within ten days of its being taken.

In the cases referred to in a, b, and f above, the crossing-out decision shall be taken only after notifying the bank concerned by means of a registered letter "avec avis de reception" to submit its defence in writing within two weeks from the date of notification.

**Art. 35** — In consequence to the decision crossing-out the registration, the bank has to cease operations. In this case, the Central Bank Board may either decide the immediate liquidation of the bank business or authorise it to continue the operations outstanding at the time of crossing-out under the conditions to be laid down by the Board.

**Art. 36** — Every commercial bank registered in accordance with the provisions of this Law shall pay an annual fee at the rate of 10milliems for every £100 of the total deposits as at 31 st December of every year. As regards other banks, the fees shall be determined at the rate of 20 milliemes for every £100 of total loans procured by the bank during the financial year.

These fees shall be paid in January of every year for the preceding twelve months.

The Central Bank shall direct these fees to a special account, to be drawn upon only for the purpose agreed upon with the Minister of Finance and Economy.

**Art. 37** — The Central Bank Board shall lay down general rules for the control and supervision of banks in accordance with the provisions of this Law, dealing specially with the following matters :

- a) The initiation and organization of a department for the banking control.
- b) The method to be adopted for the assessment of various assets of banks.
- c) Fixing the ratios to be observed between the value of loans and the loanable value of the guarantee besides specifying the nature of the guarantee and fixing the maturity periods.
- d) Fixing the maximum creditor and debtor interest rates as well as the interest on arrears.
- e) Designating the information to be published and the way of publishing it.

## **Section II — CONTROL OF COMMERCIAL BANKS**

**Art. 38** — A commercial bank is defined as any institution that habitually accepts deposits payable on demand or after a period not exceeding one year.

**Art. 39** — A commercial bank is prohibited to transact any of the following operations :

- a) To deal in movable or immovable property whether through purchase, sale or exchange, with the exception of .

- (i) The premises appropriated for carrying out the bank business or for the recreation of its employees.

- (ii) The movable or immovable properties which accrue to the bank in settlement of a debt, provided that the bank disposes of them within one year after the transfer of ownership in case of movables and within five years in case of immovables . The Central Bank Board may extend this period in case of need.

- b) To issue notes payable to bearer on demand.

- c) To accept shares constituting the bank capital as guarantee for loans, or to deal in or own such shares unless the ownership of these shares accrues to the bank in settlement of a debt provided that the bank sells them within one year after the transfer of ownership.

- d) To own shares of joint stock companies that exceed 25% of the paid-up capital of the company and provided that the nominal value of such shares owned by the bank should not exceed the value of its paid-up capital and reserves.

The Minister of Finance and Economy may increase both limits in case of need.

**Art. 39 bis\*** — Commercial banks are also prohibited from granting loans or advances or credit facilities or guarantees of any kind to members of the board of directors of the bank concerned or to any establishment in which the members of the said board are partners or members in its board of directors on their personal capacities.

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\* Added by virtue of Law No. 135 for 1960 published in the Official Gazette No. 96 dated 28.4.1960.

**Art. 40** — The Central Bank Board may lay down general rules to be followed in the control of commercial banks. These rules may according to the requirements of the credit situation regulate the following matters :

- a) Fixing the liquidity ratio and the nature of liquid assets that should be held by commercial banks.
- b) Determining the areas in which commercial banks are prohibited to make investment and the reserves that should be made available to face those assets liable to serious fluctuations in value, and setting up the maximum limit for the loans and investments of commercial banks with regard to certain categories of loans and investments.

**Art. 41** — Every commercial bank shall maintain free of interest at the Central Bank a credit balance equivalent to a certain ratio of its deposits, to be fixed by the Central Bank.

In case the said ratio is raised the Central Bank shall give the commercial banks a delay of not less than 30 days from the date they are notified of the increase.

**Art. 42** — If the balance of a commercial bank with the Central Bank falls below what is required according to the provisions of the preceding Article, the Central Bank may decide to debit the balance of the commercial bank with an amount not exceeding  $\frac{1}{4}\%$  ( one fourth percent) of the shortage. This amount shall be credited to the special account of the control on commercial banks.

If the shortage exceeds 5% of what the balance should be or if the shortage persists for a period exceeding one month the Central Bank Board may obligate the commercial bank not to grant new loans until the shortage is covered.

The Commercial Bank shall submit to the Central Bank the information concerning the application of this Article on the forms and at the dates determined by the Central Bank Board.

### **Section III — CONTROL ON NON-COMMERCIAL BANKS**

**Art. 43** — Non-commercial banks are defined as those banks whose main business is the financing of real estate, agriculture or industry, while the acceptance of demand deposits is not one of their basic activities.

**Art. 44** — The Central Bank Board shall lay down rules for the control of every type of non-commercial banks. These rules shall deal mainly with :

- a) Conditions of accepting deposits.
- b) Rules concerning the participation in founding other establishments or the purchase of their shares.
- c) The maximum limit for the value of bonds which may be issued and the conditions for such issue.

**Art. 45** — It is forbidden for mortgage banks to purchase immovable property pledged in their favour except in the case of execution in application of the provisions of the Civil and Commercial Procedure Code.

The banks shall sell these immovables within five years from the date their ownership accrues to them. This period may be extended by a decision from the Central Bank.

**Art. 46** — It is forbidden for mortgage banks to conclude loans for periods exceeding 30 years.

**Art. 47** — Loans granted by industrial banks shall have privileges on industrial and commercial establishments and also the machines and tools utilized in the industrial and commercial activity.

The privilege shall be inscribed and its degree shall be from the moment of inscription.

**Art. 47 bis\*** — Neither mortgage banks nor industrial banks shall grant loans of any kind to any member in their board of directors or to any establishment in which the members of the bank's board of directors are partners or board members on their personal capacities.

## **Part II**

### **CREDIT REGULATION**

#### **Chapter I — MEANS OF CREDIT REGULATION**

**Art. 48** — The Central Bank shall conclude credit operations with banks which are subject to the provisions of this Law in accordance with the conditions and rules to be laid down by the Bank Board.

The Board shall fix the discount and interest rates according to the nature, period, and essentiality of such operations according to the monetary and credit policy. These rates shall be declared in the way determined by the Board.

**Art. 49** — The Minister of Finance and Economy in agreement with the Central Bank Board shall determine the ordinary commercial operations which the Bank may practise.

**Art. 50** — In case of financial disturbance or any other emergency that affects the stability of the credit situation or calls for facing ne-

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\* Added by virtue of Law No. 135 for 1960 published in the Official Gazette No. 96 dated 28.4.1960.

cessary financial needs, the Central Bank may advance to banks exceptional loans guaranteed by any of their assets as may be determined by the Board of the Bank, provided that the maturity dates and other conditions of such loans should be subject to the rules to be laid down by the said Board.

**Art. 51** — The Bank may — through purchase or sale in the open market — deal in Egyptian Government papers, Government guaranteed papers, bonds specified by the Board of Directors, bills, promissory notes, and other commercial papers. Such operations shall be carried out with a view to increasing or decreasing the funds available to commercial banks or others according to the monetary and credit policy.

**Art. 52** — The Bank may guarantee loans and investments concluded with Egyptian, foreign or international organizations or institutions, according to the conditions and rules to be agreed upon with the Minister of Finance and Economy.

#### **Chapter II — CREDIT STATISTICS**

**Art. 53** — A central department shall be initiated at the Central Bank for the collection of banking credit statistics.

**Art. 54** — Banks and other establishments to be designated by a decision from the Ministry of Finance and Economy must communicate to this department a statement about the position of every client enjoying credit facilities exceeding the limit to be fixed by a decision from the Central Bank Board.

**Art. 55** — The Central Department for the Centralization of Bank Credit Statistics shall prepare an aggregate statement of the credit facilities granted by banks and other establishments to each client without disclosing the names of those banks or establishments.

Any bank or establishment may consult the aggregate statement concerning any client applying for credit facilities or may ask for an extract from this aggregate statement in accordance with the rules and conditions to be laid down by a decision from the Central Bank Board.

### **PART III**

### **SANCTIONS**

**Art. 56** — Whosoever violates the provisions of Articles 19 and 23 of this Law shall be condemned to imprisonment and/or a fine of not less than £500 nor more than £5000.

In case of recidivation, he shall be condemned to both imprisonment and fine.

In all cases, the Court shall order the publication of the summary of the condemning judgement in one or more newspapers or through any other means of publicity at the expense of the condemned person.

**Art. 57** — If the statements referred to in Articles 27, 28 and 29 of this Law are not submitted at the specified times fixed, a fine not exceeding £1000 shall be judged.

The same penalty shall be judged in case of non-presentation of books, registers, papers and documents to the delegates empowered to peruse, apart from ordering their delivery.

Threatening fines may be pronounced in the above two cases.

**Art. 58** — Whosoever with the intention of fraud deliberately states wrong matters or conceals some facts in the statements, proceed-

ings, or other papers submitted to the Central Bank in application of the provisions of this Law shall be condemned to imprisonment and/or a fine of not less than £100 or more than £1000.

**Art. 59** — Whosoever violates the provisions of Articles 24, 33 and 39 of this Law shall be fined with an amount not less than £100 or more than £1000.

**Art. 60** — Whosoever violates the provisions on obligation or interdiction stipulated by this Law or by the regulations or decisions issued for its implementation shall be fined with an amount not exceeding £500.

**Art. 61** — In case the violation is committed by a company or a society the responsible partner, the manager, the managing director, or the chairman of the board of directors — as the case may be — shall be held responsible.

**Art. 62** — The Central Bank officials selected by a decision from the Minister of Finance and Economy on the request of the Central Bank Governor shall have the judiciary police capacity in what concerns the execution of the provisions of this law and the regulations and decisions issued for its implementation.

**Art. 63** — Withon prejudice to heavier sanctions stipulated by other laws, anyone of the officials charged with the execution of the provisions of this law who discloses any data or information obtained in excercising his functions shall be condemned to imprisonment for a period of not more than two years — and/or a fine of not less than £100 nor more than £500.

**Art. 64** — With regard to the crimes stated in this part the Court may order the publication of the summary of the condemning judge-

ment in one or more newspapers or through any other means of publicity at the expense of the condemned.

**Art. 65** — Public law cases regarding the crimes mentioned in this Law may be raised only with permission from the Minister of Finance and Economy or whom he delegates for this action.

**The President of the Republic Decree  
Promulgating the Executive Regulations  
for the Banking and Credit Law No. 163 for the year 1957\***

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The President of the Republic

After having perused Article 138 of the Constitution;

And Law No. 163 for the year 1957 forwarding the Banking and Credit Law.

And what advised by the State Council:

**Decreed :**

**Art. 1** — The accompanying Executive Regulations and the Forms annexed to it shall be applied in connection with the execution of Law No. 163 for the year 1957 forwarding the aforementioned Banking Credit Law.

**Art. II** — This decree is to be published in the Official Journal and shall be applied from the date it is published.

(Gamal Abdel Nasser)

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\* Published in Arabic in the Official Journal No. 88 (cont.) issued on 11th November 1957.

**THE EXECUTIVE REGULATIONS  
FOR THE BANKING AND CREDIT LAW**

**Art. 1** — A register for banks shall be prepared at the Central Bank (The National Bank of Egypt) appropriating adequate pages for every bank the registration of which is decided. In this register will be recorded the following information :

- 1 — Registration number and date.
- 2 — Name of the bank.
- 3 — Type of activity (commercial/non-commercial).
- 4 — The legal form of the bank.
- 5 — Date of foundation (or date of starting operation in Egypt in the case of foreign banks).
- 6 — The bank duration.
- 7 — The delay granted (in conformity with Law No. 22 for the year 1957 regarding certain provisions concerning the pursuit of banking operations in Egypt).
- 8 — The capital :
  - a) Authorized.
  - b) Paid-up.
  - c) Appropriated for operation in Egypt (in the case of foreign banks).
- 9 — Reserves :
  - a) Legal and statutory.
  - b) Other reserves (non-appropriated)
  - c) Reserves appropriated for operation in Egypt (in case of foreign banks).

- 10 — Bonds :
  - a) Authorized for issue.
  - b) Issued.
- 11 — Address of the Head Office (or the address of the centre supervising operation in Egypt in case of foreign banks).
- 12 — Branches :
  - a) In Egypt.
  - b) Abroad (in case of Egyptian banks).
- 13 — Names of the members of the board of directors (or the names and appointments of the representatives of foreign banks in Egypt who are responsible for management, or the names of the partners if the bank takes the form of a partnership).
- 14 — Names of auditors.
- 15 — Dates of beginning and end of the financial year of the bank.
- 16 — Number and date of the Official Journal in which the decision of the Central Bank Board accepting the registration is published.
- 17 — Any change that may happen to the date referred to above.

**Art. 2** — Registration fees shall be : one hundred pounds for the Head Office or the centre supervising operation in Egypt in the case of foreign banks, fifty pounds for every branch or agency in Cairo or Alexandria, twenty five pounds for every branch or agency at provincial capitals and other governorates, and ten pounds for the countryside.

**Art. 3** — The registration application shall be submitted to the Control of Banks Department at the National Bank of Egypt on the annexed Form No. (1) "banking and credit" by a registered letter "avec avis de reception" enclosing the following documents :

- 1 — Copy of the title deed and the statutes of the company.
- 2 — Copy of the balance sheet and the profit and loss account for the preceding two financial years accompanied by the certificate and report of the auditors.
- 3 — Copy of the minutes of the meeting of the last general assembly sanctioning the appointment of the present members of the board, or the decisions issued for the appointment of the responsible representatives entrusted with managing the business of foreign banks in Egypt.
- 4 — Copy of the Minister of Finance and Economy certificate about the delay granted to the bank in accordance with the provisions of Law No. 22 for the year 1957 regarding certain provisions concerning the pursuit of banking operations.
- 5 — A cheque to the order of the National Bank of Egypt (Control of Banks Department) for the value of the registration fees referred to in Article 2 of these Regulations.

**Art. 4 —** The decision taken by the Central Bank Board accepting the registration application shall be published in the Official Journal within ten days from the date it is taken. This decision shall be communicated to the bank concerned at the same time.

In case of refusal, the applicant shall be notified with the refusal together with its causes by a registered letter "avec avis de reception" within ten days of its being decided.

**Art. 5 —** Applications to introduce amendment to the title deed of the company or its statutes or the other data referred to in Article 1 of the present Regulations, shall be submitted to the Control of Banks Dept., at the National Bank of Egypt on the annexed Form (2) "banking and credit" by a registered letter "avec avis de reception" enclosing the documents proving this amendment.

If the amendment includes the addition of new branches or agencies to the bank, the application should enclose a cheque to the order of the National Bank of Egypt (Control of Banks Department) for the value of the registration fees referred to in Article 2 of the present Regulations according to the case. The decision of the Central Bank Governor, regarding the amendment application shall be notified to the Bank concerned within ten days from its being issued.

**Art. 6 —** The monthly financial position referred to in Art. 27 of Law No. 163 for the year 1957 regarding the Banking and Credit Law shall be submitted to the Control of Banks Department at the National Bank of Egypt in duplicate on the annexed Forms (3), (4), (5) or (6) "Banking and Credit" as the case may be, within a period not exceeding the end of the month following the date of the monthly financial position in question.

**Art. 7 —** If one or more banks wish to be amalgamated into another bank, each of them shall submit an application for the purpose to the Control of Banks Department at the National Bank of Egypt enclosing the following documents :

- 1 — Copy of the minutes of the meeting of the extraordinary general assembly wherein the amalgamation decision has been taken.
- 2 — Copy of the balance sheet of each of the banks (the one applying for amalgamation and the one to be amalgamated into) at the date immediately preceding the amalgamation decision, each accompanied by a certificate from the auditors confirming the accuracy of the information contained therein.
- 3 — Copy of the amalgamation contract.
- 4 — Statement showing the bases for evaluating the assets of the bank applying for amalgamation and how its shareholders' rights are defined.



- 5 — Statement showing the way to settle the rights of the shareholders of the bank applying for amalgamation.
- 6 — Statement of the assets and liabilities of the bank applying for amalgamation which will pass to the bank into which amalgamation is requested.
- 7 — Statement of the liabilities of the bank (applying for amalgamation) which will not pass to the bank into which amalgamation is requested, and how such liabilities will be settled.

All these statements must be confirmed by the auditors.

**Art. 8** — The Central Bank Board takes decision regarding the amalgamation application referred to in the previous article. This decision shall be notified within ten days of its being taken to each of the two banks : the one applying for amalgamation and the one into which the amalgamation is requested.

**Art. 9** — The stop-operation application shall be submitted to the Control of Banks Department at the National Bank of Egypt giving causes for this application, and enclosing the following documents :

- 1 — A certificate from the applying bank to the effect that it has completely freed itself from its obligations towards depositors and other creditors. This certificate should be signed by the chairman of the bank board of directors or by the managing director, and approved by the auditors.
- 2 — A statement, approved by the auditors, of the financial position of the bank after settling its obligations towards depositors and other creditors.

- 3 — A proof that a notice has been published twice at least in two newspapers (of which one should be in Arabic) published in the city wherein is situated the head office of the bank in Egypt or the centre supervising the operations of the bank in Egypt in case of foreign banks. There should be a lapse of fifteen days at least between the two notices. The notice should include an invitation to the depositors and other creditors to submit to the Control of Banks Department at the National Bank of Egypt — not later than the date on which the stop-operation application is submitted — a statement showing their rights, if any, which the bank has not settled to them.

Three months at least should lapse between the latest notice and the date of submitting the stop-operation application to the said Control of Banks Department.

**Art. 10** — The Central Bank Board shall take decision regarding the stop-operation application referred to in the previous Article. This decision shall be notified to the applying bank within ten days from the date it is issued.