

REPUBLIQUE FRANCAISE

ARAB REPUBLIC OF EGYPT

COMMISSION DES OPERATIONS DE
BOURSE

CAPITAL MARKET AUTHORITY

MEMORANDUM OF UNDERSTANDING ON THE EXCHANGE OF INFORMATION

The Capital Market Authority of Egypt and the *Commission des opérations de bourse*,

Considering in light of the increasing internationalisation of activities in securities, the need for mutual cooperation and consultation in order to facilitate the performance of their functions in the areas mentioned hereinafter;

Considering the importance of ensuring compliance with and enforcement of securities laws and regulations applicable in France and in Egypt;

Wishing to achieve the provision of the broadest possible mutual assistance, and the strengthening of cooperation and exchange of information in order to enhance the performance of the supervisory functions and the effective enforcement of the laws and regulations governing securities markets;

Have thus reached the following understanding;

Article 1 – Purpose of the Memorandum

The purpose of this Memorandum is to set up and implement a system for mutual assistance and exchange of information between the Authorities designated hereinafter, in order to facilitate the fulfilling of their supervisory functions in the field of securities markets.

Article 2 – Definitions

For the purpose of this Memorandum

1. “Authority” means:
 - (a) the Capital Market Authority (CMA) of Egypt;
 - (b) the *Commission des opérations de bourse* (COB) of France.
2. “Requested Authority” means the Authority to whom a request is made under this Memorandum;
3. “Requesting Authority” means the Authority making a request under this Memorandum;
4. “Laws and Regulations” means the provisions of the laws, regulations and other regulatory requirements applicable in the financial field in France and in Egypt;

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5. "Financial Instruments" means shares, bonds and other forms of securitised debts, futures and derivative products, mutual funds and any other financial products as applicable and within the respective competence of the Authorities.
6. "Issuer" means a natural or legal person who issues or proposes to issue any security;
7. "Financial Markets" means regulated markets and any other Securities and derivatives market supervised by the Authorities;
8. "Investment Services" means carrying out and trading transactions involving Financial Instruments on Financial Markets on its own account and/or on behalf and for the account of third parties;
9. "Investment Services Providers" means investment firms, credit institutions and any other person as authorised to provide Investment Services within the law and regulations applicable in the countries of the Authorities.

Article 3 – Scope of assistance

1. The Authorities will provide each other with the fullest assistance under this MoU, to the extent permitted by their respective national laws, in order to facilitate the performance of their respective supervisory duties. The Requested Authority will provide access to the information it holds to the Requesting Authority and when possessing the legal authority to do so, exercise its powers as necessary to obtain all useful information to comply with the request.
2. In so far as the request concerns information relating to specified persons and their activities or is not exchanged pursuant to the provisions of any proceedings resulting from the violation of the laws or regulations, the Requested Authority shall take all reasonable steps to provide assistance to the Requesting Authority. In case of any difficulty to provide the relevant information, the Authorities agree on particular consultations.
3. The information is exchanged pursuant to the provisions of any of the relevant national law or regulation of the Authorities and the requirements of any relevant international agreements.
4. The Authorities agree to provide each other mutual assistance and exchange information in response to the requests to assist them in the performance of their respective functions in relation, amongst others to the following areas :
 - (a) Insider dealing, market manipulation, and other fraudulent, deceptive, and manipulative practices in relation to securities, futures and options, and collective investment schemes;
 - (b) Enforcement of the laws, rules, and regulations relating to issuing, dealing in, arranging deals in, managing and advising on securities, futures and options, and collective investment schemes;
 - (c) Checking that the conditions for the taking up of business as investment services providers are met, and in particular fitness and properness of the persons who are authorized to conduct the business referred to above, and promoting high standards of fair dealing and integrity in the conduct of that business;
 - (d) Enforcing applicable laws and regulations relating to the duties, of issuers and offerers for securities, in relation to the disclosure of relevant information to investors;
 - (e) Compliance with applicable laws and regulations to the disclosure of interests in the securities of companies;

- (f) Other matters agreed upon by the Authorities.
5. Assistance under this MoU may be denied, in particular:
- (a) where the execution of the request would prejudice the sovereignty, the security the fundamental economic interests or public policy of the State of the Requested Authority;
 - (b) where criminal proceedings have already been initiated in the State of the Requested Authority based on a financial sanction following the same facts and charges in the jurisdiction of the Requested Authority and against the same persons.
6. The denial of assistance does not undermine the right of the Authorities to consult each other. When the Requested Authority does not possess the legal authority to provide the assistance requested, the Requested Authority and the Requesting Authority will consult on other possible means of dealing with the request.
7. Without prior request for assistance, the Authorities may transmit to each other information they hold and which they may consider useful to the other Authority for the performance of its functions and for the purposes that may be specified in the transmission letter, in which event the terms and conditions of this MoU will apply if the providing Authority specify that the information is given under this MoU.

Article 4 – Requests for assistance

1. Requests for assistance shall be made in writing and addressed to the Requested Authority's contact person listed in Appendix A.
2. The request for assistance must specify the following:
 - (a) a general description of the information sought by the Requesting Authority;
 - (b) a general description of both the matter which is the subject of the request and the purpose for which the information is sought;
 - (c) in so far as the request results from investigations of violations of any laws or regulations, a description of the relevant provisions that might have been violated;
 - (d) if known to the Requesting Authority, a list of the persons or institutions believed by the Requesting Authority to possess the information sought or the places where such information may be obtained;
 - (e) an indication of the urgency of the Request, or the desired time period for the reply.

Article 5 – Execution of requests

1. The Requested Authority will provide to the Requesting Authority the information that it holds or that it may obtain by such means as may be determined by the Requested Authority, in accordance with the national laws and regulations of the Requested Authority.
2. The information shall be transmitted to the person listed in Appendix A.

Article 6 – Permissible use of information

1. The Requesting Authority shall use the information transmitted solely for purposes stated in the request, with a view to ensuring compliance with or enforcement of the national laws or regulations specified in the request and for any criminal, civil, administrative or disciplinary proceeding dealing with the violation of the provisions specified in the request.
2. To the extent permitted by law, the Authorities may supply each other with unsolicited information, the Authorities shall use the information exchanged solely for the purposes stated in the transmission letter or for the purposes of criminal or administrative proceedings or for the discharge of the obligation to report to judicial authorities.
3. If the Requesting Authority wishes to use the information provided for any purpose other than those stated in paragraphs 1 and 2 of this article, but remaining within the scope of this Memorandum, including the transmission of this information to other competent regulators in the field of securities, it must first seek permission from the Requested Authority. If the Requested Authority agrees to the use of the information for purposes other than those stated in paragraphs 1 and 2 of this article, it might subject the use of the information to certain conditions. The Requested Authority may refuse such use of the information; in that case, the Authorities will consult each other pursuant to Article 8 regarding the reasons for refusal and the circumstances under which use of the information might otherwise be allowed.

Article 7 – Confidentiality of the requests and information exchanged

1. Each Authority shall keep confidential, to the extent permitted by law, requests or communications of information, made within the framework of this MoU, the contents of such requests, and any other matters arising during the implementation of this Memorandum, including consultations between the Authorities.
2. In all cases, the Requesting Authority shall keep confidential, to the extent permitted by law, any information received pursuant to this MoU to the same extent as such information would be kept confidential under the national laws and regulations of the Requested Authority.

Article 8 – Consultations

1. The Authorities agree to inform each other on any development in the laws and regulations affecting the scope of this MoU, and to consult each other on a periodic basis and whenever necessary.
2. The Authorities will keep the operation of this MoU under continuous review and will consult each other with a view to improving its operation and resolving any matters which may arise. In particular the Authorities should consult each other in case of:
 - a) refusal to provide assistance;
 - b) disagreement on the use of the information provided as mentioned in Article 6;
 - c) significant change in the economic situation or the legal provisions which, for the achievement of this Memorandum, requires a change in its contents.
3. The Authorities may agree on such further arrangements of a practical nature as may be necessary to facilitate the implementation of this MoU.
4. In any case of dispute over the interpretation of this MoU, the Authorities will consult each other with a view to reaching a mutually acceptable interpretation.

Article 9 – Costs of Assistance

Where substantial imbalance has arisen in the cumulative costs incurred, the Requested Authority may require the Requesting Authority to make a contribution to costs.

Article 10 – Amendments to the Memorandum

Further to consultations held pursuant to Article 8, the Authorities may agree on such amendments as may be necessary to give effect to this MoU.

Article 11 – Publication

The Authorities agree to publish this MoU.

Article 12 - Effective date

This MoU will come into effect from the date of signature.

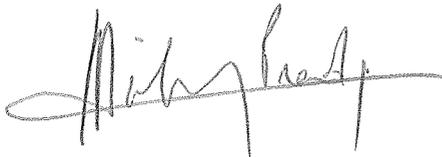
Article 13 – Termination

This MoU shall be concluded for an unlimited period and may be terminated by any of the Authorities at any time, by giving at least thirty days prior written notice to each other Authority. Where the Requested Authority gives such notice, this MoU will continue to have effect with respect to all requests for assistance that were made before the effective date of notification.

IN WITNESS WHEREOF the Undersigned have signed this Memorandum.

DONE in Paris, on September 6th 2002, in six versions, two in French, two in Arabic, and two in English.

FOR THE COMMISSION DES OPERATIONS
DE BOURSE

A handwritten signature in black ink, appearing to read 'Michel Prada', with a long horizontal flourish extending to the left.

Michel PRADA
Chairman

FOR THE CAPITAL MARKET
AUTHORITY

A handwritten signature in black ink, appearing to read 'Abdel Hamid Ibrahim', with a long diagonal flourish extending upwards and to the right.

Abdel Hamid IBRAHIM
Chairman

Appendix A

The Requested Authority's contact officer pursuant to the Article 4 of the Memorandum is:

For the <i>Commission des opérations de bourse</i> :	Hervé DALLERAC Head of the Enforcement Division Tel: +33.1.53.45.60.00 Fax: +33.1.53.45.63.80 E-mail: hdallerac@cob.fr
For the Capital Market Authority:	Dr. Ahmed Saad ABD AL LATIF Deputy Chairman Tel : + 202.57.87.470 Fax : +202.57.40.777 E-Mail : cmauth@idsc.net.eg