

**Capital Market Authority
CMA Board Chairman**

**Decision No. 64 of 2007 dated July 11, 2007
Regulating the Work of Accredited Small and Medium Enterprises SME(s)
Sponsors**

Board of Directors of the Capital Market Authority

After considering Capital Market Law promulgated by Law No. 95 of 1992 and its executive regulations;

Law on Securities Central Depository and Registry promulgated by Law No. 93 of 2000 and its Executive Regulations;

The Decree of the Minister of Economy and Foreign Trade, No. 135 of 1993, promulgating the executive regulations of Law No. 95 of 1992

The Decree of the Minister of Foreign Trade No. 906 of 2001, promulgating the executive regulations of the Law on Central Depository and Registry of Securities and the amendments thereof;

The memorandum presented to CMA by the Central Department of Trading Markets Monitoring;

The approval of CMA BOD issued during its session No. 8 of 2007, dated July 11, 2007

DECIDED

Article (1)

Companies licensed by CMA may undertake one of the following activities:

1. Financial Consultancy Activities
2. Promoting and underwriting the securities subscription
3. Participating in establishing companies that issue securities and participating in increasing such companies capital
4. Venture capital
5. Direct investment funds

Providing services to SME(s) as accredited sponsors.

Article (2)

Any company wishing to be an accredited sponsor of SME(s) shall submit an application for that purpose to CMA, using the standard form for such an application. CMA BOD shall issue a decision approving or refusing the application within 15 days from the date of the application submittal.

Article (3)

An accredited sponsor shall undertake the following tasks:

1. Provide consultancy and advisory services to the company during the period of completion of registry and central depository procedures
2. Provide consultancy and advisory services to the company during the offering of shares for subscription whether public or private offering.
3. Provide consultancy and advisory services to the company on how to abide by the disclosure rules and how to maintain the listing on the Stock Exchange

The sponsor must notify CMA in case the company does not abide by the rules and provisions regulating the transactions in the securities market

Article (4)

The accredited sponsor shall conclude a contract with the company; the contract shall include the obligations and rights of each party in accordance with the form prepared by CASE for such a purpose. The contract must include a condition prohibiting the repeal thereof by any party unless the other party is notified during a period not less than one month.

Article (5)

The accredited sponsor must notify CMA of the names and information of the sponsored SME companies. The notification must include the contract duration and the obligations and rights of each party.

Article (6)

In case CMA is confident that the sponsor has violated its established obligations - as per this Decision and the terms mentioned in the contract between the sponsor company and the SME company - CMA has the right to withdraw or suspend the approval for a period that does not exceed 30 days.

Article (7)

CMA and the Stock Exchange shall publish the names of the accredited sponsors on the Stock Exchange and CMA websites.

Article (8)

This Decision shall be published in the Official Gazette and shall become applicable starting from the day following the date of Decision publication.

CMA Chairman

Dr. Ahmed Saad Abdel-Latif