

The Association of Global Custodians - Questionnaire 2024 - 2025

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Welcome to the Depository-Information Gathering Project.

Before beginning, we suggest that you print the entire document for review on paper and review the Glossary of Terms. Each will assist you with answering the questions. For help, contact: Robin D. Truesdale, Baker & McKenzie LLP (202) 835-1664; e-mail:

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Note

- * When reviewing/updating your prior year's responses in the questionnaire, please ensure that the sub-questions are reviewed/updated as well.
- * Please deselect/uncheck any responses in the sub-questions where those responses are no longer applicable.
- * Please note: Any text in the “other” and/or “please explain/describe” questions should be deleted before deselecting the response. In this regard, note that deselecting a response with written text does not delete the information, it only hides the information from view.
- * Any responses that appear in open text boxes should be deleted if the information is no longer applicable.

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

Response Necessary/Eligibility Question

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as “Eligible Securities Depositories”), the depository must be a “system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities.”

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

- ☒ Yes
- ☐ No (please answer 1a)
- ☐ Other (please answer 1a)

1a. Please explain:

Response Necessary/Eligibility Question

2. Rule 17f-7 also requires that an Eligible Securities Depository “acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated,” or “acts as or operates a transnational system for the central handling of securities or equivalent book-entries.” Does your institution: (Choose all that apply.)

- ☒ Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)
- ☐ Act as or operate a transnational system for the central handling of securities or equivalent book-entries? (please answer 2b)
- ☐ Act in another capacity with respect to the handling of securities or equivalent book-entries? (please answer 2a)
- ☐ Not applicable (please answer 2a)
- ☐ Other (please answer 2a)

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

The types of securities for which our CSD system operates central handling or equivalent book-entries are government debt securities which include but not limited to, government bonds, Treasury Bills. Phase 1 was completed on May 14th 2023 with the successful migration of government bonds from MCDR to ECSD. Followed by phase 2 which was completed on September 24th 2023 with the successful migration of Treasury bills from CBE to ECSD.

3. What type of legal entity is the institution? (Choose all that apply.)

- ☐ Public Company
- ☒ Private Company
- ☐ Central Bank (or part thereof)
- ☐ Stock Exchange (or part thereof)
- ☒ Other (please answer 3a)

3a. Please explain:

The company is incorporated as a joint stock company with 100% government ownership

4. Is the institution operated as a "for profit" or a "not for profit" organization?

- ☒ For profit
- ☐ Not for profit
- ☐ Other (please answer 4a)

5. Please provide the names of the owners and their ownership interest percentages.

- The Central Bank of Egypt: 70%.
- Ministry of Finance: 30%.

6. Please answer the following:

6a. What is the date of establishment of the depository? 27/12/2020

6b. What is the date that the depository's operations began? 14/05/2023

7. Under what regulation or statute is the depository established and governed?

Capital Market Law (Law no. 95 for 1992).
Central Depository and Registration Law (Law 93 for 2000 & it’s amended law no. 143 for 2020).
FRA regulations.
Company Statutes

7a. Is the regulation or statute electronically available?

- ☒ Yes (please answer 7b)
- ☐ No

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

Please note that the governing laws & regulations are electronically available on the regulators' websites.
Note: The latest amendment on the company's statute is available in Arabic only and its English translation is in progress.

7c. Please supply document(s) here:

ECSD_2022_02_صحيفة الشركات_Translated.pdf
ECSD_2024_03_صحيفة الشركات.pdf
ECSD Article of Association & Statutes_2021_Translation_S.pdf

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

- The member must have an appropriate higher qualification / Degree.
- The practical experience of the candidate for the position of Chairman of the Board of Directors or Managing Director in one of the fields of banking and non-banking financial activities must not be less than ten years, or they must have previously held a supervisory position at an appropriate level in one of the banking or non-banking institutions.
- The practical experience of the majority of the members of the company's board of directors in one of the fields of banking or non-banking finance must not be less than seven years.
- The required experience for at least two members of the company's board of directors in one of the legal, accounting, financial or technical fields related to the company's activities and business must not be less than seven years.
- The member must have the competence, technical knowledge and leadership qualities required of members of the board of directors.
- The member must be of good conduct and reputation, and must not have been previously sentenced by a final judgment for a felony, a misdemeanor, a crime affecting honor or honesty, or for one of the serious crimes stipulated in the laws regulating non-banking financial activities or stipulated in the Central Bank and Banking Law or the Anti-Money Laundering and Terrorism Financing Law, or a bankruptcy court of action during the previous five years, unless his reputation has been restored.
- The Financial Regulatory Authority must not have issued, during his membership in the company's board of directors, more than one measure regarding the company for the two sessions following the issuance of these measures.

7e. What are the election procedures?

Board elections are conducted in the general assembly, based on the cumulative voting system upon electing the Board of Directors at the General Assembly Meeting, where each shareholder is entitled to one vote per share that he owns. The shareholder may dedicate all of his votes to one candidate or split the votes among multiple candidates. This system is intended to promote more proportional representation whenever possible.

7f. What is the maximum length of time a board member can serve?

Two board rounds (the initial round is 5 years, and the subsequent round is 3 years).

7g. How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

Under the accumulated voting method, voting power is calculated by multiplying the number of shares owned by each shareholderby the total number of board seats. Shareholders have the flexibility to distribute their voting power as they see fit, whether by concentrating it on specific board nominees, or allocating it equally or unequally among the candidates.

7h. Who is responsible for regulating the board members?

The general assembly meeting of shareholders.

Response Necessary/Eligibility Question

8. Rule 17f-7 requires that an Eligible Securities Depository “is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act”, with section 2(a)(50) establishing that ““foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.”

Who regulates the activities of the depository? (Choose all that apply.)

- ☒ A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- ☐ A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- ☐ A membership organization which regulates the participation of its members in securities matters or other financial activities.
- ☐ Other (please answer 8a)

9. Please provide the name of regulatory authority(ies) identified in question 8:

Financial Regulatory Authority (FRA).

Response Necessary/Eligibility Question

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)

- ☒ Regulatory authorities?
- ☒ Independent accountants?
- ☒ Other (please answer 10a)

10a. Please explain:

According to the laws and regulations, the Accountability State Authority, the Governmental Auditor, is mandated to conduct audits on companies in which the government holds 25% or more of its shares. This requirement ensures transparency and accountability in the financial operations of such entities.

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):

Financial Regulatory Authority (FRA).

11a.

- ☒ Fines
- ☒ Restrictions on depository activities.
- ☒ Suspension of depository activities.
- ☒ Termination of depository activities.
- ☐ Other (please answer 11b)

Name of Authority #2 (please answer 11c):

11c.

- ☐ Fines
- ☐ Restrictions on depository activities.
- ☐ Suspension of depository activities.

☐ Termination of depository activities.

☐ Other (please answer 11d)

12. Has there been any use of such enforcement actions in the last three years?

☐ Yes (please answer 12a)

☒ No

☐ Other (please answer 12a)

Capital

13. Are annual financial statements publicly disclosed?

☐ Yes (please answer 13a)

☒ No (please answer 13e)

☐ Other (please answer 13h)

13e. If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards).

Share Capital (then please answer 13f):

Total Shareholders Equity as of 30-06-2024 is EGP 846 MN.
Issued & Paid in Capital is EGP 400 MN.

13f. Reserves (then please answer 13g):

Reserves as of 30-06-2024 is EGP 24.38 MN.

13g. Retained Earnings:

Retained Earnings as of 30-06-2024 is EGP 49.73 MN.

Internal Audit

14. Is an internal audit undertaken in your depository?

☒ Yes (please answer 14a)

☐ No (please proceed to 15)

14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?

The Internal Audit Department is responsible for conducting audits within the organization. Essential documents like the Audit Charter, Code of Ethics, and Audit Manual have been established. Furthermore, the internal audit team is responsible for developing audit processes and types, including compliance audit, IT audit, performance audit, financial audit, and operational audit. Additionally, a comprehensive audit plan has been prepared and approved by Audit Committee covering all departments and units within the company.

14b. Please list the date of your last internal audit: 31/07/2024

Please list the period that the audit covered: 01/01/2024 to 30/06/2024

14c. How frequently does the internal audit occur? (Choose one.)

- ☒ Two or more times a year (please answer 14e)
- ☐ Annually (please answer 14e)
- ☐ Less than annually (please answer 14d)

14e. Are the results of the internal audit publicly available?

- ☐ Yes
- ☒ No

14f. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)

- ☒ No material exceptions found.
- ☐ Minor exceptions found. (please answer 14g)
- ☐ Material exceptions found. (please answer 14g)

15. Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

- ☒ Yes (please answer 15a)
- ☐ No (please proceed to 16)

15a. If yes, please state the name(s) of the entity(ies) who perform the financial audit.

External Auditor (KPMG) and Accountability State Authority.

15b. Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

31/12/2023

15c. Please list the period that the audit covered:

01/01/2023 to 31/12/2023

15d. How frequently does the financial audit occur? (Choose one.)

- ☒ Two or more times a year (please answer 15f)
- ☐ Annually (please answer 15f)
- ☐ Less than annually (please answer 15e)

15f. Are the results of the financial audit publicly available?

- ☐ Yes
- ☒ No

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

- ☒ No material exceptions found.
- ☐ Minor exceptions found. (please answer 15h)
- ☐ Material exceptions found. (please answer 15h)

16. Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

- ☒ Yes (please answer 16a)
- ☐ No (please proceed to 17)

16a. If yes, please state the name(s) of the entity(ies) who perform the operational audit.

Limited-scope external operational audits have already been completed; however, a full external operational audit has yet to be completed. In this regard, the FRA carried out a preliminary audit inspection prior to the company going live. Additionally, the FRA has already audited the control design of key operational procedures, including rule books, forms, contracts, and other critical areas during the past operational year. A full operational audit is planned by the FRA for the upcoming quarters, following their risk-based audit inspection plan.

Currently, the Internal Audit Department is executing a three-year internal audit plan, initiated in 2024, covering all company departments. At the same time, there is an ongoing study to determine the timing, qualifications, scope, objectives, budget, and recommended start date for an external operational audit to be conducted by an independent audit firm. This audit is expected to take place during or immediately after the completion of the first audit cycle.

16b. Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

16c. Please list the period that the audit covered:
to

16d. How frequently does the operational audit occur? (Choose one.)

- ☐ Two or more times a year (please answer 16f)
- ☒ Annually (please answer 16f)
- ☐ Less than annually (please answer 16e)

16f. Are the results of the operational audit publicly available?

- ☐ Yes
- ☒ No

16g. Please select the statement that most accurately characterizes the results of the last operational audit: (Choose one.)

- ☐ No material exceptions found.
- ☐ Minor exceptions found. (please answer 16h)
- ☐ Material exceptions found. (please answer 16h)

16h. If minor or material exceptions were found, what actions were taken? Please describe:

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

- ☒ Banks (please answer 17a)
- ☒ Brokers (please answer 17e)
- ☐ Individuals (please answer 17i)
- ☒ Foreign Institutions (please answer 17m)
- ☒ Other entities (please answer 17q)
- ☐ Not applicable

17a. How many Bank participants are there currently? (then please answer 17b)

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

- ☒ Financial Thresholds (please answer 17c)
- ☒ Regulatory Oversight (please answer 17c)
- ☐ Market Experience (please answer 17c)
- ☒ Other (please answer 17d)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

- 1- Central Depository and Registration Law (Law 93 for 2000 & it’s amended law no. 143 for 2020).
- 2- FRA decree no. 146 for 2021.
- 3- CBE law.

17d. Please explain:

The CBE and FRA are responsible for setting the licensing standards and participant criteria for the Egyptian capital market. These regulations ensure a robust ecosystem for market participants by enforcing stringent financial, technical, and operational requirements. ECSD ensures compliance by only allowing banks that have received the necessary approvals from the CBE and FRA to join as participants. The onboarding documentation provided by ECSD clearly outlines these regulatory requirements and specifies the eligible entities that can become participants. This approach guarantees that all members meet the standards set by the regulatory authorities, thereby maintaining the integrity and security of the depository system.

17e. How many Broker participants are there currently? (then please answer 17f)

9

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

- ☒ Financial Thresholds (please answer 17g)
- ☒ Regulatory Oversight (please answer 17g)
- ☐ Market Experience (please answer 17g)
- ☒ Other (please answer 17h)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

The FRA communicates the necessary requirements needed for brokers to obtain the custody license.

17h. If other, please explain:

For brokers, the FRA is responsible for setting the licensing standards and participant criteria for the Egyptian capital market. These regulations ensure a robust ecosystem for market participants by enforcing stringent financial, technical, and operational requirements. ECSD ensures compliance by only allowing entities that have received the necessary approvals from the FRA to join as participants. The onboarding documentation provided by ECSD clearly outlines these regulatory requirements and specifies the eligible entities that can become participants. This approach guarantees that all members meet the standards set by the regulatory authorities.

17m. How many Foreign Institution participants are there currently?

NII

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

- ☐ Financial Thresholds (please answer 17o)
- ☐ Regulatory Oversight (please answer 17o)
- ☐ Market Experience (please answer 17o)
- ☒ Other (please answer 17p)

17p. If other, please explain:

ICSDs are eligible to become participants once they obtain the custody license from the relevant regulatory figure. These regulations ensure a robust ecosystem for market participants by enforcing stringent financial, technical, and operational requirements. ECSD ensures compliance by only allowing entities that have received the necessary approvals from the regulators to join as participants.

17q. If you have selected "Other entities" above, please explain:

- Members of the Central Depository must be among the following entities:
- 1-Banks and bank branches registered with the Central Bank of Egypt.
 - 2-Companies operating in the field of securities in accordance with the activities determined by the Authority’s Board of Directors.
 - 3-Foreign companies and entities that practice the activity of the central securities depository, provided that their main office is subject to supervision in accordance with the rules determined by the Authority’s Board of Directors.
 - 4- Other entities whose membership is accepted by the company’s Board of Directors in accordance with the terms and conditions specified by the executive regulations.

17r. Indicate how many "Other entities" are currently participants?

NA

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

- ☒ Financial Thresholds (please answer 17t)
- ☒ Regulatory Oversight (please answer 17t)
- ☐ Market Experience (please answer 17t)
- ☒ Other (please answer 17u)

17t. Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

The FRA communicates the necessary requirements needed for the participants to obtain the custody license.

17u. If other, please explain:

The FRA is responsible for setting the licensing standards and participant criteria for the Egyptian capital market. These regulations ensure a robust ecosystem for market participants by enforcing stringent financial, technical, and operational requirements. ECSD ensures compliance by only allowing entities that have received the necessary approvals from the FRA to join as participants. The onboarding documentation provided by ECSD clearly outlines these regulatory requirements and specifies the eligible entities that can become participants. This approach guarantees that all members meet the standards set by the regulatory authorities. FRA decree no. 146 for 2021 Central Depository and Registration Law (Law 93 for 2000 & it’s amended law no. 143 for 2020)

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

- ☐ Yes (please answer 18a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 18b)

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

- ☒ Yes
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 19a)

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

- ☒ Relevant law and regulation
- ☒ Standard participation contract
- ☐ Established terms and conditions of participation
- ☐ By-laws of the depository
- ☒ Rules of the depository
- ☐ Other (please answer 20a)
- ☐ Not applicable

Response Necessary/Eligibility Question

21. Rule 17f-7 requires that an Eligible Securities Depository “holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants.”

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

- ☒ Yes (please answer 21b)
- ☐ No (please answer 21a)
- ☐ Not applicable (please answer 21a)
- ☐ Other (please answer 21a)

21b. Please confirm the basis for the arrangements in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants. (Choose all that apply.)

- ☒ Relevant Law and Regulation (please answer 21d)
- ☐ Standard participation contract (please answer 21d)
- ☐ Established terms and conditions of participation (please answer 21d)
- ☐ By-laws of the depository (please answer 21d)
- ☒ Rules of the depository (please answer 21d)
- ☐ Other (please answer 21c)

21d. For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or depository rule(s), participation condition(s), or participant contract provision(s), as applicable.

Capital Market Law 95 for year 1992 and Central Depository & Regulatory Law 143 for year 2020, amending law number 93 for year 2000, and FRA decrees & FRA decree No.146 for year 2021.

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

- ☒ By e-mail
- ☒ By telephone
- ☐ By public announcement
- ☐ By press release
- ☒ Other (please answer 22a)
- ☐ Not applicable

22a. Please explain:

A newsflash will be shared with the participants as necessary. In addition, ECSD is in the final stages of launching its website (pending the penetration test), noting that the website will act as an informative hub to all the market participants.

Governance of Participants

23. Who enforces compliance with the depository’s conditions of participation? (Choose all that apply.)

- ☒ The depository
- ☒ The exchange
- ☒ The depository's regulator
- ☐ Other (please answer 23a)
- ☐ Not applicable

23a. Please explain:

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

- ☒ Fines
- ☒ Restrictions on participation
- ☒ Suspension of participation
- ☒ Termination of participation
- ☐ Other (please answer 24a)
- ☐ Not applicable

25. Has there been any such enforcement actions in the last three years?

- ☐ Yes (please answer 25a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 25b)

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

- ☒ Government securities

- ☐ Equities
- ☐ Corporate bonds
- ☐ Corporate money market instruments
- ☐ Others (please answer 26a)
- ☐ Not applicable

27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)

- ☐ Yes by law for settlement of all instrument types (please answer 27a)
- ☐ Yes by law for safekeeping of all instrument types (please answer 27a)
- ☐ Yes by market practice for settlement of all instrument types (please answer 27b)
- ☐ Yes by market practice for safekeeping of all instrument types (please answer 27b)
- ☒ Yes by law for settlement, but not for all instrument types (please answer 27a)
- ☒ Yes by law for safekeeping, but not for all instrument types (please answer 27a)
- ☐ Yes by market practice for settlement, but not for all instrument types (please answer 27b)
- ☐ Yes by market practice for safekeeping, but not for all instrument types (please answer 27b)
- ☐ Neither/other (please answer 27c)

**27a. Please list the instrument types for which it is not compulsory by law to:
(i)settle in your depository**

Any instrument type other than government debt instruments.

(ii)safekeep in your depository:

Any instrument type other than government debt instruments.

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

100% of T-Bills and Government Bonds in the market.

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

Government Bonds EGP 2.7 Trillion.
T-Bills EGP 3.6 Trillion.

29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

- ☐ Yes (please answer 29a)
- ☒ No
- ☐ Not applicable

☐ Other (please answer 29i)

30. Has any participant suffered any losses in the past three years due to the depository's performance?

- ☐ Yes (please answer 30a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 30m)

30c. Corporate Action. Please specify total loss in USD:

30e. Settlement Process - Securities. Please specify total loss in USD:

30g. Settlement Process - Cash. Please specify total loss in USD:

30i. System Outage. Please specify total loss in USD:

30k. For Other, please specify number of instances:

30l. For Other, please specify total loss in USD:

30m. If other, please explain:

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

- ☐ Depository
- ☒ Central Bank
- ☐ Banks appointed by depository (please answer 31a)
- ☐ Neither/others (e.g. credit lines used please answer 31b)
- ☐ Not applicable

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

- ☐ Depository
- ☒ Central Bank
- ☐ Banks appointed by depository (please answer 32a)
- ☐ Neither/others (please answer 32b)
- ☐ Not applicable

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

- ☐ Depository
- ☒ Central Bank
- ☐ Banks appointed by depository (please answer 33a)
- ☐ Neither/others (please answer 33b)
- ☐ Not applicable

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

- ☒ Depository
- ☐ Central Bank
- ☐ Banks appointed by depository. (please answer 34a)
- ☐ Neither/others (please answer 34b)
- ☐ Not applicable

35. Please indicate services you provide. (Choose all that apply.)

- ☐ Information in advance on corporate (annual or special) meetings in order that owners can vote.
- ☒ Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- ☐ In order to avoid fails, an automatic securities lending facility - if requested - is provided for. (please answer 35a)
- ☐ Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c)
- ☒ Same day turnaround settlements.
- ☐ Information on distribution of new issues (IPO, Privatization).
- ☒ Other (please answer 35d)
- ☐ Not applicable

35d. If other services, please explain:

Client Relationship Management (CRM).
Cash flowpayment (Interests and Redemption events).
Tax relief at source.
Pledge/Freeze/Deceased
Dormancy reactivation
Monthly/Yearly Billing
Reporting
Custody Services

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

- ☐ Credited to the securities account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 36a)
- ☐ Credited to the securities account upon actual receipt by the depository.
- ☐ Corporate action entitlements are handled by an entity separate from the depository. (please answer 36c)
- ☐ Not applicable
- ☒ Other (please answer 36d)

36d. If other, please explain:

Entitlements are credited to the registration accounts as of the Record date, which is one day prior to the Payment date.
Entitlement calculation on an end beneficiary level using clients’ unified codes on record date EOD, where record date = pay date -1BD (Business Day).

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

- ☐ Credited to the cash account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 37a)
- ☐ Credited to the cash account upon actual receipt by the depository.
- ☐ Income and dividend collection is handled by an entity separate from the depository. (please answer 37c)
- ☐ Not applicable
- ☒ Other (please answer 37d)

37d. If other please explain:

The net income proceeds for each security will be credited into the custodian bank’s cash account via RTGS (Real-Time Gross Settlement) after deducting the tax amounts and once the depository has received the actual funds from MoF. Following this, these funds will be transferred to the respective clients associated with the underlying securities.

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

38. Please list all depositories or settlement systems to which you have an electronic link.

N/A

39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

- ☐ Yes (please answer 39a)
- ☐ No (please answer 39a)
- ☐ Other (please answer 39a)
- ☒ Not applicable

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

- ☐ Yes
- ☐ No (please answer 40a)
- ☐ Other (please answer 40a)
- ☒ Not applicable

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

- ☐ Yes (please answer 41a)
- ☐ No
- ☐ Not applicable
- ☒ Other (please answer 41d)

41d. If other, please explain:

In the Egyptian Capital Market, each investor maintains only one National Investor Number (NIN). It's worth noting that investors have the option to appoint more than one custodian (participant). Consequently, a registration number or safekeeping account can be opened under each custodian in favor of the investor.

42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

- ☒ Yes (please answer 42a)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 42d)

42a. If yes, is segregation required or simply permitted?

- ☒ Required (please answer 42b)
- ☐ Permitted (please answer 42b)
- ☐ Other (please answer 42e)

42b. How does segregation occur? (Choose all that apply.)

- ☐ By separately designated participant accounts.
- ☐ By sub-accounts within a single participant account.
- ☒ By separately designated beneficial owner accounts.
- ☐ Other - e.g. share registration (please answer 42c)

43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?

- ☐ Yes (please answer 43a)
- ☒ No
- ☐ Other (please answer 43b)
- ☐ Not applicable

44. In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible:
44a. By the participant's clients?

- ☐ Yes (please answer 44b)
- ☐ No
- ☐ Not applicable
- ☒ Other (please answer 44c)

44c. If other, please explain:

Clients will retain the ability to access their accounts through the Central Depository and will have the option to transfer their portfolios to other participants if they choose to do so.

44d. By the intervening authorities controlling insolvency or other proceedings?

- ☐ Yes (please answer 44e)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 44f)

44g. By the participant's creditors?

- ☐ Yes (please answer 44h)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 44i)

44j. By the depository's creditors?

- ☐ Yes (please answer 44k)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 44l)

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

- ☐ Computer file (please answer 45b)
- ☐ Microfiche (please answer 45b)
- ☐ Hard copy (please answer 45b)
- ☐ Computer tape (please answer 45b)
- ☒ Other (please answer 45a)

45a. If other, please explain:

Oracle Database.

Response Necessary/Eligibility Question

46. Rule 17f-7 requires that an Eligible Securities Depository “provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account.”

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

- ☒ Yes (please answer 46b)
- ☐ No (please answer 46a and then proceed to 48)
- ☐ Other (please answer 46a)

46b. If yes, please indicate the scheduled frequency.

- ☒ Daily
- ☒ Annually
- ☐ Weekly
- ☒ Upon request
- ☐ Monthly
- ☒ Other (please answer 46c)
- ☐ Quarterly

46c. If other, please explain:

Participants have the capability to access periodic safekeeping reports for the Egyptian securities accounts through a direct electronic link, upon request. Additionally, they can receive swift messages, including but not limited to, statements of holdings, statements of transactions, trade status, and settlement confirmations, corporate action announcements, entitlement notification and payment confirmations on a daily basis.

47. What is your document and record retention policy for documents and records described above in this section? (Choose one.)

- ☐ 6 months or less
- ☐ 5 years
- ☐ 1 year
- ☐ 7 years
- ☐ 3 years
- ☒ Other (please answer 47a)

47a. If other, please explain:

More than 7 years.

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

- ☒ Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a)
- ☐ Not applicable
- ☐ Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a)
- ☐ Other (please answer 48b)
- ☐ Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. (please answer 48a)

48a. Please briefly describe your settlement process, including how your settlement procedures may vary from the model chosen above (and as described below in the Help section)?

Settlement instructions are transmitted from the Egyptian Exchange via Swift messages upon execution. Settlements take place on the intended settlement date for instructions that have been matched and affirmed. The system settles instructions on a trade-by-trade gross basis simultaneously with finalization, which is irrevocable and unconditional. Cash settlement is carried out in the participants' cash accountsheld in the RTGS system.

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by bookentry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous?

- ☒ Yes
- ☐ Not applicable
- ☐ No (please answer 49a)
- ☐ Other (please answer 49c)

OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.

50. How are depository eligible securities held by the depository?

- ☒ Securities in the depository are held in dematerialized form.
- ☐ Securities in the depository are held in certificated form.
- ☐ Other (please answer 50a)

51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?

- ☐ All eligible securities must be held in the depository. (please answer 51b)
- ☐ Securities may move freely into and out of the depository. (please answer 51h)
- ☐ Once entered into the depository, eligible securities must remain in the depository. (please answer 51b)
- ☐ Certain designated securities may be held outside the depository. (please answer 51a)
- ☒ Not applicable
- ☐ Other (please answer 51k)

52. If securities are dematerialized:
May dematerialized security positions be re-certificated and held outside the depository?

- ☐ Yes (please answer 52a)
- ☒ No (please answer 52a)
- ☐ Not applicable
- ☐ Other (please answer 52j)

52a. Are the securities held: (Choose all that apply.)

- ☒ Through book-entry at the depository
- ☐ Through book-entry at a registrar or issuer (please answer 52b)
- ☐ Other (please answer 52k)

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

- ☐ Yes (please answer 52e)
- ☒ No (please answer 52g)
- ☐ Other (please answer 52l)

52g. If the securities held with the depository are recorded by book-entry at the registrar but are not registered exclusively to the depository, may they be registered to:

- ☐ The beneficial owner
- ☐ A nominee
- ☒ Other (please answer 52h)

52h. Please describe:

The securities are held at the beneficial owner level and are recorded within the depository system.

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

Response Necessary/Eligibility Question

53. Rule 17f-7 requires that an Eligible Securities Depository “maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants.”

Does the depository maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

- ☒ Yes
- ☐ No
- ☐ Not applicable (please answer 53a)
- ☐ Other (please answer 53a)

54. Does the law protect participant assets from claims and liabilities of the depository?

- ☒ Yes
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 54a)

55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.)

- ☐ Yes (please answer 55a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 55o)

55c. Please indicate the limits of this lien as indicated below: (Choose one.)

- ☐ The lien is limited to securities in the participant’s proprietary account.
- ☐ The lien is limited to securities in the course of purchase and sale transactions, but does not extend to settled positions.
- ☐ The lien may extend to settled client positions. (please answer 55d)
- ☐ Other (please answer 55d)

55e. If a lien is placed on a participant's account which has been designated for its clients, will the depository select certain securities to be subject to the lien?

- ☐ Yes (please answer 55f)
- ☐ No (please answer 55h)
- ☐ Other (please answer 55n)

55i. If other, please describe:

55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

- ☐ Yes (please answer 55k)
- ☒ No
- ☐ Other (please answer 55m)

55l. Please explain:

56. Transfer of Legal Ownership
Does the depository have legal authority to transfer title to securities?

- ☐ Yes (please answer 56a)
- ☐ No
- ☒ Not applicable
- ☐ Other (please answer 56e)

56e. If other, please explain:

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT
The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.

57. How are eligible securities lodged (that is, placed) in the depository system? (Choose all that apply.)

- ☐ A registered certificate in the name of the depository is delivered to the depository.
- ☐ A participant delivers the security with a valid transfer deed or stock power or other transfer document to the depository which then effects registration.
- ☐ A registrar re-registers the security in the name of the depository.
- ☐ Other (please answer 57a)
- ☒ Not applicable

58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)

- ☐ Securities are reflected in the participant depository account immediately upon delivery to the depository.
- ☐ Securities are re-registered prior to being reflected in the participant’s depository account.
- ☐ Other (please answer 58a)
- ☒ Not applicable

59. How long does it usually take to lodge securities with the depository? (Choose one.)

- ☐ 1 to 2 days
- ☐ 3 days to 1 week

- ☐ 2 to 4 weeks
- ☐ More than 4 weeks (please answer 59a)
- ☒ Not applicable
- ☐ Other (please answer 59b)

60. During the process of lodging securities into the depository, can the securities: Be traded?

- ☐ Yes
- ☐ No (please answer 60c)
- ☒ Not applicable
- ☐ Other (please answer 60c)

60a. During the process of lodging securities into the depository, can the securities: Be settled?

- ☐ Yes
- ☐ No (please answer 60d)
- ☒ Not applicable
- ☐ Other (please answer 60d)

60b. During the process of lodging securities into the depository, can the securities: Have ownership transferred?

- ☐ Yes
- ☐ No (please answer 60e)
- ☒ Not applicable
- ☐ Other (please answer 60e)

61. Are securities immediately available for delivery upon transfer to the depository?

- ☐ Yes
- ☐ No (please answer 61a)
- ☒ Not applicable
- ☐ Other (please answer 61d)

62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.

N/A

63. What transfer process steps are involved when eligible securities are withdrawn from the depository for safekeeping? (Choose one.)

- ☐ Securities are re-registered into the name of the beneficial owner or a nominee.
- ☐ Securities are re-certificated and re-registered into the name of the beneficial owner or a nominee.
- ☐ Securities are re-certificated and delivered as bearer instruments.
- ☐ Securities are transferred as is any physical delivery in the market.
- ☐ Other (please answer 63a)
- ☒ Not applicable.

64. How long does it usually take to remove securities from the depository? (Choose one.)

- ☐ 1 to 2 days
- ☐ 3 days to 1 week

- ☐ 2 to 4 weeks
- ☐ More than 4 weeks (please answer 64a)
- ☒ Not applicable
- ☐ Other (please answer 64b)

65. While the securities are being removed from the depository, can they:
65a. Be traded? (Choose one)

- ☐ No (please answer 65b)
- ☒ Not applicable
- ☐ Yes
- ☐ Other (please answer 65b)

65c. Be settled?

- ☐ No (please answer 65d)
- ☒ Not applicable
- ☐ Yes
- ☐ Other (please answer 65d)

65e. Have ownership transferred?

- ☐ No (please answer 65f)
- ☒ Not applicable
- ☐ Yes
- ☐ Other (please answer 65f)

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.

Depository Liability

66. Does the depository accept liability (independent of any insurance coverage) for the following:

66a. Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

- ☐ No
- ☒ Not applicable
- ☐ Yes (please answer 66b)
- ☐ Other (please answer 66d)

66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository that result in direct damages or losses to participants?

- ☐ No
- ☐ Yes (please answer 66f)
- ☒ Not applicable
- ☐ Other (please answer 66h)

66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

- ☒ No
- ☐ Yes (please answer 66j)

- ☐ Not applicable
- ☐ Other (please answer 66l)

66m. Any direct damages or losses to participants caused by the depository due to its errors, omissions or fraud?

- ☒ No
- ☐ Yes (please answer 66n)
- ☐ Not applicable
- ☐ Other (please answer 66p)

66q. Any direct damages or losses to participants caused by the depository in its capacity as a central counterparty?

- ☒ No
- ☐ Not applicable
- ☐ Yes (please answer 66r)
- ☐ Other (please answer 66t)

66u. Does the depository guaranty settlement?

- ☒ No
- ☐ Yes (please answer 66v)
- ☐ Not applicable
- ☐ Other (please answer 66w)

66x. Any direct damages or losses to participants caused by the depository as a result of force majeure events, acts of God, or political events, etc.?

- ☒ No
- ☐ Yes (please answer 66y)
- ☐ Not applicable
- ☐ Other (please answer 66-1)

66-2. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?

- ☒ No
- ☐ Yes (please answer 66*)
- ☐ Not applicable
- ☐ Other (please answer 66!)

67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

67a. Indemnification

- ☐ Yes (please answer 67b)
- ☒ No
- ☐ Other (please answer 67b)
- ☐ Not applicable

67d. Insurance

- ☐ Yes (please answer 67e)
- ☒ No
- ☐ Other (please answer 67e)

☐ Not applicable

67g. Acknowledgement of liability for losses caused by depository's own actions.

- ☐ Yes (please answer 67h)
- ☒ No
- ☐ Other (please answer 67h)
- ☐ Not applicable

67j. Other

- ☐ Yes (please answer 67k)
- ☐ No

68. Is the depository immune from legal action in its own jurisdiction?

- ☐ Yes
- ☒ No
- ☐ Other (please answer 68a)

Security Control

69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)

- ☒ By direct electronic link
- ☐ By receipt of physical account holding statements
- ☐ Other (please answer 69a)
- ☐ Not applicable

70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

- ☒ Yes (please answer 70a)
- ☐ No
- ☐ Other (please answer 70d)
- ☐ Not applicable

70a. How is access given to participants? (Choose all that apply.)

- ☒ By direct electronic link (please answer 70b)
- ☐ Other (please answer 70c)

70b. Please select type of electronic link:

- ☐ Dial-up modem
- ☒ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax

71. Regarding data security:

71a. Are passwords used by participants to access their accounts?

- ☒ Yes
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 71b)

71c. Does each user have a unique user ID?

- ☒ Yes
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 71d)

71e. Are passwords regularly changed?

- ☒ Yes (please answer 71f)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 71g)

71f. How often?

Every 30 days.

71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

- ☒ Yes (please answer 71i)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 71j)

71i. How many? The user account is locked if the user entered a wrong password for three times, or if they do not log into their account for seven consecutive days.

72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

- ☒ Yes (please answer 72a)
- ☐ No (please proceed to 74)
- ☐ Not applicable (please proceed to 74)
- ☐ Other (please answer 72a)

72a. Please explain:

ECSD maintains connectivity with the EGX to obtain the National Investor Number (NIN) information from the EGX database. Additionally, ECSD maintains SWIFT connectivity with the Real-Time Gross Settlement (RTGS) system at the CBE.

73. How does the depository communicate with other market entities?

73a. Stock Exchanges (Choose all that apply.)

- ☐ Dial-up modem
- ☒ Secured, leased, dedicated telephone line
- ☒ Internet
- ☐ Fax
- ☐ Paper/other
- ☐ Not applicable

73b. Payment Systems (Choose all that apply.)

- ☐ Dial-up modem
- ☒ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper/other
- ☐ Not applicable

73c. Clearing Houses (Choose all that apply.)

- ☐ Dial-up modem
- ☐ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper/other
- ☒ Not applicable

73d. Registrars (Choose all that apply.)

- ☐ Dial-up modem
- ☐ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper/other
- ☒ Not applicable

74. How is access to the physical building controlled? (Choose all that apply.)

- ☒ By guards
- ☒ By electronic keys/personal ID card
- ☒ By alarm system
- ☐ Other (please answer 74a)

75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)

- ☐ Not applicable no vault is maintained
- ☐ Electronic keys/combinations
- ☒ Dual access control
- ☐ Visitor logs
- ☐ Vault counts (please answer 75a)
- ☐ Intrusion alarms
- ☒ Fire alarms
- ☐ Guards
- ☐ Other (please answer 75b)

Participant Default Protections Resulting from a Participant Failure

76. If a participant defaults, how is the loss covered? (Choose all that apply?)

- ☐ Depository insurance covers the loss (please answer 76a)
- ☐ The depository guaranty fund covers the loss
- ☐ Loss is shared among participants (please answer 76b)
- ☒ Other (please answer 76d)
- ☐ Not applicable

76d. Please explain:

Custodians are required to adhere to the following procedures to initiate their operations;

For Custodians Banks:

Banks must provide an irrevocable delegation, granting ECSD the authority to debit its account at the CBE for any financial dues.

For Non-Bank Custodians:

Non-bank custodians must provide an irrevocable delegation from their settlement bank, enabling ECSD to debit their account at the Central Bank of Egypt for any financial dues.

It's worth highlighting that the Government Debt Capital market does not follow a continuous trading model where counterparties are unknown; instead, all deals are prearranged, pre-funded, and/or governed by strict trading, settlement & FX limits based on thorough due diligence, KYC, and risk assessments performed by the counterparties on each other. Additionally, participants exchange pre-matching reports prior to the execution on EGX's ETP platform to ensure that sufficient cash and securities are in place. This approach significantly minimizes counterparty risk, making a settlement guarantee fund, securities borrowing, lending and/or buy-in or sell-out mechanisms unnecessary and increasing transaction costs. Furthermore, all unaffirmed trades are automatically canceled at the end of the contractual settlement day, avoiding the need to block securities and further reducing potential exposure, thereby ensuring market stability and integrity.

In the event that trades fail to be settled, there are no direct financial losses incurred. However, settlement failure fees apply as a consequence of the trade not being successfully completed.

77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

- ☐ Yes (please answer 77a)
- ☐ No
- ☒ Not applicable
- ☐ Other (please answer 77a)

78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?

- ☐ Yes (please answer 78a)
- ☒ No (please proceed to 79)

- ☐ Not applicable (please proceed to 79)
- ☐ Other (please answer 78l)

78d. How is the fund financed? (Choose one.)

- ☐ Contributions from owner (please answer 78e)
- ☐ Contributions from participants (please answer 78f)
- ☐ Funding from retained earnings
- ☐ Other (please answer 78g)

78h. Who is covered by the fund? (Choose all that apply.)

- ☐ Direct depository participants only
- ☐ The beneficial owner also
- ☐ Other (please answer 78i)

78j. When is the guaranty fund used? (Choose all that apply.)

- ☐ When a broker defaults
- ☐ When a direct participant defaults
- ☐ Other (please answer 78k)

79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)

- ☒ Participant eligibility requirements
- ☐ Participant volumes
- ☐ Participant financial strength
- ☐ Other loss or default protections the depository maintains (please answer 79a)
- ☐ Collateral requirements for participants (please answer 79b)
- ☐ Debit caps for participants (please answer 79c)
- ☒ Settlement controls that minimize or eliminate the risk of default by a participant (please answer 79d)
- ☒ Blocking of securities movement before receipt of payment
- ☒ Blocking payment until securities are moved
- ☐ Other forms of risk management used for assessing and monitoring participant exposures (please answer 79i)
- ☐ Not applicable

79d. What type or types of settlement controls (Choose all that apply.)

- ☒ Blocking or freezing of securities positions (please answer 79e)
- ☐ Controlling DVP settlement (please answer 79f)
- ☒ Simultaneous DVP (please answer 79g)
- ☐ Other (please answer 79h)

79e. Please explain:

The system performs blocking of securities' positions for affirmed trades on the intended settlement date, till the related cash legs are settled on the RTGS simultaneously.

79g. Please explain:

ECSD follows a Real-Time Settlement process through delivery versus payment (DVP) model 1, on a gross basis, trade-by-trade order, and incorporating market fees and tax amounts. Trade settlement is considered final (irrevocable and unconditional) once the transfer of securities and funds simultaneously occurs between the custodians of a trade.

80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)

- ☐ Margin requirements for stock exchange members
- ☐ Guaranty fund for stock exchange members
- ☒ Financial requirements for stock exchange membership
- ☐ Other (please answer 80a)
- ☐ No
- ☐ Not applicable

BUSINESS RECOVERY PLAN

This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

81. Do you have a formal business recovery plan?

- ☒ Yes (please answer 81a)
- ☐ No
- ☐ Other (please 81g)

81a. Does your Business Recovery Plan include: (Choose all that apply.)

- ☒ Back-up of all computer files
- ☒ Off-site data storage
- ☒ Back-up files stored and locked
- ☒ Off-site operations facility
- ☐ Other (please answer 81h)

**81b. Please identify both the frequency and the last date of testing for the following third party:
Depository participants/members**

On a yearly basis (Last Date: 16 November 2023).

**81c. Please identify both the frequency and the last date of testing for the following third party:
Stock exchange**

Frequency of Testing: The Egyptian Stock Exchange typically conducts system tests and updates on a regular basis. This can include the below:

- Quarterly Testing: Regular system checks and updates are often performed quarterly.
- Ad-hoc Testing: Additional testing may occur in response to specific events, upgrades, or regulatory changes.

Regarding Last Date of Testing:

The exact date of the most recent testing is typically not made public due to security considerations. However, depending on the services, zones, and third-party agreements, testing should generally occur once a year.

**81d. Please identify both the frequency and the last date of testing for the following third party:
Central bank**

On a yearly basis (Last Date: 16 November 2023).

**81e. Please identify both the frequency and the last date of testing for the following third party:
Local brokers**

N/A

81f. Please identify both the frequency and the last date of testing for the following third party:
Any other third party

N/A

82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)

- ☒ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable
- ☐ Other (please answer 82a)

83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)

- ☒ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable
- ☐ Other (please answer 83a)

84. Will the depository publicly announce any system interruption?

- ☒ Yes (please answer 84a)
- ☐ No (please proceed to 85)
- ☐ Not applicable
- ☐ Other (please answer 84g)

84a. To whom will the depository disclose any system interruptions? (Choose all that apply.)

- ☒ To the depository regulators
- ☒ To all direct participants
- ☐ To direct and indirect participants
- ☐ To the public via the internet (please answer 84b)
- ☐ In the press (please answer 84c)
- ☒ Other (please answer 84d)

84d. Please explain:

ECSD has contingency and continuity procedures in place to minimize the possibility of system interruptions. In the event of any disruptions, timely communication will be made to the market participants in order to keep them informed and ensure transparency.

84e. How will the depository disclose any system interruptions? (Choose all that apply.)

- ☒ By e-mail

- ☒ By telephone
- ☐ Public announcement
- ☐ Press release
- ☐ Other (please answer 84f)

85. In the past three years, has it been necessary to activate the recovery plan in a live situation?

- ☐ Yes (please answer 85a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 85e)

PERFORMANCE, INSURANCE, AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

86. Has there been any material loss by the depository during the past three years?

- ☐ Yes (please answer 86a)
- ☒ No
- ☐ Other (please answer 86b)
- ☐ Not applicable

87. Has the depository been subject to any litigation involving a participant during the past three years?

- ☐ Yes (please answer 87a)
- ☒ No
- ☐ Other (please answer 87b)
- ☐ Not applicable

88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)

- ☐ Yes for all three years
- ☐ Yes for two of the last three years
- ☒ Yes for one of the last three years
- ☐ None of the last three years
- ☐ Not applicable
- ☐ Other (please answer 88a)

89. Does the depository maintain a reserve for operating losses?

- ☒ Yes (please answer 89a)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 89b)

89a. Please describe and indicate reserve amount:

Legal reserve: at least 5% annually of net profits.
Amount as of 30-6-2024 is EGP 24.38 MN.

☐ Other (please answer 90f)

 Other (please answer 90e)

N/A

 Other (please answer 91c)

 Other (please answer 92c)

92b. What is the amount of the deductible?

92c. If other, please explain:

ECSD holds a Breach of Trust insurance policy, which covers the custody of ECSD’s petty cash, along with other policies covering fire and burglary in relation to physical assets. (Insurance coverage amount to EGP 9.2 MN)
ECSD deposited an amount of EGP 500K to FRA, this amount is to cover any potential penalties and/or legal liabilities in case of violation of any relevant applicable laws or regulations.

93. Does the depository have insurance for Operational Errors?

- ☐ Yes (please answer 93a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 93c)

93b. What is the amount of the deductible?

94. Does the depository have Errors and Omissions insurance?

- ☐ Yes (please answer 94a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 94c)

94b. What is the amount of the deductible?

95. Does the depository have insurance for the Premises?

- ☐ Yes (please answer 95a)
- ☐ No
- ☐ Not applicable
- ☒ Other (please answer 95c)

95b. What is the amount of the deductible?

95c. If other, please explain:

The premises occupied by ECSD is rented, and the owner of the property has already insured the building under an insurance policy.

96. Does the depository have any other insurance?

- ☐ Yes (please answer 96a)
- ☒ No

- ☐ Not applicable
- ☐ Other (please answer 96d)

96b. What is the amount of the coverage?

96c. What is the amount of the deductible?

97. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

The insurance policy is issued by Misr Insurance Company, one of the largest insurance service providers in Egypt with a strong and stable financial performance . Misr Insurance Company has a valid rating from FitchRatings for AAA.

97a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

N/A

97b. What is the term of the policy?

Fire and Natural disasters Risks (Annual and renewable).

97c. Who does the insurance cover? (Choose all that apply.)

- ☐ Depository
- ☐ Direct depository participants
- ☐ Final investors
- ☒ Other (please answer 97d)
- ☐ Not applicable

97d. If other, please identify:

ECSD Fixed Assets.

98. If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

15b. Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:
Last audit for FS as of 31-12-2023 / Last limited review for FS as of 30-06-2024.

98a. Upload document here:

ECSD Board of Directors.pdf

PUBLIC AVAILABILITY

99. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (For additional guidance, please review the help feature to this question.)

- ☒ Yes (please answer 99a)
- ☐ No

99a. If yes, how will you be making it publicly available: (Choose all that apply.)

- ☒ Web site (please answer 99b)
- ☐ By individual request with depository (please answer 99c)
- ☐ Other (please answer 99i)

99b. Please provide web site address of publicly available questionnaire:

www.ecsd.org.eg (Coming Soon).

99d. How would they prefer to be contacted? (Choose all that apply.)

- ☐ Telephone (please answer 99e)
- ☐ Facsimile (please answer 99f)
- ☐ By mail/air courier (please answer 99g)
- ☐ By e-mail (please answer 99h)

100. Association members from time to time receive requests from their direct investor-clients for an informational copy of a depository's completed questionnaire. Such requests typically lead to interactions between personnel at the depository in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories.
Do you approve of Association members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

- ☐ Yes
- ☒ No

CYBER SECURITY

101. Does your organization have a documented cybersecurity policy in place? If so, please provide a copy or overview.

- ☒ Yes
- ☐ No

Comments:

102. Please confirm that your staff receive relevant training about this policy:

- ☒ Yes
- ☐ No

Comments:

103. Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

Outlined below are the measures and procedures implemented to ensure that the organization's operations can continue in the event of a significant data breach or cyber-attack. The objective is to minimize the impact on critical clearing and settlement functions, protect sensitive data, and promptly restore normal operations. This comprehensive approach covers prevention, detection, response, and recovery phases, considering ECSD's ownership by the Central Bank of Egypt and the collaboration enabling CBE to manage its cybersecurity and business continuity activities.

104. In the last 12 months have there been any changes to the policy? If yes, please detail.

- ☐ Yes
- ☒ No

Comments:

105. Please advise how often you review the policy.

- ☐ Semi-Annually
- ☒ Annually
- ☐ Other

Comments:

106. Please provide (as an attachment) a diagram showing where your cybersecurity function resides and who it reports to.

Comments:

ECSD is owned 70% by the Central Bank of Egypt, and there is a collaboration in place enabling CBE to manage its cybersecurity and business continuity activities effectively.

107. How does your organization identify which business functions carry a cyber risk?

Given that ECSD is owned by the Central Bank of Egypt (CBE) and there is an active collaboration enabling CBE to manage its cybersecurity and business continuity activities, the CBE follows a systematic approach. This approach involves assessing potential vulnerabilities, threats, and impacts associated with each function through the following steps:
Inventory and Mapping of Business Functions: Identifying and documenting all critical business functions and their interdependencies.
Risk Assessment: Evaluating the potential risks and vulnerabilities associated with each business function.
Vulnerability Assessment: Identifying weaknesses and susceptibilities within the systems and processes of each function.
Impact Analysis: Determining the potential consequences and severity of disruptions to each business function.
Risk Prioritization and Mitigation: Prioritizing identified risks and implementing measures to mitigate and manage these risks effectively.

Ongoing Monitoring and Review: Continuously monitoring the security measures and risk mitigation strategies, ensuring that they remain effective and up-to-date in the face of evolving cybersecurity threats.

This structured approach ensures proactive risk management, allowing ECSD and CBE to maintain integrity and continuity of their operations.

108. Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches? If yes, please provide details and indicate frequency.

- ☒ Yes
- ☐ No

Comments / frequency:

The Business Continuity Test is conducted on a yearly basis in coordination with the CBE. In addition, the Penetration Testing is conducted on a yearly basis.

109. What technological controls and protections are in place for your systems and networks?

Firewalls-Access Control Mechanisms–Encryption tools-Antivirus/Antimalware Software-Data Backup and Recovery.

110. Does your organization use multi-factor authentication?

- ☒ Yes
- ☐ No

Comments:

ECSD is 70% owned by the CBE, and the CBE is actively involved in managing ECSD's cybersecurity and business continuity activities. This active involvement ensures the establishment and maintenance of a robust and secure operational environment for ECSD's functions and services.

111. Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

- ☒ Yes
- ☐ No

Comments:

ECSD, as an entity owned 70% by the CBE, collaborates closely with CBE to manage its cybersecurity and business continuity activities. This collaboration allows ECSD to leverage CBE's extensive infrastructure, leading to cost savings and ensuring a secure operational environment.

112. What measures does your organization have to ensure early detection of a cyber attack?

CBE, as a service provider, employs various detection activities such as Security Information and Event Management (SIEM), Vulnerability Management, and Incident Response Planning to ensure robust cybersecurity measures and timely responses to potential security threats.

113. What is the agreed resumption time for critical operations following a cyber attack?

2 hours maximum for critical issues.

114. How would you advise clients of a successful cyber attack against your organization?

This approach has not been in place previously. However, we have established in our agreements clear communication guidelines by designating specific contacts for effective and efficient communication in case of any issues.

115. In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

- ☐ Yes
- ☒ No

Comments:

116. Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

Vulnerability assessment:

- ☒ Yes
- ☐ No

Scenario based penetration tests:

- ☒ Yes
- ☐ No

Testing of incident response process and technical/business/operations (e.g. table-top exercise):

- ☒ Yes
- ☐ No

Other - Please describe in comments:

117. For cloud technology and associated cybersecurity risks, please confirm:

- (i) that you have procedures and controls in place to protect our information from mishandling or theft;**
- (ii) how these procedures and controls tie back to your record retention policy**

- ☒ Yes
- ☐ No

Comments:

118. Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

- ☒ Yes
- ☐ No

Comments:

119. Is your organization aware of SWIFT's Customer Security Program (CSP)?

- ☒ Yes
- ☐ No

Comments:

120. Does your organization ensure compliance with SWIFT's CSP controls?

- ☒ Yes
- ☐ No

Comments:

121. Does your organization respond to requests for your institution's attestations?

- ☒ Yes
- ☐ No

Comments:

122. Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

- ☐ Yes
- ☒ No

Comments:

This specific approach isn't applicable yet. However, all interactions with counterparties follow specific criteria, which are closely monitored and supported by our team. In case of any events or issues falling under our responsibility, they are addressed promptly and efficiently.

Please provide any comments you have regarding the questionnaire.

You have reached the end of the questionnaire. Please be sure your contact details are updated. Your contact information is located in the first section of Part One of the questionnaire.