

PANORAMIC

# EQUITY CAPITAL MARKETS

Egypt



 LEXOLOGY

# Equity Capital Markets

Contributing Editors

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## LEGAL AND REGULATORY FRAMEWORK

### Laws and regulations

What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

Securities offerings are governed by the following laws and regulations:

- the Capital Market Law No. 95 of 1992 and its Executive Regulations;
- the Central Depository and Registry Law No. 93 of 2000 and its Executive Regulations;
- the Companies Law No. 159 of 1981 and its Executive Regulations;
- the Financial Regulatory Authority Regulations No. 11 of 2014; and
- the Egyptian Exchange Regulations.

Law stated - 18 March 2026

### Regulator

Which regulatory authorities are primarily responsible for the administration of those rules?

The Financial Regulatory Authority and the Egyptian Stock Exchange are the main authorities responsible for the administration of securities offerings rules.

Law stated - 18 March 2026

## PUBLIC OFFERINGS

### Securities exchanges

What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

As per the Capital Market Law No. 95 of 1992 (Capital Market Law), securities may be listed and traded in a marketplace, which is the Egyptian Exchange Egyptian Stock Exchange (EGX), designed for all types of issuers and securities in accordance with the Financial Regulatory Authority (FRA) Regulations.

The FRA Regulations are the legal framework regulating the controls and procedures for the listing and delisting of securities at the EGX, and these rules apply to all types of securities listed on the EGX such as shares, bonds, financing instruments, investment fund documents, Egyptian depository certificates and other securities. According to the FRA Regulations, the main requirements for listing at the EGX shall differ depending on the type of security. However, the main requirements for the listing of stocks are as follows:

- the percentage of shares to be offered for sale at the EGX shall be outlined in an offer prospectus or disclosure report to be approved by the FRA. This percentage shall not be less than 25% of the total listed shares of the company, or one quarter per thousand

- of the market capital free to trade at the EGX with no less than 10% of the company's shares, or shares equivalent to 1% of the market capital free to trade at the EGX;
- the number of shareholders of the company after the offering shall not be less than 300 shareholders, taking into account that the allocated shares shall be distributed in light of the EGX Regulations in order to verify the non-fictitious offering;
- the percentage of free float shares shall be at least 10% of the total shares of the company, or 1/8 per thousand of the market capital free to trade at the EGX with at least 5% of the company's shares, or shares equivalent to 0.5% of the market capital free to trade at the EGX;
- the number of issued shares required to be registered shall not be less than 5 million shares;
- the requesting company shall submit the approved financial statements for the two fiscal years preceding the registration application;
- the issued capital shall be fully paid up and not less than EGP100 million or its equivalent in foreign currencies, based on the latest annual financial statements or the last periodic financial statement, accompanied by a comprehensive audit report from the auditor and certified by the company's general assembly;
- the submission of undertakings that the percentage of retention of the main shareholders of the company and (or) their replacement from the rest of the shareholders of the company shall not be less than 51% of the shares owned by them in the company's capital, if available. In the event that the percentage of the retained shares is less than 25% of the shares of the company's issued capital, such percentage shall be satisfied by the contributions of the members of the board of directors and the founders of the company or from other shareholders of the company;
- the submission of a report on the company's business model, management structure, previous work and governance policy to be followed after registration; and
- the percentage of net profit before the deduction of taxes for the last financial year preceding the registration application shall be not less than 5% of the paid-up capital to be registered.

In 2007, the EGX founded the first securities exchange market for small and medium-sized companies, governed by the Nile Exchange. The main requirements for the listing of securities at the Nile Exchange are as follows:

- the percentage of shares to be offered for sale on the Nile Exchange shall be based on an offer prospectus or disclosure report for the purpose of an offering approved by the FRA. They shall not be less than 25% of the total listed shares of the company, or a quarter per thousand of the market capital free to trade at the Nile Exchange with no less than 10% of the company's shares;
- the number of shareholders in the company shall not be less than 100 shareholders after the offering, taking into account that the allocated shares shall be distributed in light of the Nile Exchange Regulations, in order to verify the non-fictitious offering;
- the percentage of free float shares shall not be less than 10% of the total shares of the company or one-eighth per thousand of the market capital. They shall be free to trade on the Nile Exchange with no less than 5% of the company's shares;

- the number of issued shares required to be registered shall not be less than 100,000 shares;
- the issued capital must be fully paid, with a minimum of EG£1 million and less than EG£100 million, based on the latest approved annual financial statements or the last periodic financial statements;
- the shareholders' equity in the last annual or periodic financial statements prior to the date of the registration application shall not be less than the paid-up capital; and
- the company requesting the registration of its shares shall conclude a contract with one of the certified sponsors registered in the FRA register prepared for that purpose, and the sponsor shall be responsible for assisting the company in registering its securities.

Moreover, according to the Executive Regulations of the Capital Market Law, with the approval of the FRA's Board of Directors and after obtaining the relevant FRA licence, private exchange segments may be established. These shall have their own legal personality and shall take the form of a joint stock company and in which trading shall be limited to one or more types of securities.

**Law stated - 18 March 2026**

### **Mandatory filings**

**What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?**

According to the Capital Market Law No. 95 of 1992 (Capital Market Law) and its Executive Regulation, all public offerings of securities should be through a prospectus prepared using Financial Regulatory Authority (FRA)-approved forms ratified by the FRA.

Primary public offering

The prospectus in the primary public offering of stocks for incorporation of the company should include the following disclosures:

- company information (name, legal form, objective, issued and paid capital, and fiscal year, etc);
- the types of offered shares and the rights ascribed to them;
- the founders' names and their shareholding percentages, as well as stating any contributions in kind (if any);
- the company's plan of utilisation of the money collected from the offering, and its expectations regarding the outcomes of such utilisation;
- the places where the FRA-approved prospectus could be obtained;
- the FRA ratification date and number thereof;
-

the offering starting and closing dates and the entity through which the subscription will be made;

- the required amount to be paid upon subscription, which should not be less than one-quarter of the nominal value in addition to the issuing expenses;
- details of the company's auditors; and
- the summary of the contracts concluded by the founders within the five years preceding the offering, which they intend to assign to the company after its incorporation.

The prospectus in the primary public offering of **stocks** for capital increase should, in addition to the above disclosures, include:

- the commercial register date and number of the company;
- previous operations of the company;
- the board members and responsible managers, and their experiences;
- the names of shareholders holding more than 5% of the nominal shares, and the shareholding percentage of each;
- the summary of the approved and audited financial statements of the previous three fiscal years, or the period from incorporation of the company, whichever is less, prepared according to the forms set forth by the FRA;
- the date of the general assembly or the board resolution approving the capital increase, and the legal basis of such resolution;
- the capital increase amount and the number of shares and their values, provided that a fair value is determined for such shares. This fair value is determined according to a report by an FRA-approved independent financial consultant, or according to a study prepared by the company, depending on certain criteria;
- the reasons for the capital increase and the company's expectations of the benefits of this increase;
- the pre-emption rights of existing shareholders; and
- the statement of pledges and other real rights of all assets.

The prospectus in the primary public offering for other securities should include the following disclosures, in addition to the above disclosures:

- the date of the general assembly or the board resolution approving the issuance of the securities, and the legal basis of such resolution;
- the type of securities and their interests and the calculation basis thereof;
- the number and date of the FRA's approval to issue the securities for public subscription;
- the terms of issuance of the securities, and the conditions and timings of their restitution;
- a statement of guarantees and securities presented by the company to the holders of the securities;
-

the net value of the company's assets as determined by an auditor's report according to the latest financial statement approved by the general assembly, in addition to a declaration by the company's board that the issued securities do not exceed this value, unless the company was authorised to issue the securities with a value exceeding the net value of its assets; and

- a summary of the resources of the cash flows, liquidity ratio, profitability and financial structure of the issuing company, and an auditor's report on the future predictions according to the Egyptian Auditing Standards.

#### Secondary public offering

According to the FRA Regulations, secondary public offerings should be made through the Egyptian Stock Exchange (EGX). The issuing company should first satisfy the registration requirements in the FRA and the EGX listing rules.

The prospectus in the secondary public offering of stocks should include six sections, covering the following disclosures in particular.

- Section one: general information about the issuing company, including:
  - the primary existing litigation cases and the financial allocations thereto;
  - existing loans or pledges;
  - investments of the issuing company in the subsidiaries and sister companies;
  - details of the main shareholders offering the shares;
  - main shareholders' structure before the offering; and
  - their expected structure after the offering.
- Section two: special disclosures, including:
  - disclosures about the nature of the company's work;
  - disclosures about the offering (reasons for the offering, the position of the main shareholders according to listing rules, shareholders with frozen shares for specific time periods according to extraordinary general assembly resolutions); and
  - subsequent disclosures to be made after the execution of the offering.
- Section three: a summary of the independent financial consultant's report on the fair value of the share and the auditor's report on the consultant's report, as well as a declaration of the chair on the validity of the assumptions presented to the independent financial consultant.
- Section four: a summary of the financial statements of the company (comparative tables for three years).
- Section five: the terms and conditions of the offering according to the offering manager's statement.
- Section six: the terms and mechanism of the share price stability after the offering.

The information statement in the secondary public offering of bonds should primarily include the following disclosures.

- Information regarding the issuer:
  - disclosure of the legal type of the company, its objective, authorised, issued and paid capital;
  - disclosure of the shareholders owning 5% or more, and the board of directors;
  - disclosure of the insurances over the assets, current pledges and privileges attached to them and the tax position of the issuer;
  - disclosure of the net value of the assets according to the latest approved financial statements; and
  - disclosure of the primary litigation cases raised against the issuer, which have an impact on its financing structure, and the allocations made thereto (if any).
  
- Information regarding the issuance:
  - the general assembly resolution of the issuing company approving the issuance, and the board resolution (if the general assembly authorised the board to issue detailed conditions of the issuance);
  - disclosure on the issuance conditions, including the total value, number and duration of the bonds, consummation and repayment dates, repayment priority of the bonds in the event that the issuing company is bankrupt, interest rate and the calculation basis thereof, in addition to the payment date thereof;
  - disclosure on the issuing company's credit ranking certificate or the issued bonds;
  - discourse on the objective of the issuance and means of usage of the bonds' collections;
  - disclosure on the bonds' early repayment provisions, in addition to clarifying any indemnities that may be due to the bonds' holders as a result thereof;
  - disclosure on the guarantees or the securities in favour of the bonds' holders;
  - disclosure on all the risks ascribed to the issuer and the issuance, and the hedging or mitigation means for such risks;
  - disclosure of the position of registering the bonds in the central clearing, depository and registry and the EGX; and
  - disclosure on the subscription data of the bonds, including the entity receiving the subscription, minimum and maximum rates of the subscription, date of opening and closing of the subscription, and the allocation and restitution methods.
  
- Information regarding the financial disclosures of the issuer:
  - the financial statements issued according to the Egyptian Accounting Standards for the previous three fiscal years, or the period from incorporation of the company, whichever is less, enclosing therewith a report issued by an auditor duly registered with the FRA;

- a summary of the resources of the cash flows, liquidity ratio, profitability and financial structure of the issuing company, in addition to any ratios that the FRA could require and an auditor's report on the future predictions according to the Egyptian Auditing Standards; and
- declarations and undertakings of the issuing company during the entire duration of the bonds, in addition to the events of defaults and the measures to be undertaken in the event of their occurrence.

**Law stated - 18 March 2026**

### **Review of filings**

**What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?**

After the prospectus or information statement and all the required FRA forms and documents are prepared and submitted for the FRA's review and approval. It is important to highlight that offering may not commence while the FRA is reviewing the submitted forms and documents. According to the Capital Market Law No. 95 of 1992 and its executive regulation, the issuer and its auditor should provide the FRA with all the required data and documents to ascertain the information included in the prospectus or information statement, the periodic reports and the issuer's financial statements. However, the review process may take approximately three business weeks.

**Law stated - 18 March 2026**

### **Publicity restrictions**

**What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?**

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, no publication of any data in the prospectus, for purposes of promoting the securities, should be made prior to the FRA's approval. However, after submission of the prospectus to the FRA, it is permissible to distribute advertisements, or any other forms of publication containing key information regarding the nature of the project activity subject matter of the prospectus, provided that it is clearly stated therein in all cases and in a visible manner that the prospectus has not yet been ratified by the FRA. Furthermore, the publication material should also be pre-approved by the FRA.

**Law stated - 18 March 2026**

### **Secondary offerings**

## Are there any special rules that differentiate between primary and secondary offerings?

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, listed companies at EGX and those that offer their shares for public subscription should apply the pre-emption rights of the existing shareholders in cases of capital increase with cash nominal shares. This capital increase resolution should not limit the preemption rights of certain shareholders and should be without prejudice to the rights ascribed to preferred shares.

The period allowed for existing shareholders to subscribe to the capital increase should not be less than 30 days, starting from the date of opening the subscription; however, this period ends (before the lapse of the 30-day period) if the existing shareholders subscribed in the capital increase shares on a pro rata basis.

The extraordinary general assembly, based on a request by the board of directors and – for substantial reasons – approved by the auditor's report, may resolve, if stipulated by the company's the articles of association, to apply the pre-emption rights of the existing shareholders, and offer all or part of the capital increase shares directly to public subscription.

Furthermore, the extraordinary general assembly may also resolve, in the same manner, to offer all or part of the capital increase shares in a private subscription to a person, an entity or multiple entities, without applying the pre-emption rights of the existing shareholders, and regardless of whether the capital increase was in cash or through a conversion of debt to equity. That is, provided that the percentage of the shares and the voting rights attributed to the private subscribers and their related parties (if any) are excluded when voting on such resolution and provided that all existing shareholders approve such subscription.

**Law stated - 18 March 2026**

## Secondary offerings

### What are the liability issues for the seller of equity securities in a secondary offering?

A seller may face liability issues with respect to secondary offerings that include, inter alia:

- submitting a Prospectus for the Financial Regulatory Authority's approval, which shall include inaccurate and/or incorrect information; and
- manipulating securities prices is strictly prohibited.

These actions shall result in imprisonment for a period not exceeding five years and a fine of not less than EG£50,000 or the amount of illicit gain achieved by the offender or the losses he or she avoided, whichever is greater, and not exceeding EG£20 million or twice the amount of illicit gain achieved by the offender or the losses he or she avoided, whichever is greater, or by one of these two penalties.

It is also worth noting that selling securities in violation of the rules established under this law shall be punished by a fine of not less than EG£5,000 and not more than EG£100,000)

**Law stated - 18 March 2026**

## Settlement

**What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?**

The purchase orders are registered at the brokerage companies, members of EGX, on certain screens dedicated to this purpose by EGX. Settlement is mainly through the central depository and registry company, (ie, Misr for Central Clearing, Depository and Registry, the only current central depository and registry company in Egypt).

Law stated - 18 March 2026

## PRIVATE PLACINGS

### Specific regulation

**Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?**

According to the Financial Regulatory Authority (FRA) Regulations, private placement is defined as a company's offering of previously issued securities (ie, shares) to natural or legal persons deemed as qualified investors, by virtue of an offering prospectus. Investors qualified for a private placing should have the necessary financial capability.

Qualifications required for investors in private placings are as follows:

- For individual investors: having liquid assets of EG£5 million and preferably with experience in the securities field.
- For public juristic persons:
  - public insurance and pension funds; and
  - capital companies of not less than EG£1 million paid capital. No specific conditions are stipulated.
- For financial institutions, which are:
  - Egyptian banks and branches of foreign banks under the supervision of the Central Bank of Egypt;
  - investment banks;
  - financial portfolios formation and management companies;
  - venture capital companies;
  - direct investment companies;
  - real estate financing companies;
  - financial lease companies;
  - factoring companies;
  - private insurance funds with an investment portfolio more than EG£100 million;

- investment funds;
- investment funds of Arabic, regional and foreign financial institutions; and
- regional and international financial institutions.

Any of the following should be satisfied by the above financial institutions:

- the book value of the ownership rights of such institutions should not be less than EG£20 million;
- these institutions must have investments in securities in other joint stock companies (other than the target company of the placing) existing on the date of the placing and with a value not less than EG£10 million; and
- the activity of these institutions extends to the subscription in securities within the institutions' licensed objectives.

Procedures for private placing mainly entail:

- the minimum subscription value for financially capable individual investors is 0.5% of the offering value or EG£1 million, whichever is less. For financial institutions, the percentage is 1% or EG£10 million, whichever is less;
- clients with recorded purchase orders in a private placing may not participate in a public offering;
- subscription in private placing closes before public offering. The number of coverages of the private placing according to the final price should be disclosed after notifying the FRA, provided that the minimum number of days for the private placing should be three days;
- avoidance of conflict of interests should be considered and that the brokerage companies receiving the requests, or the placing manager, should not have a conflicting interest with the offering procedures and its parties; and
- purchase orders in private placings should be made through the FRA's automated systems, and the review and tracking thereof shall be limited to the FRA and the offering manager or managers.

If the private placing is for bonds, then a tranche of not less than 10% of the total offered bonds should be allocated for natural or juristic persons – excluding those subscribing in the first tranche – and these persons shall not be subject to the minimum subscription percentages mentioned above.

**Law stated - 18 March 2026**

### **Investor information**

#### **What information must be made available to potential investors and the public in connection with a private placement of equity securities?**

The information statement should include the following:

- Information regarding the issuer:

- disclosure of the legal type of the company and its objective, authorised, issued and paid capital;
  - disclosure of the shareholders owning 5% or more, and the board of directors;
  - disclosure of the insurances over the assets, current pledges and privileges attached to them, and the tax position;
  - disclosure of the net value of the assets according to the latest approved financial statements;
  - disclosure of the primary litigation cases raised against the issuer, which have an impact on its financing structure, and the allocations made thereto (if any); and
- Information regarding the issuance:
    - general assembly resolution of the issuing company approving the issuance, and the board resolution (in case the general assembly authorised the board to issue the detailed conditions of the issuance);
    - disclosure of the issuance conditions, including the total value, number and duration of the bonds, consummation and repayment dates, repayment priority of the bonds in the event that the issuing company is bankrupt, interest rate and the calculation basis thereof, in addition to the payment date thereof;
    - disclosure of the issuing company's credit ranking certificate or the issued bonds, or both;
    - discourse of the objective of the issuance and means of usage of the bonds' collections;
    - disclosure of the bonds' early repayment provisions, in addition to clarifying any indemnities that could be due to the bonds' holders as a result thereof;
    - disclosure of the guarantees or the securities in favour of the bonds' holders;
    - disclosure of all the risks ascribed to the issuer and the issuance, and the hedging or mitigation means for such risks;
    - disclosure of the position of registering the bonds in the central clearing, depository and registry and the Egyptian Stock Exchange (EGX); and
    - disclosure of the subscription data of the bonds, including the entity receiving the subscription, the minimum and maximum rates of the subscription, the date of opening and closing of the subscription and the allocation and restitution methods.
  - Information regarding the financial disclosures of the issuer, which includes:
    - the financial statements issued according to the Egyptian Accounting Standards for the previous three fiscal years, or the period from incorporation of the company (whichever is less), enclosing therewith a report issued by an auditor duly registered with the Financial Regulatory Authority (FRA);
    - a summary of the resources of the cash flows, liquidity ratio, profitability and financial structure of the issuing company, in addition to any ratios that the

FRA requires, and an auditor's report on the future predictions according to the Egyptian Auditing Standards; and

- declarations and undertakings of the issuing company during the entire duration of the bonds, in addition to events of default and the measures to be undertaken in the event of their occurrence.

**Law stated - 18 March 2026**

### **Transfer of placed securities**

**Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?**

Generally, there are no special restrictions applied. However, in practice, some private offerings require a lock-in period. In addition, the Executive Regulations of the Capital Market Law No. 95 of 1992 entails disclosure to the EGX depending on the ownership percentage.

**Law stated - 18 March 2026**

## **OFFSHORE OFFERINGS**

### **Domiciled issuers**

**What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?**

According to the Egyptian Stock Exchange (EGX) Regulations, the following rules shall apply in this regard.

- Without prejudice to EGX listing rules, the issuing company, with EGX-listed securities, should obtain the approval of its extraordinary general assembly, and the issuance should not exceed a third of the company's issued capital. Furthermore, the ratio between the foreign depository receipts issued against the shares to the total capital shares of any company should not exceed the ratio between the company's free EGX tradable shares disclosed by the end of each week to the capital itself. If the ratio referred to is in excess, then no new foreign depository receipts shall be issued unless the stipulated ratio is reached.
- Requests for conversion to and from foreign depository receipts should be submitted to the EGX through companies and entities that are members of the EGX. The depository bank, its agent and EGX members should duly consider foreign exchange rules issued by the Central Bank of Egypt in this regard. If Egyptian clients converted to depository receipts then sold these outside Egypt, then the local custodian should transfer the interests of the sale of these receipts to the bank account of the client that is under the supervision of the Central Bank of Egypt.
- In all cases, the EGX should inspect all conversions in light of the operations control rules in order to verify that no manipulation or violation has been made in relation

to these operations or in relation to whomever executed them or was executed for the benefit of. The EGX must promptly notify the Financial Regulatory Authority of any suspicions in connection therewith. Without prejudice to the EGX listing rules, the company with EGX-listed securities should not convert treasury shares into depository receipts against EGX-listed securities, or vice versa. Furthermore, no acquisition shall be effective that is made through the submission of purchase offers of depository receipts – in this case, they should be converted into local securities.

- Without prejudice to the Capital Market Law No. 95 of 1992 (the Capital Market Law), the Central Depository and Registry Law No. 93 of 2000, the Central Bank and Banking Sector Law No. 194 of 2020, and the Anti-Money Laundering Law No. 80 of 2002, and their executive regulations and the subsequent decrees issued in relation thereto, all depository banks and their local agents and EGX members should verify all their clients' data on the level of the beneficial owner and its related group.
- The depository bank and its local agent should not dispose of the Egyptian securities kept under their custody as coverage for the depository receipts. They should also abide by the relevant provisions of the Capital Market Law's Executive Regulations related to purchase orders with the purpose of acquisition prior to executing these conversions.

**Law stated - 18 March 2026**

### **Non-domiciled issuers**

#### **What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?**

According to law No. 95 of 1992 and its executive regulations, there are no specific rules or exemptions that may be applicable to offerings made by an issuer incorporated or domiciled outside of Egypt.

However, the the Financial Regulatory Authority (FRA) Regulations No. 11 of 2014 provided conditions for listing foreign securities.

Foreign shares

The following conditions must be met for listing shares of foreign companies:

- The company's shares must be listed on a foreign stock exchange that is supervised by an entity exercising powers similar to those of the FRA in the field of capital markets, and the shares must be denominated in Egyptian pounds or a foreign currency convertible to Egyptian pounds. The company's shares may be listed even if they are not listed on a foreign stock exchange, provided that more than (50%) of its equity, assets and revenues are derived from its Egyptian subsidiaries, and provided that the company submits consolidated financial statements for the two fiscal years preceding the listing application, as stipulated in clause (b) of (First) of this article. The company must also prepare its post-listing financial statements in accordance with

Egyptian accounting standards and have them audited in accordance with Egyptian auditing standards.

- The company must submit the auditor's report and financial statements to the Egyptian stock exchange. These statements must be prepared and audited in accordance with Egyptian, international or American standards. The company must also submit the board of directors' reports to the stock exchange and provide the exchange with an Arabic translation of these statements for publication on its website.
- The capital of the foreign company whose shares are to be listed must not be less than the equivalent of US\$100 million, or US\$10 million for small and medium-sized enterprises. If the company is not listed on a foreign stock exchange and 50% or more of its equity, assets and revenues are derived from Egyptian subsidiaries, the minimum issued and paid-up capital for the company shall be the minimum required for listing the shares of Egyptian companies.
- The nominal value of the total shares to be listed must not be less than EGP100 million or its equivalent in convertible foreign currencies; the number of shareholders must not be less than 150; and the percentage of free-float shares must not be less than 5% of the total listed shares of the company.
- The company must have a legal representative in Egypt.

#### Foreign bonds and sukuk

Bonds and sukuk issued by foreign companies may be listed, provided they meet the same listing requirements as Egyptian bonds and sukuk.

Bonds and sukuk issued by international financial institutions and regional and international development funds may also be listed, and the formation of a holders' group for these bonds or sukuk is not required.

#### Foreign closed-end funds

Investment units issued by foreign closed end funds may be listed, provided they meet the same listing requirements as Egyptian investment units.

#### Foreign index funds

Foreign index funds may be listed under the same listing requirements as Egyptian index fund units, provided that the fund units are listed on the EGX of the country of origin and that this exchange is subject to the supervision of a regulatory body exercising the same powers as the FRA.

**Law stated - 18 March 2026**

## PARTICULAR FINANCINGS

### | Offerings of other securities

## What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

The Executive Regulations of the Companies Law No. 159 of 1981 states that the following considerations shall apply in the event of an offering of convertible bonds:

- the bond-issuing value should not be less than the nominal value of the share;
- the value of convertible bonds in addition to the existing value of the company's shares should not exceed the company's authorised capital; and
- the existing shareholders shall have a pre-emptive right to subscribe in the convertible bonds.

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, the rights of offering for a listed company could be offered separately from the original capital increase shares, unless the extraordinary general assembly waives the application of the pre-emption rights in the capital increase.

**Law stated - 18 March 2026**

## UNDERWRITING ARRANGEMENTS

### Types of arrangement

Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

Underwriting arrangements in Egypt generally follow the relevant international practices in this regard, with no special guidelines for these arrangements. Such underwriting arrangements may be through a syndicate of underwriters and through firm commitment or employing best efforts.

**Law stated - 18 March 2026**

### Typical provisions

What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

According to the Financial Regulatory Authority (FRA) Regulations, the underwriter's main obligations are:

- to subscribe to the securities that were not covered in the offering, and to re-offer these in a public or private offering with the same terms and conditions of the ratified prospectus, and within a maximum of three months as of the date of ratification of this prospectus;
- to abstain from buying the issued shares of the company, as long as the underwriter is the owner of the covered shares;

- to separate the accounts of its clients from its own accounts;
- to disclose on the offering procedures and the results of the subscription according to the applicable rules in this regard; and
- not to give any incorrect information on the offering procedures and the results of the subscription.

Law stated - 18 March 2026

### **Other regulations**

#### **What additional regulations apply to underwriting arrangements and the provisions typically contained therein?**

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, the company that undertakes underwriting activities should be licensed by the Financial Regulatory Authority (FRA), which should be notified of the underwriting arrangement. The FRA should provide its comments on this arrangement within 30 days as of the date of receipt of the notification.

Law stated - 18 March 2026

## **ONGOING REPORTING OBLIGATIONS**

### **Applicability of the obligation**

#### **In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?**

Generally, any company with listed securities at the Egyptian Stock Exchange (EGX) shall be subject to ongoing disclosure obligations. Furthermore, any company which issues bonds for public offering or private placing should undertake reporting to the Financial Regulatory Authority and the bondholders during the entire duration of such bonds.

Law stated - 18 March 2026

### **Information to be disclosed**

#### **What information is a public company required to make available to the wider public?**

The following information should be disclosed:

- Disclosure regarding the main shareholders' and related parties' transactions: each shareholder should disclose to the EGX when its, or its related parties', equity grows or decreases by 5% or its multiples of the securities representing the capital or the voting rights of the listed company. This disclosure should include what the shareholder and its related parties directly own from stocks or foreign depository receipts corresponding to stocks in the listed company, as well as what they indirectly

own through 25% or more in the capital of this disclosing shareholder in the listed company. Such shareholders should also disclose their future investment plans and projections in relation to the listed company's management, if the ownership percentage of such shareholder and its related parties reached 25% or more of the listed company's capital or voting rights.

- These disclosures also apply to the listed company's board members, their employees and related parties if there is an executed sale or purchase of 3% or its multiples of the listed company's securities (including subscription rights). The disclosure in this case shall include what the board member and its related parties directly own from securities and foreign depository receipts, as well as what they indirectly own through 25% or more of the capital of the listed company.
- Disclosure, on a quarterly basis and within 10 days of the lapse of each quarter, of its shareholders' and board members' structures, the position of the treasury shares and the changes that occurred to these.
- Disclosure, on a bi-annual basis, of the extent of implementing the company's resolutions in relation to the cash increase of its issued capital, and the procedures taken in this regard.
- Furthermore, the EGX should be notified of any changes made to the annual report of the board of directors, or any procedures taken by any administrative authorities against the company (should such procedures affect the position of the company or its financial status), particularly:
  - any amendments to the company's articles of association;
  - changes concerning the auditor during the fiscal year;
  - any changes in the board of directors, its duration or the principal management;
  - change of the registered address of the company or its telephone numbers;
  - capital structure, including shareholdings of 5% or more; and
  - any shareholdings of the company in other companies of 10% or more.
- Disclosure on an annual basis (by the end of each fiscal year) of a report on the extent to which the company achieved the results in the independent financial consultant's report on the share's fair value, provided that this report includes the justification for material deviations (if any).
- The company should disclose the resolutions of its general assembly meetings (ordinary and extraordinary) and board meetings as soon as they are adopted, and before the following trading session at most.
- Disclosure of the announcements of cash or free stock distributions, or both.
- Disclosure of material information in reasonable time, such as:
  - any new bonds issuance or any guarantees or pledges thereof;
  - any resolution that would result in calling or annulment of previously issued securities;
  - any proposed changes in the financing or capital structure exceeding 5% of the shareholders' rights in light of the latest periodic financial statements or

the financial positions of the company, in addition to any restrictions on the borrowing volume available to the company;

- any transactions exceeding 5% of the revenues of the previous fiscal year;
- any resolutions related to amending the nominal value of the company's stock;
- any agreement related to entry of strategic investors to buy a quota of the company's stock;
- the existence of lawsuits or arbitration cases against the company in relation to its activities, one of its shareholdings, or any of its assets exceeding 2% of the company's equity rights according to the latest approved financial statements (annual or quarterly);
- any related parties' commercial transactions; and
- lawsuits against any board member or one of its principal managers in a matter related to the company and connected with violations attributed to any of them.

**Law stated - 18 March 2026**

## ANTI-MANIPULATION RULES

### Prohibitions

#### What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

According to the Capital Market Law No. 95 of 1992 (Capital Market Law), the chair of the Egyptian Stock Exchange (EGX) or the Financial Regulatory Authority (FRA) could resolve to suspend trading orders that lead to price manipulation, in addition to the annulment of transactions that are made in violation of the governing laws, regulations and decrees, or that are made with unjustified prices. They could also resolve to suspend securities dealings, the continuance of which would negatively impact the market or the dealers.

Furthermore, the chairman of the FRA could suspend any dealer from buying securities in EGX markets, whether this dealer was dealing in its own name and account or for the name or the account of another beneficiary, should a price manipulation violation be committed. This suspension shall be based on and justified by investigations undertaken by the FRA, shall not exceed a period of six months. The EGX's chairman could also undertake the previous procedures according to the FRA's regulations in this regard.

Moreover, the Executive Regulations of the Capital Market Law set forth the following prohibitions to combat price manipulative practices:

- influencing the market or prices with any practices of executing operations that do not change the actual beneficiary;
- exercising operations previously agreed upon with the purpose of implying the existence of trading of specific securities;
- publication or assistance in the publication of misleading or inaccurate news;
-

publication of news related to the approaching of securities' price changes in order to influence the prices and dealings thereof;

- issuer's participation in the dealings of its securities in order to influence their prices, or through means leading to a negative impact on the dealers on same; that is without prejudice to the governing regulations of dealings on treasury stocks;
- providing any incorrect or inaccurate information through any type of media that would influence the market or the dealers in order to realise personal gain or for the benefit of a person or a specific entity;
- performing operations or enrolment of orders in stock exchange systems in order to imply the existence of dealings on securities or to manipulate their prices for facilitating their sale or purchase;
- participation in any agreements or practices that would mislead investors or artificially influence the prices of securities, control these prices or the market in general;
- solely undertaking, or through collaboration with others, the entry of orders into stock exchange trading systems with the purpose of providing misleading or inaccurate figures on the volume of activity, liquidity or the price of certain securities in the market;
- solely undertaking, or through agreement with others, the entry of orders into stock exchange trading systems for a certain security to influence the price thereof through increasing, decreasing or stabilising in order to realise illegitimate purposes, such as influencing the value of investments to realise personal gains, or for tax evasion; or to reach a certain price previously agreed upon with another party to realise a purpose in violation of the laws, regulations and professional customs, such as increasing the price of specific securities to obtain credit secured by them;
- exploiting an order or a group of orders issued by a client or a group of clients, the quantity of which could alter the prices of securities; in addition to the prohibition of trading in the same direction of these orders prior to executing them and that would generate profits as a result of illegitimately exploiting the clients' orders. Furthermore, it is prohibited to agree with others or to provide recommendations to them to trade in the same direction of these orders before the execution thereof;
- dealing in fictitious names and accounts to execute deals, or to enrol fictitious orders in stock exchange trading systems that do not correspond to real sale or purchase orders or the enrolment of orders with unjustified prices that would create a misleading superficial event that does not represent actual trading;
- controlling or endeavouring to control requests or orders in the market, and the acquiring or endeavouring to acquire a controlling position over a security in order to manipulate its price, create unjustified prices or to affect the decisions of the dealers;
- publication of untrue or misleading market information in order to shift the orders' prices and the execution towards a certain direction; and
- abstention from offering or requesting securities, whether by selling or purchasing, with the purpose of influencing their prices, despite the existence of sale or purchase orders; in addition to prohibition of agreeing with any party to undertake operations implying the existence of an offer or request on these securities.

**PRICE STABILISATION****Permitted stabilisation measures****What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?**

According to the Financial Regulatory Authority (FRA) Regulations, the following measures could be adopted by issuing companies in public offerings for price stabilisation.

- The duration of the stabilisation shall be one month starting from the first trading day in the Egyptian Stock Exchange (EGX). Three business days before the lapse of this duration, the offering manager should disclose the final date that the sellers could deposit their sell orders in the EGX's open account system.
- The offering manager shall manage a price stabilisation account in the name of this account, and the main shareholders who offered their stocks shall transfer the value of this account to the offering manager's account at least one business day before the start of the trading day.
- The offering manager shall, during the calculation duration of the price stabilisation, deposit an open purchase order on the EGX's dedicated screens for one month beginning on the EGX trading starting date of the stocks. The targeted shareholders could, as per the terms of the stabilisation account, deposit sell orders for the number of stocks allocated to them only through the offering on the offering execution date at the EGX and according to an account statement issued by the Misr for Central Clearing, Depository and Registry.
- All orders deposited by those willing to sell shall be executed at the end of the period of calculation of the stabilisation duration. If the quantity of the orders exceeds the amount specified in the purchase order, then the orders shall be executed on a pro rata basis between the quantity of the sell orders and the quantity of the purchase orders on the basis of the final offering price, provided that decimals shall be rounded to the benefit of the minority investors, from the smaller to the bigger, until the consummation of the quantity in the purchase orders.
- Upon liquidation of the account, the stocks, if any, shall be allocated to the selling shareholders in the offering (financiers of the account) in proportion to their shareholding percentage in the stabilisation account, unless the prospectus provides otherwise, and provided that the ownership of these stocks shall be transferred through an EGX-protected operation according to the regulations of EGX's Operation Committee. This case shall also be excluded from abidance with the mandatory tender offer obligation in cases of exceeding the acquisition percentages.

Law stated - 18 March 2026

**LIABILITIES AND ENFORCEMENT****Bases of liability**

## What are the most common bases of liability for an equity securities transaction?

The common bases of liability in light of the Capital Market Law No. 95 of 1992 and its Executive Regulation are related to the obligations to provide correct and true information in any prepared prospectus or statement and to abstain from any manipulation practices. Furthermore, any information disclosed to the Egyptian Stock Exchange (EGX) as part of the reporting obligations should be correct and true and could be justified to the EGX and the Financial Regulatory Authority (FRA).

**Law stated - 18 March 2026**

## Bases of liability

### What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

According to the Capital Market Law No. 95 of 1992 (Capital Market Law) and its Executive Regulation, the following acts shall be subject to a penalty of imprisonment for a term not exceeding five years, or a fine of not less than EG£50,000 or equivalent to the amount that the offender sustained as a penalised gain or avoided from losses, whichever is greater, and not exceeding EG£20 million or double the equivalent of the amount that the offender sustained as a penalised gain or avoided from losses, whichever is greater, without prejudice to any severer penalty stipulated in any other law:

- any person who offered securities through public subscription, public offering or private placings or received any monetary value in violation of the Capital Market Law;
- any person who intentionally stated data in a prospectus, or in any other reports, documents and company advertisements that is incorrect or in violation of the Capital Market Law, or altered this data after being ratified by the FRA;
- any person who intentionally issued incorrect data about securities that are to be subscribed to through a licensed entity to receive subscriptions;
- any person who listed an untrue price, undertook a fictitious transaction or endeavoured to fraudulently manipulate market prices; or
- any person who listed securities on the EGX in violation of the Capital Market Law and its Executive Regulations.

Moreover, any person who disposed of securities in violation of the provisions of the Capital Market Law and its Executive Regulations shall be subject to a penalty of a fine not less than EG£5,000 and not exceeding EG£100,000. Furthermore, any person who acquired securities without submitting a mandatory tender offer in the relevant cases shall be subject to the penalty of a fine not less than EG£100,000 and not exceeding EG£500,000. In the latter case, the offender may pay to the FRA the value of the securities subject of the offence, and no reconciliation will be effective unless a mandatory tender offer is submitted and an amount of not less than 1% and not exceeding 10% of the securities are paid to the FRA.

Finally, the criminal lawsuit for any offence under the Capital Market Law shall not be initiated by public prosecutors without the request of the FRA's chairman. The chairman of the FRA may reconcile the offences stipulated under the Capital Market Law at any stage of the

lawsuit, provided that an amount not less than double the minimum extent of the incurred fine is paid to the FRA.

**Law stated - 18 March 2026**

## UPDATE AND TRENDS

### **Recent and proposed changes**

#### **Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?**

In 2025, the Financial Regulatory Authority (FRA) issued rules to facilitate capital increase procedures for expansion and business development. These new listing rules shall regulate and shorten the time periods for a number of procedures necessary to complete capital increase operations for listed companies, while providing flexibility for companies to increase their capital in stages.

The FRA has also issued new rules to regulate the listing and trading of shares of Special Purpose Acquisition Companies (SPAC), including that their issued and paid-up capital should not be less than EG£10 million for a temporary listing at the Egyptian Stock Exchange (EGX), provided that the company is committed to increasing it to EG£1 million within three months from the date of listing its shares on the EGX.

Furthermore, the FRA issued a new resolution whereby the SPAC's shares may be traded at the subscription price, in the event that it increases its capital through a cash injection, which shall be equivalent to the fair value determined by an independent financial adviser registered with the FRA.

Moreover, the listing rules as amended by FRA Resolution No.26 of 2026 provides that listed companies on the EGX, are strictly required to submit an independent Fair Value study to the EGX whenever they dispose of shares, whether listed or non-listed, provided the transaction value reaches 10% or more of the company's total equity.

Additionally, FRA Resolution No. 136 of 2025 requires that the study be prepared by an independent financial adviser registered with FRA, accompanied by a review report from the company's external auditor and the approval from the Board of Directors.

**Law stated - 18 March 2026**