

**PRESIDENTIAL DECREE**  
**No. 59 of 1993**  
**ISSUING THE STATUTES OF THE CENTRAL**  
**BANK OF EGYPT**

The President of the Republic  
After having perused the Constitution,  
And Law No 163 of 1957, promulgating the Banks and Credit Law,  
And Law No 120 of 1975 concerning the Central Bank of Egypt and the Banking System,  
And the Presidential Decree No 488 of 1976 concerning the Statutes of the Central Bank of Egypt.  
And the approval of the Cabinet of Ministers,  
And upon the view of the State Council,

**Decreed the following:**

**Article 1**

The provisions of the Statutes of the Central Bank of Egypt, as attached, shall come into force.

**Article 2**

The Presidential Decree No 488 of 1976, referred to here above shall be cancelled. Every provision contradicting the provisions of the enclosed Statutes shall also be cancelled.

**Article 3**

This decree shall be published in the Official Journal and shall come into force as from the day following the date of publication. Issued at the Presidency of the Republic on 14<sup>th</sup> Shaaban Hegira year 1413, corresponding to 6<sup>th</sup> February 1993.

**Hosni Mubarak**

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**The Statutes of**  
**The Central Bank of Egypt**

**Part I**  
**Legal Form of the Bank, Its Seat,**  
**Capital, and Reserve**

**Article 1**

The Central Bank of Egypt is an autonomous public legal entity assuming the authorities and powers vested in it by Law No 163 of the year 1957, and according to the provisions of Law No 120 of the year 1975 referred to earlier.

**Article 2**

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

#### **Article 3**

The Bank's capital shall be ONE HUNDRED MILLION EGYPTIAN POUNDS.

#### **Article 4**

A legal reserve for the Bank shall be formed at the rate of 100% (hundred percent) of the Bank's capital and the Board of Directors of the Bank may set aside a percentage of the net annual profits to form other reserves.

### **Part II Purposes and Functions of the Bank**

#### **Article 5**

The Bank shall formulate monetary, credit and banking policy and supervise its implementation according to the general plan of the state to help develop the national economy, and ensure the stability of the Egyptian currency, besides supervising the banks, which are registered at the Bank.

In this respect, the Bank may consider the means to be adopted and in particular apply the following:

- 1st) Influencing the allocation of credit with regard to its volume, type and cost, so as to meet the real needs of various aspects of economic activity.
- 2nd) Adopting suitable measures to combat general domestic economic or financial disturbances.
- 3rd) Participating with the concerned state agencies in preparing the foreign exchange budget of the State and implementing it within the framework of general policy drawn up by the Ministry of Finance in agreement with the Ministries of Economy and Foreign Trade, Planning, and Supply.
- 4th) Assisting the governmental agencies concerned in devising the financial and economic plans of the state.
- 5th) Participating in the arrangement of foreign credit for the fulfillment of the requirements of foreign finance for the economic plans, and for meeting the foreign exchange requirements of the State.
- 6th) Determining the discount rates and the rates of return for banking transactions in accordance with the nature of these transactions, their terms and the need for such transactions in compliance with monetary and credit policy, to realize monetary stability, without being confined in this respect to the limits stipulated by any other legislation. The Board of Directors authorizes banks to determine freely the rates of return for the banking transactions that they conduct.

- 7th) Managing the state reserves of gold and foreign exchange and the regulation of the flow of foreign exchange with other banks.
- 8th) Controlling banks registered at the Central Bank of Egypt, so as to ensure the soundness of their financial positions and their compliance with the state's monetary and credit policy.
- 9th) Supervising the representation offices of foreign banks registered at the Central Bank of Egypt.

#### **Article 6**

The Bank shall exercise the banking operations related to the government and shall charge no fees on services provided by it. The Bank shall exercise the banking operations for other legal public entities on the conditions, which the Board sets according to the provisions stipulated, by Law No 163 of 1957 referred to above.

#### **Article 7**

The Bank shall act for the government in managing, issuing, servicing and amortizing the public debt. In doing that, the Bank shall not bear any obligations or claim any rights consequent thereupon.

The Bank shall advise the government before concluding domestic and foreign loans and credit facilities.

#### **Article 8**

The Bank may offer loans for the government to cover any seasonal deficit in the state budget on condition that the amount of these loans shall not exceed 10% of the average revenues of the state budget during the preceding three years. These loans are for a period of three renewable months provided that the repayment of loans is settled within a maximum of twelve months from the date of extending them.

The terms and conditions of these loans shall be agreed upon by the Ministry of Finance and the Bank and in compliance with the monetary and credit conditions at the time of providing the loans.

#### **Article 9**

The Bank has the exclusive right of issuing notes. The Minister of Economy and Foreign Trade, after consulting the Bank, shall determine the denominations of notes that may be issued, their dimensions and their design and other specifications. These notes must bear the signature of the Bank's Governor.

#### **Article 10**

The amount of the bank notes in circulation shall always be covered by gold, foreign exchange, foreign securities, Egyptian government bonds, treasury bills, and Egyptian bonds guaranteed by the government and discountable commercial papers.

The President of the Republic shall determine the gold cover of the bank notes issue. The Ministry of Economy and Foreign Trade shall determine the types and percentages of the other assets, after consulting the Bank.

#### **Article 11**

The Board of the Bank, after the approval of the Minister of Economy and Foreign Trade, shall set the rules to be followed in evaluating all assets that counter the notes in circulation.

#### **Article 12**

The gold, foreign exchange, and other assets forming a cover for the issued notes shall be deposited in the Bank in Cairo or in one of the public sector banks in the State or in any central bank abroad approved by the Board of the Central Bank of Egypt. In all cases, the deposits shall be in the name and for the account of the Central Bank of Egypt. Gold sent en route to the Arab Republic of Egypt shall be considered as part of the note-issue cover in Cairo, on condition that the transfer of gold shall be in the name and for account of the Bank and must be insured in favor of the Bank, provided that a prior approval of the Minister of Economy and Foreign Trade is obtained.

#### **Article 13**

The Bank, according to the terms and conditions to be set by its Board of Directors, shall conclude internal credit operations with banks and other agencies.

#### **Article 14**

In case of financial disturbances or other contingencies affecting the stability of credit conditions, or calling to meet necessary requirements in the financial market, the Bank may extend exceptional loans to other banks as guaranteed by any of their assets to be determined by the Board of the Central Bank of Egypt, provided that these loans shall be subject to rules set by the Board of Directors with regard to rates of return, maturity dates and other conditions.

#### **Article 15**

The Bank shall have the power to deal-buying and selling-in the open market in Egyptian government securities and other paper guaranteed by the government and also the bonds to be determined by its Board of Directors as well as the bills and promissory notes and other commercial papers. These operations shall be conducted with the aim of increasing or reducing money in circulation by banks and other bodies, according to monetary and credit policy.

#### **Article 16**

The Bank may conduct credit operations with foreign banks and establishments, and international organizations.

#### **Article 17**

The Bank shall have the authority to guarantee the loans, credit facilities, and investments to be obtained by the government and other public legal entities from foreign banks, and establishments, and international organizations according to terms and conditions to be agreed upon with the Minister of Economy and Foreign Trade.

#### **Article 18**

The Bank shall declare the rates of discount and return on banking operations, according to the nature of these operations and their maturity dates in the manner determined by the Board of the Bank.

#### **Article 19**

The Bank shall prepare a weekly statement on its financial position compared with its position at the end of the preceding week, according to the form to be set by its Board of Directors in agreement with the Minister of Economy and Foreign Trade. The Bank's weekly statement shall be published in the Official Journal and a copy signed by the Governor of the Bank shall be forwarded to the Minister of Economy and Foreign Trade.

#### **Article 20**

The Bank shall have the right, at any time, to have access to the books and registers of banks to obtain data and explanations, which in its view will realize its purposes. Access to these books and registers shall take place at the domicile of each of these banks through the Central Bank's inspectors and their assistants who shall be delegated for this purpose by the Governor of the Bank, from a list approved by the Minister of Economy and Foreign Trade. The Central Bank shall report to the Minister of Economy and Foreign Trade the results of its inspection and recommendations in this respect.

### **Part III Administration of the Bank**

#### **Article 21**

The administration of the Bank shall be assumed by a Board of Directors chaired by the Bank's Governor and the membership of:

- 1) The Two deputy governors of the Central Bank.
- 2) The chairman of Capital Market Authority.
- 3) Two of Board chairmen of Banks.
- 4) One representative of each of the Ministries of Economy and Foreign Trade, Finance and planning to be chosen by the ministers concerned.
- 5) Four senior specialists in banking, monetary, financial and legal affairs.
- 6) Two from the business sector.

In the absence of the Governor, the senior Deputy Governor shall be the acting chairman.

## **Article 22**

The Chairman and members of the Board of Directors should meet the following requirements:

- 1st) They should be enjoying the Egyptian nationality.
- 2nd) They should not have any personal interests in any of the banks, which are subject to the provisions of Law No 163 of 1957, referred to earlier.
- 3rd) They should be enjoying all their civil and political rights.

## **Article 23**

A Presidential Decree shall be issued appointing the Governor and the two Deputy Governors, and determining their remuneration, allowances and bonuses upon the proposal of the Prime Minister. The appointment of the Governor and the two Deputy Governors shall be for a period of four renewable years.

The Governor shall not be dismissed during his original or renewable term of office.

## **Article 24**

The Board members referred to in items: 3,5 and 6 of Article 21, shall be appointed for a four renewable year period by virtue of a decree of the Prime Minister after consulting both the Minister of Economy and Foreign Trade, and the Governor of the Central Bank of Egypt. The remuneration of the Board members referred to in items 5 and 6 of Article 21 as well as the attendance allowances for the Board of Directors meetings shall be determined by a Decree of the Prime Minister after consulting each of the Minister of Economy and Foreign Trade, and the Governor of The Central Bank of Egypt.

## **Article 25**

The Board of Directors of the Bank shall be the authority vested with the powers of the management of its affairs and for the formulation and regulation of monetary, credit and banking policy, and the supervision of its implementation. The Board shall also make resolutions on measures deemed necessary to achieve the purposes and objectives entrusted to the Bank pursuant

to the provisions of Laws No 163 of the year 1957 and No 120 of the year 1975, referred to earlier.

The Board shall be concerned with the following activities:

- 1st) Approving the profit and loss statement, the balance sheet, and the Bank's Report of its financial position and activities, as prescribed in Article 39 of the present statutes.
- 2nd) Approving the organizational structure of the Bank upon the proposal of the Bank's Governor.
- 3rd) Issuing the internal regulations related to its operations and its financial and administrative affairs.

- 4th) Issuing regulations related to the personnel, their salaries and wages, remuneration, privileges and special allowances, and determining their travel allowance locally and abroad.
- 5th) Approving the planning budget of the Bank and the resolution of the Bank's Board in this respect shall be final.

#### **Article 26**

The Board of the Central Bank of Egypt shall assume the powers of the General Assembly with respect to public sector banks, and in particular shall be concerned with:

- 1st) Approving the balance sheet, the profit and loss statement, and the distribution of profits.
- 2nd) Authorizing the Bank to use the provisions for other purposes than those set aside for the budget.
- 3rd) Amending the Statutes, including the extension or shortening of the duration of the Bank, and increasing or reducing its authorized and paid up capital.
- 4th) Determining the merging or division of the Bank. The resolution to be made in this respect shall be pending upon the approval of the Cabinet.
- 5th) Approving the planning budget.

The Chairman and members of the Bank's Board of Directors and its auditors shall attend the General Assembly meeting, but their votes shall not count.

In case the Board meets as a General Assembly for public sector banks, the Assembly shall be chaired by the Minister of Economy and Foreign Trade. In his absence, the General Assembly shall be chaired by the Governor of the Central Bank of Egypt.

#### **Article 27**

The Board of the Central Bank shall meet upon the convocation of the Governor, or upon the request of either half the number of the Board members or the representatives of the Ministries of Finance, Economy and Foreign Trade.

The Board shall meet at least twice a month, and its meeting shall be held at the Bank's head office in Cairo. It may also meet outside the head office, provided that the meeting should be held in the Arab Republic of Egypt.

#### **Article 28**

The Board meeting shall not be legal unless it is attended by at least half the number of its members, other than the Board Chairman, provided that this quorum shall include a representative of the Ministry of Finance or the Ministry of Economy and Foreign Trade.

#### **Article 29**

The resolutions of Board of Directors shall be made with the absolute majority of attending members' votes. In case of equal votes, the side including the Board Chairman shall have the casting vote.

#### **Article 30**

The Governor shall run all the Bank's affairs, according to the resolutions of the Board of Directors. Whenever necessary, the two Deputy Governors shall replace the Governor, each within the range of his powers.

#### **Article 31**

The Governor shall represent the Bank before the court.

#### **Article 32**

The Governor shall be assisted in managing the Bank's affairs by the two Deputy Governors, and Sub-Governors, whose powers shall be determined by the Governor. The Sub-Governors shall be appointed by a decree of the Prime Minister upon the proposal of the Governor.

#### **Article 33**

The Bank shall follow its methods of administration in compliance with banking practices without being restricted by the administrative and financial regulations in force in the government and the public sector.

#### **Article 34**

The right to sign for the Bank separately shall be vested in each of the Governor and his Deputy Governors.

The Governor shall have the right to nominate proxies authorized to sign on behalf of the Bank.

#### **Article 35**

The Board of Directors is empowered to form committees from its members. In order to perform the functions assigned to the said committees by the Board, or to submit to the Board studies and researches as shall be requested by the Board, these committees shall have the power to ask the assistance of the departments concerned in the Bank in exercising their assignments.

### **Part IV**

#### **Chapter 1: The Two Auditors**

#### **Of the Bank**

#### **Article 36**



Auditing and verifying the Bank's accounts shall be assigned to two auditors to be appointed by the Central Auditing Agency which shall also determine their remuneration. Auditing the Bank's accounts by them shall stand for auditing these accounts by the Agency.

The Bank should place at the disposal of the auditors such documents, books and data that they regard necessary for such assignment.

## **Chapter 2: The Bank's Finance**

### **Article 37**

The funds of the Bank shall be considered private funds.

### **Article 38**

The financial year of the Bank shall begin and end with the financial year of the state.

### **Article 39**

Within three months from the closing date of its financial year the Bank shall prepare the following:

- A) Profit and loss statement for the ending financial year according to the rules followed in banking establishments.
- 2nd) The balance sheet of the Bank in accordance with the financial accounting rules in bank institutions, to be signed by the Governor of the Bank and the Bank's two auditors.
- 3rd) A report on the Bank's financial position and activities during the ending financial year. The report shall review in particular the economic, monetary and banking developments in the Arab Republic of Egypt.

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The profit and loss statement, the balance sheet, and the report referred to above shall be submitted to the Minister of Economy and Foreign Trade within one week from the date of their approval by the Board of the Central Bank.

### **Article 40**

The net profit of the Bank shall be transferred to the Treasury after deducting therefrom the reserves, which the Board of Directors shall decide to form and distribute among its personnel as profit bonuses according to the rules to be set by the Bank in this respect.

## **Chapter 3: Annual Report on Monetary and Credit Developments**

### **Article 41**

The Bank shall prepare an annual report to be submitted to the People's Assembly, reviewing the monetary and credit developments in the Arab Republic of Egypt, within three months from the end of the financial year.