

Country [Answers could be in English or Arabic]	Is there a local legislation governing derivatives? If yes, mention the name, number, date of publication of the legislation, and attach a copy	If the answer to the previous question is yes, are there any other rules, decrees, circulars issued by the relevant authority in your jurisdiction in connection with derivatives?	If the answer to the first questions is no: Is trade in derivatives common in your jurisdiction? If the answer is yes, would you please describe (briefly) the current practical situation in connection with trade in derivatives in your jurisdiction (including OTC)?	Generally speaking, what is the regulatory authority relevant with supervising derivatives activities (if any), in your jurisdiction?	Other comments
EGYPT [Sarieldine]	<p>Yes</p> <p>Law No. 17/2018 Amending Capital Market Law No. 95/1992; and</p> <p>Decree No. 2479/2018 Amending Decree No. 135/1993;</p> <p><u>Soft copy of the law and the decree is attached.</u></p>	<p>Yes</p> <p>EFSA Decree No. 33/2019;</p> <p>Chairman's Decree No. 371/2019; and</p> <p>EFSA Decree No. 49/2019</p>		<p>The relevant regulatory authority with monitoring derivations activities is the EFSA/FRA. In addition, Egypt Law No.17/2018 provides for the establishment of Derivatives Exchange where derivatives could be trade in, under the auspices of the FRA. Articles 26 of Egypt No.17/2018 and Article 109 of the Decree No. 2479/2018 grant the FRA Board the right to license the establishment of a private Exchange, which must take the form of a joint stock company, to trade in the various forms of derivatives, being futures, options, swaps, or similar</p>	<p>Having a legislative regulation of derivatives is a good step to develop derivatives market in Egypt. According to the FRA's Chairman, a committee has been established to study the best international practices in connection with</p>

	<p><u>Comment if any (optional):</u></p> <p>Derivatives market in Egypt is still small. Like many other MENA countries, Egypt has been witnessing lack of legislation on derivatives. The Egyptian Capital Market Law No. 95/1992 was amended by virtue of the Law No. 17/2018, which was published in the Official Gazette on 14 March 2018. The Amending Law No. 17/2018 brought major amendments to capital market activities in Egypt, mainly: i) regulating the issuance and trade in <i>Sukuk</i>, ii) authorizing the establishment of an exchange to trade in derivatives, iii) simplifying public offering procedures, and iv) updating penalties for capital market crimes.</p>			<p>standardized contracts. The establishment of such an Exchange shall take place in accordance with rules, conditions, and licensing procedures by the FRA as included in the Decree No. 33/2019, and Decree No. 371/2019.</p> <p>Alternatively, Egypt No.17/2018 and the Decree No. 2479/2018 authorize the EGX to establish its own joint stock company to trade in derivatives. Moreover, the EGX could also trade in derivatives related to its listed securities directly without establishing any company.</p>	<p>derivatives, and accordingly to issue any relevant rules and decrees in connection with derivatives Exchange. Despite these facts, derivatives market in Egypt is not tested yet. Most importantly, confusion continues in connection with derivatives traded OTC. In addition, it is not clear whether the development of this market and the maintenance of its stability would depend on the regulatory authority authorized to oversee its dynamics and react immediately to issues that arise, or on the legislator. Furthermore,</p>
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	<p>Following the issuance of the Amending Law No. 17/2018, the Prime Minister Decree No. 2479/2018 was issued to amend the relevant Executive Regulation (previously issued by virtue of the Minister of Economy and Foreign Trade Decree No. 135/1993), which was published in the Official Gazette on 22 November 2018. Moreover, the Board of the FRA (Egyptian Financial Regulatory Authority) has issued the Decree No. 33/2019 on the Licensing Conditions and Procedures for Derivatives Exchange. Similarly, the FRA Chairman's Decree No. 371/2019 issued a standard Articles of Association that has to be adopted by any company applying for a license to establish the Derivatives Exchange. Finally, the Board of</p>				<p>guidance on Islamists' perception of derivatives implications in the Egyptian market hardly exist. Sometimes, stakeholders, including courts, adopt conservative interpretation of the relevant laws and regulations, if a transactions is purely speculative or "excessively uncertain", for <i>Sharia</i> implications.</p>
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	<p>the FRA has issued the Decree No. 49/2019 on the Requirements and Conditions of Brokerage Activities in Derivatives market.</p> <p>The scope of application of the Amending Law No.17/2018 and the Decree No. 2479/2018 include only <i>exchange-traded</i> derivatives, rather <i>Over-The-Counter</i> derivatives. Thus, the Law comprises, explicitly, three categories of derivatives, namely, futures, options, and swaps. However, the Law does not really include substantive rules on the types of derivatives or their working dynamics, rather their definitions. The Law mainly addresses formal issues related to the establishment of the potential exchange where derivatives are traded. According to</p>				
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	<p>the Law, this exchange shall be an Egyptian joint stock company that meets all the requirements stated by the Law. Alternatively, this exchange could be the Egyptian Stock Exchange (EGX). In the same context, the Law addresses, in details, the rules of licensing brokerage companies in derivatives market. In addition, the Law does not regulate clearing and settlement, rather it refers both processes to the Central Depository Law No. 93/2000 and its executive regulation. Though the Law explains that derivatives value could be driven from assets, securities, or commodities, the Law has a special set of rules on commodities as underlying assets. Thus, the Law regulates, in details, the establishment of a unit</p>				
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	entrusted with monitoring warehouses for commodities.				
UAE (Bashar H. Malkawi)	<p>Yes</p> <p>Federal Law No. 10 of 2018 on Netting for Derivatives Contracts and Other Qualified Financial Contracts.</p> <p>The UAE Netting Law is an important steps to advance the UAE as one of the world's leading financial hubs. This legalisation addresses close-out netting. For a derivatives market to flourish then the effectiveness of close-out netting should be safeguarded. The UAE Netting Law will apply across the UAE.</p> <p>The UAE Netting Law applies to contracts that are otherwise legal, valid and binding under UAE law. The UAE Netting Law confers legal enforceability on pre- and post-insolvency close-out</p>	<p>Yes</p> <p>The Regulation of Derivatives Contracts: Chairman of the Securities and Commodities Authority Board of Directors' Decision No. (22/R.M) of 2018.</p> <p>This Decision determines some conditions regarding the mandatory reporting of derivatives contracts and clearing of OTC derivatives contracts.</p>	<p>Some derivatives in the UAE are traded over-the-counter or directly between banks.</p> <p>Dubai Court of Cassation held that currency futures trading does not violate the Commercial Transactions Code for impermissible risk or uncertainty; emphasis on counterparty being a professional licensed investor. Other court decisions determined that spread betting is prohibited in the UAE and is against public policy (the Dubai Court of Appeal (No. 514 of 2014, dated 10 January 2015). If determined to be a form of gambling, the contract will be</p>	<p>The UAE's securities regulator is the Emirates Securities and Commodity Authority (the SCA). The SCA is regulated by federal Law No. 4 for the year 2000 concerning the Emirates Securities and Commodities Authority and Market.</p> <p>The Central Bank of the UAE supervises on a federal level all banks.</p> <p>Administration of the UAE Netting Law is the responsibility of the Ministry of Finance. Article 7 calls for a Committee for Designation of Qualified Financial Contracts (the Netting Law Committee) to be formed and chaired by the Ministry of Finance and consisting of two representatives from each of the financial sector regulators in the UAE: (a) the Central Bank, (b) the Securities and Commodities Authority and (c) the Insurance Authority. The Netting Law Committee will have power to give opinions on topics related to Qualified Financial Contracts and to add, remove or replace contracts from the list of Qualified Financial Contracts.</p>	<p>The need for risk management in the UAE led to the creation of conventional and Islamic derivatives markets.</p> <p>The UAE market for derivatives is still developing. Most common derivative products include: margin trading, equity swaps, and cross-currency/commodity swaps.</p> <p>There are limitations on derivatives trading because of Sharia law prohibition of gharar (hazard). Moreover, according the UAE civil code prohibits contracts for gambling purposes (art. 1021). Further, contracts where</p>

	<p>netting procedures under netting agreements in relation to natural and legal persons located in the UAE (but outside of the ADGM and the DIFC). The UAE Netting Law also contemplates legal enforceability for collateral arrangements that support netting agreements.</p>		<p>deemed null and void and any debts that arise from these transactions are not recoverable.</p> <p>On the other hand, other court decisions Abu Dhabi held that foreign currency derivatives were invalid for speculation. It seems that if a derivative transaction is purely speculative or excessively uncertain, there is considerable risk that UAE courts will not recognize or enforce such a transaction.</p>		<p>there is no subject matter or deals with goods the identity of which is uncertain at the time the contract is made are not permitted (art. 199-206, UAE Civil Code).</p> <p>The Federal Penal Law No. 3 of 1987 (as amended) makes gambling an unlawful criminal activity. There are issues as to whether such a prohibition is applicable to speculative derivative transactions.</p>
<p>Oman (Dr. Shehab Farouk – Hamad Al Sharji, Peter Mansour & Co.)</p>	<p>At the moment there's no law or regulation organizing Derivatives in Oman. However , an official from Capital Market Authority Mr. Mohammed Said al Abri, Vice President — Capital Market Sector, CMA stated in an interview with an Omani newspaper on</p>	<p>N/A</p>	<p>Trade in derivatives is not common in Oman since there's no regulation to manage such transactions . However some organizations and companies are familiar with Derivatives and subsequently are</p>	<p>Capital Market Authority (CMA) is the competent authority to issue any regulations pertaining Derivatives and supervising Derivatives activities.</p> <p>CMA supervises the followings entities:</p> <ol style="list-style-type: none"> 1) Muscat Securities Market 2) Muscat Clearance and Depository Company 3) Listed public stock companies 4) Mutual Investment Funds 5) Companies Operating in the 	<p>Since Oman is witnessing a revolutionary statutory movement to encourage foreign investments (direct & indirect) to the Omani market either through amending the existing laws</p>

	<p>July 9, 2019 (https://www.omanobserver.om/new-law-to-spur-growth-of-securities-market-in-oman/) that a new law is expected to be issued by the first quarter of 2020, if not earlier and the new law will include derivatives such as swaps, forwards, futures, mortgage-backed securities and options.</p>		<p>hosting workshops to introduce such new form/ tool of trading.</p>	<p>Securities field and their agencies 6) Insurance companies, agents and brokers 7) Credit Rating Companies</p>	<p>or stipulating and introducing new law, Derivatives will be another element to encourage investors and traders to be more involved in trading in such new tool . Oman has issued several laws and regulations in response to the global challenges , for instance a great amendments for Commercial Companies law No. 18 /2019 and Foreign Investment Law No. 50/2019 . Also introducing new laws such as Privatization Law No. 51/2019 and Public Private Partnership Law No. 52/2019. Therefore when Derivatives will be introduced officially through</p>
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