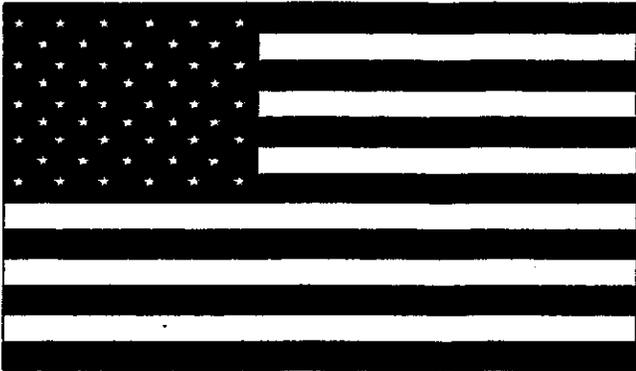


MEMORANDUM OF UNDERSTANDING



*The United States
Securities and Exchange Commission*



*The Egyptian Capital Market
Authority*

*Regarding Exchange of Information, Consultation
and Technical Assistance*

*Cairo
February 11, 1996*

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
AND THE
EGYPTIAN CAPITAL MARKET AUTHORITY
REGARDING EXCHANGE OF INFORMATION, CONSULTATION
AND TECHNICAL ASSISTANCE

February 11, 1996

M.C.
A.J.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
AND THE
EGYPTIAN CAPITAL MARKET AUTHORITY
REGARDING EXCHANGE OF INFORMATION, CONSULTATION
AND TECHNICAL ASSISTANCE**

The United States Securities and Exchange Commission ("SEC") and the Egyptian Capital Market Authority ("CMA") (collectively, "the Authorities"),

RECOGNIZING the importance of securities markets to the raising of capital, the development of private enterprises, the formation of savings and investments, and the promotion of economic growth;

DESIRING to establish a framework for cooperation in the enforcement of the securities laws of the United States and Egypt and the provision of technical assistance to facilitate the development of the Egyptian markets; and

SHARING the goal of developing and maintaining open, orderly, efficient and sound securities markets that are fair to all investors;

HAVE REACHED THE FOLLOWING UNDERSTANDING:

I. ESTABLISHMENT OF A FRAMEWORK FOR THE EXCHANGE OF INFORMATION AND CONSULTATION

The Authorities hereby declare their intent to provide each other assistance, to the fullest extent legally possible, in obtaining information and evidence to facilitate the enforcement of their respective laws relating to securities matters. Where necessary, the Authorities will use all reasonable efforts to obtain the cooperation of other domestic governmental agencies to provide assistance pursuant to this Memorandum of Understanding. The Authorities also intend to consult and provide assistance concerning the surveillance and operation of their respective markets and market participants. The Authorities will maintain the confidentiality of information provided pursuant to this Memorandum of Understanding to the extent permitted or required by their respective domestic laws. The Authorities hereby designate contact persons as set forth in Attachment A in order to further the effective operation of this Memorandum of Understanding, and to ensure continuity in the cooperation between the Authorities.

The Authorities intend to consult periodically, about subjects of mutual interest and issues facing their respective markets, in order to strengthen their securities markets and promote and maintain the efficiency and integrity of those markets. The Authorities will regularly review the operation of this Memorandum

M A.S.

of Understanding with a view toward improving cooperation between them.

II. PROVISION OF TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF THE EGYPTIAN SECURITIES MARKETS

In furtherance of the objective of promoting the development of sound securities regulatory mechanisms, the SEC intends to consult with and provide advice to the CMA with a view to establishing and implementing an ongoing technical assistance program. In this regard, the Authorities intend to work together to identify and address, subject to the availability of appropriated funds, personnel and other resources, training and technical assistance needs to facilitate the development, administration and operation of the Egyptian securities markets, including the implementation of:

- a. Laws and regulations to protect investors;
- b. Standards for offering securities, including disclosure standards, accounting and auditing principles and standards, and methods and standards to be used in valuing securities;
- c. Market oversight and enforcement mechanisms; and
- d. Systems of supervision and standards of conduct for market professionals, including brokers, dealers and investment advisers.

The Authorities anticipate that specific assistance may be provided in the following manner:

- a. Assistance by the SEC staff relating to enforcement of securities laws and regulations;
- b. Advisory missions by SEC staff and other relevant experts to Egypt to conduct intensive regional training programs in specific subject areas;
- c. Training sessions in the United States and/or Egypt concerning securities regulation; and
- d. Internship programs for CMA personnel at the SEC and with U.S. financial services providers.

III. EFFECTIVE DATE

This Memorandum of Understanding will take effect from the date of its signing by the Authorities and will continue in effect until terminated by either Authority.

Signed this 11th day of February, 1996.

**FOR THE SECURITIES AND EXCHANGE
COMMISSION OF THE UNITED STATES:**



Arthur Levitt
Chairman

**FOR THE CAPITAL MARKET
AUTHORITY OF EGYPT:**



Abdel Hamid M. Ibrahim
Chairman

ATTACHMENT A

The Securities and Exchange Commission appoints
as its contact person:

Director, Office of International Affairs
United States Securities and Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549 U.S.A.

Tel: (202) 942-2770
Fax: (202) 942-9524

The Capital Market Authority appoints
as its contact person:

Chairman
Capital Market Authority
20 Emadeldin Street
Cairo, EGYPT

Tel: (202) 779-696
Fax: (202) 575-5339