

24 March 2021

(21-2402)

Page: 1/2

Council for Trade in Services

Original: English

**NOTIFICATION PURSUANT TO ARTICLE III:3 OF THE
GENERAL AGREEMENT ON TRADE IN SERVICES**

The following notification, dated 23 March 2021, from the delegation of Egypt, is being circulated to Members of the Council for Trade in Services.

1 MEMBER NOTIFYING:

Egypt

2 NOTIFICATION UNDER:

Article III:3 of the General Agreement on Trade in Services

3 DATE OF ENTRY INTO FORCE:

16 September 2020

3.1 Duration:

Indefinite

4 AGENCY RESPONSIBLE FOR ENFORCEMENT OF THE MEASURE:

Central Bank of Egypt

5 DESCRIPTION OF THE MEASURE:

Mode 3 of supply (Commercial presence)

The new Egyptian Banking Law, No. 194 of 2020 (the "New Banking Law") was promulgated on 15 September 2020 and entered into effect on 16 September 2020.

The law has laid down consolidated rules in the banking sector, especially with regard to the central bank supervision of banks working in Egypt and monitoring their performance and their relationship with customers. Those rules are formulated in line with international central bank laws, international practices, as well as lessons learned from global financial crises.

The New Banking Law represents a comprehensive and integrated legal and legislative framework that includes all aspects of the Central Bank and the banking system emphasizing the principles of governance.

The law put in place sound regulations related to many issues such as examination of applications for licensing and ownership of banks, as well as examining and evaluating shareholders, managers and members of bank boards of directors to ensure proper functioning of banks in Egypt.

The New Banking Law has raised the minimum capital requirements for banks in the form of Egyptian Joint-Venture Company to be EGP 5 billion and for branches of foreign banks to be USD 150 million

in an attempt to support the capital base. It is worth noting that specialized banks (e.g. offering finance to SMEs - supporting entrepreneurs and inventors) may be excluded from this minimum capitalization requirement.

The law obligated banks to prepare plans for restructuring, and included two new chapters related to early intervention (chapter 11) and the settlement of troubled banks (chapter 12).

In its attempt to protect the rights of customers in their relationship with their banks, the law included many articles to insure the implementation of transparent complaints systems and fair dispute settlement mechanisms.

The law is after financial inclusion that is why it devotes a complete chapter to payment systems and financial technology; it established the legislative basis for using modern technology in the provision of financial and banking services (e.g. electronic authentication of banking transactions-electronic orders of transfers and payments). In this regard, supporting mechanisms were put in place such as the national council for payments and its related regulations to on line payments, the law also clarifies the role of the central bank in the supervision of the used technology to ensure that it is not tampered with or manipulated.

6 MEMBERS SPECIFICALLY AFFECTED, IF ANY:

None

7 TEXTS AVAILABLE FROM:

The text is available in Arabic language on the official website of the Central Bank of Egypt:
<https://www.cbe.org.eg/ar/AboutCBE/Pages/BankingLaws.aspx>

Address: 54 Elgomhoreya Street, 11511, Cairo Egypt

Email address: info@cbe.org.eg

Website : <https://www.cbe.org.eg>
