

The Association of Global Custodians - Questionnaire 2023 - 2024 Part 1

Entity Name	Egypt_ Misr for Central Clearing, Depository & Registry - MCDR		
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Welcome to the Depository-Information Gathering Project.

Before beginning, we suggest that you print the entire document for review on paper and review the Glossary of Terms. Each will assist you with answering the questions. For help, contact: Robin D. Truesdale, Baker & McKenzie LLP (202) 835-1664; e-mail: Robin.Truesdale@bakermckenzie.com.

- Note**
- * When reviewing/updating your prior year's responses in the questionnaire, please ensure that the sub-questions are reviewed/updated as well.
 - * Please deselect/uncheck any responses in the sub-questions where those responses are no longer applicable.
 - * Please note: Any text in the “other” and/or “please explain/describe” questions should be deleted before deselecting the response. In this regard, note that deselecting a response with written text does not delete the information, it only hides the information from view.
 - * Any responses that appear in open text boxes should be deleted if the information is no longer applicable.

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

Response Necessary/Eligibility Question

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as “Eligible Securities Depositories”), the depository must be a “system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities.”

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

- ☒ Yes
- ☐ No (please answer 1a)
- ☐ Other (please answer 1a)

1a. Please explain:

Response Necessary/Eligibility Question

2. Rule 17f-7 also requires that an Eligible Securities Depository “acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated,” or “acts as or operates a transnational system for the central handling of securities or equivalent book-entries.” Does your institution: (Choose all that apply.)

- ☒ Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)
- ☒ Act as or operate a transnational system for the central handling of securities or equivalent book-entries? (please answer 2b)
- ☒ Act in another capacity with respect to the handling of securities or equivalent book-entries? (please answer 2a)
- ☐ Not applicable (please answer 2a)
- ☐ Other (please answer 2a)

2a. Please explain:

Central securities registry (transfer agent) and clearing and settlement agency.Performing all corporate actions related to all securities lodged into the central depository.

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

Types of securities are; equities, Government Bonds, and corporate Bonds. Government Bonds were transferred to ECSD as of 11/05/2023

3. What type of legal entity is the institution? (Choose all that apply.)

- ☐ Public Company
- ☐ Private Company
- ☐ Central Bank (or part thereof)
- ☐ Stock Exchange (or part thereof)
- ☒ Other (please answer 3a)

3a. Please explain:

private joint stock company

4. Is the institution operated as a "for profit" or a "not for profit" organization?

- ☒ For profit
- ☐ Not for profit
- ☐ Other (please answer 4a)

5. Please provide the names of the owners and their ownership interest percentages.

Ownership has been diluted according to the Depository & Registry law, where no one entity or related groups may own more than 5% of the institution. Ownership is as follows: Egypt Stock Exchange - EGX 5% Custodian Banks & holding companies - 50% Brokerage Firms - 45%

6. Please answer the following:

6a. What is the date of establishment of the depository?

14/08/1994 

6b. What is the date that the depository's operations began?

30/09/1996 

7. Under what regulation or statute is the depository established and governed?

MCDR was established according to the Capital Market law 95 of year 1992 but now the Depository & Registry Law 93 of year 2000 governs it.

7a. Is the regulation or statute electronically available?

- ☒ Yes (please answer 7b)
- ☐ No

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

http://www.mcsd.com.eg/

http://www.fra.gov.eg/

7c. Please supply document(s) here:

 Add Attachment

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.
What are the qualifications to become a board member?

Please see attachment in 99a.

7e. What are the election procedures?

The election procedures for the period of the board of directors of the company shall be carried out in accordance with the provisions of the Articles of Association and taking into account the decisions issued by the Financial Regulatory Authority regarding the conditions, procedures and dates of candidacy for membership

7f. What is the maximum length of time a board member can serve?

The Chairman of the Board of Directors and the executive members have the right to run and obtain the board period for three consecutive or separate terms, but for independent members, they have the right to obtain it for a period of 6 years, after which he loses the status of independence and may not be re-elected in

7g. How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

Each member has one vote, and in the event of equality of votes, the side from which the chairman prevails.

7h. Who is responsible for regulating the board members?

Chairman of the Board of Directors

Response Necessary/Eligibility Question

8. Rule 17f-7 requires that an Eligible Securities Depository “is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act”, with section 2(a)(50) establishing that “‘foreign financial regulatory authority’ means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.”

Who regulates the activities of the depository? (Choose all that apply.)

- ☒ A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- ☒ A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- ☐ A membership organization which regulates the participation of its members in securities matters or other financial activities.

☐ Other (please answer 8a)

9. Please provide the name of regulatory authority(ies) identified in question 8:

Financial Regulatory Authority – FRA

Response Necessary/Eligibility Question

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)

- ☒ Regulatory authorities?
- ☒ Independent accountants?
- ☐ Other (please answer 10a)

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):

Financial Regulatory Authority – FRA

11a.

- ☒ Fines
- ☐ Restrictions on depository activities.
- ☒ Suspension of depository activities.
- ☒ Termination of depository activities.
- ☒ Other (please answer 11b)

11b. Please explain:

Dismissal of members of the Board of Directors.

Name of Authority #2 (please answer 11c):

11c.

- ☐ Fines
- ☐ Restrictions on depository activities.
- ☐ Suspension of depository activities.
- ☐ Termination of depository activities.
- ☐ Other (please answer 11d)

12. Has there been any use of such enforcement actions in the last three years?

- ☐ Yes (please answer 12a)

- ☒ No
- ☐ Other (please answer 12a)

Capital

13. Are annual financial statements publicly disclosed?

- ☒ Yes (please answer 13a)
- ☐ No (please answer 13e)
- ☐ Other (please answer 13h)

13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

- ☒ Yes (please answer 13b)
- No (if no, please send a copy of the annual report to the Washington office of Baker & McKenzie, 815 Connecticut Ave., NW, Washington, DC 20006, Attn: Robin Truesdale)
- ☐ 20006, Attn: Robin Truesdale)

13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:

MCDR 2018 Financials.pdf 

Delete

+ Add Attachment

13c. If more than one document for 13b, please upload the additional document here:

+ Add Attachment

13d. Please insert web link(s) for 13b here:

http://www.mcsd.com.eg/

Internal Audit

14. Is an internal audit undertaken in your depository?

- ☒ Yes (please answer 14a)
- ☐ No (please proceed to 15)

14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?

MCDR financials are audited by two different parties. MCDR internal audit department -IAD that is responsible for auditing both MCDR financials and operations according to an annual plan prepared by the IAD and approved by MCDR Audit Committee. External auditors are responsible for auditing all MCDR financials (Depository, Registry, SGF)



14b. Please list the date of your last internal audit:

01/09/2023 

Please list the period that the audit covered:

01/01/2023 

to

31/12/2023 

14c. How frequently does the internal audit occur? (Choose one.)

- ☐ Two or more times a year (please answer 14e)
- ☒ Annually (please answer 14e)
- ☐ Less than annually (please answer 14d)

14e. Are the results of the internal audit publicly available?

- ☐ Yes
- ☒ No

14f. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)

- ☒ No material exceptions found.
- ☐ Minor exceptions found. (please answer 14g)
- ☐ Material exceptions found. (please answer 14g)

15. Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

- ☒ Yes (please answer 15a)
- ☐ No (please proceed to 16)

15a. If yes, please state the name(s) of the entity(ies) who perform the financial audit.

Each year there are two reputed external auditors aduit the annual financial statements, interim financial statements, there are MAZARS- Mostafa Shawki and Moore Stephens - Egypt Sherin Nour El Din.

15b. Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

31/12/2022



15c. Please list the period that the audit covered:

01/01/2022



to

31/12/2022



15d. How frequently does the financial audit occur? (Choose one.)

- ☐ Two or more times a year (please answer 15f)
- ☒ Annually (please answer 15f)
- ☐ Less than annually (please answer 15e)

15f. Are the results of the financial audit publicly available?

- ☒ Yes
- ☐ No

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

- ☒ No material exceptions found.
- ☐ Minor exceptions found. (please answer 15h)
- ☐ Material exceptions found. (please answer 15h)

16. Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

- ☒ Yes (please answer 16a)
- ☐ No (please proceed to 17)

16a. If yes, please state the name(s) of the entity(ies) who perform the operational audit.

Operational audit is done by MCDR internal audit department and by Egypt Regulatory Authority -FRA

16b. Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

01/10/2022



16c. Please list the period that the audit covered:

01/09/2021



to

01/10/2022



16d. How frequently does the operational audit occur? (Choose one.)

- ☐ Two or more times a year (please answer 16f)
- ☐ Annually (please answer 16f)
- ☒ Less than annually (please answer 16e)

16e. If less than annually, please explain:

FRA audit is random and without prior notice.

16g. Please select the statement that most accurately characterizes the results of the last operational audit: (Choose one.)

- ☒ No material exceptions found.
- ☐ Minor exceptions found. (please answer 16h)
- ☐ Material exceptions found. (please answer 16h)

16h. If minor or material exceptions were found, what actions were taken? Please describe:

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

- ☒ Banks (please answer 17a)
- ☒ Brokers (please answer 17e)
- ☐ Individuals (please answer 17i)
- ☐ Foreign Institutions (please answer 17m)
- ☒ Other entities (please answer 17q)
- ☐ Not applicable

17a. How many Bank participants are there currently? (then please answer 17b)

27 banks and 25 holding companies acting as custodians as of 31/12/2022

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

- ☒ Financial Thresholds (please answer 17c)
- ☒ Regulatory Oversight (please answer 17c)
- ☒ Market Experience (please answer 17c)
- ☐ Other (please answer 17d)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

The Depository Law no 93 of year 2000 is the source, where MCDR general rules are the place.

17e. How many Broker participants are there currently? (then please answer 17f)

142 brokerage firms as of 31/12/2022

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

- ☒ Financial Thresholds (please answer 17g)
- ☒ Regulatory Oversight (please answer 17g)
- ☐ Market Experience (please answer 17g)
- ☐ Other (please answer 17h)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

The Depository Law no 93 of year 2000 is the source, where MCDR general rules are the place as well the SGF rules.

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

- ☐ Financial Thresholds (please answer 17o)
- ☐ Regulatory Oversight (please answer 17o)
- ☐ Market Experience (please answer 17o)
- ☐ Other (please answer 17p)

17q. If you have selected "Other entities" above, please explain:

Egypt Stock Exchange - EGX

17r. Indicate how many "Other entities" are currently participants?

Number of participants of MCDR who don't contribute to MCDR Capital are as follows:
Direct settlement entities: 48
Registered Owners: 8

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

- ☐ Financial Thresholds (please answer 17t)
- ☒ Regulatory Oversight (please answer 17t)

☐ Market Experience (please answer 17t)

☐ Other (please answer 17u)

17t. Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

Laws and MCDR Rules

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

☒ Yes (please answer 18a)

☐ No

☐ Not applicable

☒ Other (please answer 18b)

18a. If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

Percentage of fees paid is based on use of MCDR services.

18b. If other, please explain:

Not all participants contribute capital to MCDR, only banks & holding companies acting as custodians, brokers and Egypt Stock Exchange - EGX

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

☒ Yes

☐ No

☐ Not applicable

☐ Other (please answer 19a)

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

☒ Relevant law and regulation

☒ Established terms and conditions of participation

☒ Rules of the depository

☐ Not applicable

☒ Standard participation contract

☐ By-laws of the depository

☒ Other (please answer 20a)

20a. Please explain:

Settlement Guarantee Fund rules and Risk Management Committee.

Response Necessary/Eligibility Question

21. Rule 17f-7 requires that an Eligible Securities Depository “holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable that the conditions that apply to other participants.”

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

☒ Yes (please answer 21b)

- ☐ No (please answer 21a)
- ☐ Not applicable (please answer 21a)
- ☐ Other (please answer 21a)

21b. Please confirm the basis for the arrangements in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants. (Choose all that apply.)

- ☒ Relevant Law and Regulation (please answer 21d)
- ☐ Standard participation contract (please answer 21d)
- ☐ Established terms and conditions of participation (please answer 21d)
- ☐ By-laws of the depository (please answer 21d)
- ☐ Rules of the depository (please answer 21d)
- ☐ Other (please answer 21c)

21d. For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or depository rule(s), participation condition(s), or participant contract provision(s), as applicable.

Law 93 of year 2000 did not distinguish between different securities owners in obligations and/or rights. And since there is no such distinction, the principal of all Egyptian laws is equality.

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

- ☒ By e-mail
- ☐ By telephone
- ☐ By public announcement
- ☐ By press release
- ☒ Other (please answer 22a)
- ☐ Not applicable

22a. Please explain:

Formal Letters.

Governance of Participants

23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)

- ☒ The depository
- ☐ The exchange
- ☒ The depository's regulator
- ☒ Other (please answer 23a)
- ☐ Not applicable

23a. Please explain:

Settlement Guarantee Fund and Risk Management Committee.

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

- ☒ Fines
- ☒ Restrictions on participation
- ☒ Suspension of participation

- ☒ Termination of participation
- ☐ Other (please answer 24a)
- ☐ Not applicable

25. Has there been any such enforcement actions in the last three years?

- ☒ Yes (please answer 25a)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 25b)

25a. If yes, please explain, including information relative to any suspensions of depository participants:

10 suspension cases as of 25/10/ 2023.

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

- ☒ Government securities
- ☒ Equities
- ☒ Corporate bonds
- ☐ Corporate money market instruments
- ☒ Others (please answer 26a)
- ☐ Not applicable

26a. Please name the other security types:

Exchange Traded Funds – ETFs and Egyptian Depositary Receipts - EDRs

27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)

- ☒ Yes by law for settlement of all instrument types (please answer 27a)
- ☒ Yes by law for safekeeping of all instrument types (please answer 27a)
- ☐ Yes by market practice for settlement of all instrument types (please answer 27b)
- ☐ Yes by market practice for safekeeping of all instrument types (please answer 27b)
- ☐ Yes by law for settlement, but not for all instrument types (please answer 27a)
- ☐ Yes by law for safekeeping, but not for all instrument types (please answer 27a)
- ☐ Yes by market practice for settlement, but not for all instrument types (please answer 27b)
- ☐ Yes by market practice for safekeeping, but not for all instrument types (please answer 27b)
- ☐ Neither/other (please answer 27c)

27a. Please list the instrument types for which it is not compulsory by law to:
(i)settle in your depository

Only Treasury Bills. It is worth mentioning that any other market instrument that is being traded in the Exchange must be settled by the depository as of

31/12/2022 and this is according to the law. Government Bonds were transferred to ECSD as of 11/05/2023

(ii) safekeep in your depository:

All instruments types including equities, Government bonds and corporate bonds are kept in the central depository as of 31/12/2022. Government Bonds were transferred to ECSD as of 11/05/2023

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

According to volume 100% of trades is the settlement percentage . Equities are 17.04% government bonds are 82.96% and corporate bonds are 0.0001% as of 31/12/2022

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

No percentage can be given because all traded securities must be kept in the depository but not all securities kept at the depository must be traded. So, securities held at the depository far exceed those traded.

29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

- ☐ Yes (please answer 29a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 29i)

30. Has any participant suffered any losses in the past three years due to the depository's performance?

- ☐ Yes (please answer 30a)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 30m)

30c. Corporate Action. Please specify total loss in USD:

30e. Settlement Process - Securities. Please specify total loss in USD:

30g. Settlement Process - Cash. Please specify total loss in USD:

30i. System Outage. Please specify total loss in USD:

30k. For Other, please specify number of instances:

30l. For Other, please specify total loss in USD:

30m. If other, please explain:

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

- ☐ Depository
- ☐ Central Bank
- ☒ Banks appointed by depository (please answer 31a)
- ☐ Neither/others (e.g. credit lines used please answer 31b)
- ☐ Not applicable

31a. Please name banks:

National Bank of Egypt, Misr Banque, Mid Bank, Ahly United Bank, Arab African International Bank, QNB Bank, CIB, Export Development Bank Egyptian Gulf Bank, Emirates National Bank of Dubai and National Bank of Kuwait are the 11 appointed banks by the depository.

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

- ☐ Depository
- ☒ Central Bank
- ☒ Banks appointed by depository (please answer 32a)
- ☐ Neither/others (please answer 32b)
- ☐ Not applicable

32a. Please name banks appointed by depository:

National Bank of Egypt, Misr Banque, Mid Bank, Ahly United Bank, Arab African International Bank, QNB Bank, CIB, Export Development Bank Egyptian Gulf Bank, Emirates National Bank of Dubai and National Bank of Kuwait are the 11 appointed banks by the depository.

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

- ☒ Depository
- ☐ Central Bank
- ☐ Banks appointed by depository (please answer 33a)
- ☐ Neither/others (please answer 33b)
- ☐ Not applicable

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

- ☒ Depository
- ☐ Central Bank

- ☐ Banks appointed by depository. (please answer 34a)
- ☐ Neither/others (please answer 34b)
- ☐ Not applicable

35. Please indicate services you provide. (Choose all that apply.)

- ☒ Information in advance on corporate (annual or special) meetings in order that owners can vote.
- ☒ Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- ☒ In order to avoid fails, an automatic securities lending facility - if requested - is provided for. (please answer 35a)
- ☒ Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c)
- ☒ Same day turnaround settlements.
- ☒ Information on distribution of new issues (IPO, Privatization).
- ☒ Other (please answer 35d)
- ☐ Not applicable

35a. Automatic securities lending facility is provided for: (Choose all that apply.)

- ☒ Brokers
- ☐ Banks
- ☐ Other financial institutions
- ☒ Other (please answer 35b)

35b. If other please explain:

Lending is optional but borrowing is mandatory in case of non- delivery for settlement purposes and not for sale purposes. Lending is optional to any financial institution or individual shareholder unlike borrowing that is limited to brokers

35c. Collateral Handling: please provide details:

Settlement Guarantee Fund (SGF)

35d. If other services, please explain:

MCDR provides several other services to the shareholders related to the securities kept in the central depository. Among these services are: The call center where a specialized staff is being ready to answer the shareholders questions by telephone during business day working hours, The customer services center where all shareholders are allowed to visit MCDR branches seeking information related to their balances and obtaining statements of accounts and other related stuff,

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

- ☐ Credited to the securities account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 36a)
- ☒ Credited to the securities account upon actual receipt by the depository.
- ☐ Corporate action entitlements are handled by an entity separate from the depository. (please answer 36c)
- ☐ Not applicable
- ☐ Other (please answer 36d)

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

☐ Credited to the cash account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 37a)

☒ Credited to the cash account upon actual receipt by the depository.

☐ Income and dividend collection is handled by an entity separate from the depository. (please answer 37c)

☐ Not applicable

☐ Other (please answer 37d)

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

38. Please list all depositories or settlement systems to which you have an electronic link.

MCDR has settlement links with Clearstream bank, Nasdaq Dubai, Kuwait Maqassa and Dubai CSD. Another link is established with SIS Switzerland and London Stock Exchange.

39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

☒ Yes (please answer 39a)

☐ No (please answer 39a)

☐ Other (please answer 39a)

☐ Not applicable

39a. Please explain:

Hot stand by for all devices including softwares, hardwares and lines. There are firewalls,UPS and back up servers located in different places. All these in addition to the DR site in MCDR another branch. DRP facilities at New Cairo were renewed in 2017 where · 3 UPSs have been replaced with a New UPS. Network infrastructure were all replaced and renewed, applications are no more client server now application web based.

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

☒ Yes

☐ No (please answer 40a)

☐ Other (please answer 40a)

☐ Not applicable

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

☒ Yes (please answer 41a)

☐ No

☐ Not applicable

☐ Other (please answer 41d)

41a. If yes, please indicate number: (Choose one.)

☒ An unlimited number of accounts.

☐ More than one account (please answer 41b and indicate how many)

☐ Other (e.g. subaccounts) (please answer 41c)

42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

- ☒ Yes (please answer 42a)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 42d)

42a. If yes, is segregation required or simply permitted?

- ☒ Required (please answer 42b)
- ☐ Permitted (please answer 42b)
- ☐ Other (please answer 42e)

42b. How does segregation occur? (Choose all that apply.)

- ☒ By separately designated participant accounts.
- ☐ By sub-accounts within a single participant account.
- ☒ By separately designated beneficial owner accounts.
- ☐ Other - e.g. share registration (please answer 42c)

43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?

- ☒ Yes (please answer 43a)
- ☐ No
- ☐ Other (please answer 43b)
- ☐ Not applicable

43a. If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

- ☒ Yes
- ☐ No

44. In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible:

44a. By the participant's clients?

- ☒ Yes (please answer 44b)
- ☐ No
- ☐ Not applicable
- ☐ Other (please answer 44c)

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

MCDR holds and runs participant's clients' accounts during the period of blockage or suspension where securities accounts are held and registered by the depository system in beneficial owners' names. But, it is worth mentioning that this case has not happened since 2002 since the CMA the regulator then now FRA suspended brokerage firms from acting as custodians. Currently, custodians are either banks or holding companies.

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44d. By the intervening authorities controlling insolvency or other proceedings?

- ☐ Yes (please answer 44e)

- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 44f)

44g. By the participant's creditors?

- ☐ Yes (please answer 44h)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 44i)

44j. By the depository's creditors?

- ☐ Yes (please answer 44k)
- ☒ No
- ☐ Not applicable
- ☐ Other (please answer 44l)

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

- ☐ Computer file (please answer 45b)
- ☐ Microfiche (please answer 45b)
- ☒ Hard copy (please answer 45b)
- ☒ Computer tape (please answer 45b)
- ☒ Other (please answer 45a)

45a. If other, please explain:

Data Base replication using dell dmc storage (oracle database).

45b. In which format is the source data maintained?

Daily statements of accounts electronically delivered to all participants besides having a data base and backups servers.

Response Necessary/Eligibility Question

46. Rule 17f-7 requires that an Eligible Securities Depository “provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account.”

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

- ☒ Yes (please answer 46b)
- ☐ No (please answer 46a and then proceed to 48)

☐ Other (please answer 46a)

46b. If yes, please indicate the scheduled frequency.

- ☐ Daily
- ☐ Annually
- ☐ Weekly
- ☒ Upon request
- ☐ Monthly
- ☐ Other (please answr 46c)
- ☐ Quarterly

47. What is your document and record retention policy for documents and records described above in this section? (Choose one.)

- ☐ 6 months or less
- ☒ 5 years
- ☐ 1 year
- ☐ 7 years
- ☐ 3 years
- ☐ Other (please answer 47a)

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

- ☐ Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a)
- ☒ Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a)
- ☐ Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. (please answer 48a)
- ☐ Not applicable
- ☐ Other (please answer 48b)

48a. Please briefly describe your settlement process, including how your settlement procedures may vary from the model chosen above (and as described below in the Help section)?

Typically model 2 with no variations and with applying the delivery versus payment principle.

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by bookentry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle,

the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank. During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous?

- ☒ Yes
- ☐ Not applicable
- ☐ No (please answer 49a)
- ☐ Other (please answer 49c)

Complete

When saving Part 1 of the Survey please indicate the status as either In Progress or Complete.

Part 1 Status:

Save and exit