

The Central Bank of Egypt's Repatriation Mechanism Revised Pricing Scheme

The Central Bank of Egypt will , as of December 3rd , 2017, revise the repatriation mechanism pricing scheme by applying a 1% entrance fee while keeping the exit fee constant at 0.5% **for fresh foreign currency portfolio investments that enter via the repatriation mechanism. This will not, in any way, affect balances held before December 3rd, 2017.** The application of the entrance fee comes one year post the liberalization of the foreign exchange regime, at a time when the market has gained depth and momentum.

Repatriation Mechanism Pricing

- 1) Upon Entry of the foreign investor through the repatriation mechanism, a 1% entrance fee will be applied. The process will unfold as follows:
 - The foreign investor will instruct the custodian to invest in the eligible asset classes for a certain amount.
 - The custodian will buy the corresponding USD from the foreign investor at the 2 PM CBE Bid rate available on Reuters page CBEW1 or Bloomberg page CBEG **less 1%**. From this rate, the custodian can deduct **a discretionary charge of 0-1 piasters.**
 - The CBE will buy from the custodian the designated amount in USD at the 2 PM CBE Bid rate available on Reuters page CBEW1 or Bloomberg page CBEG **less 1%**.

- 2) Upon Exit of the foreign investor through the repatriation mechanism, the process will remain unchanged:
 - The foreign investor will instruct the custodian to repatriate the foreign currency equivalent of their local currency total proceeds through the CBE repatriation mechanism.
 - The custodian will verify the foreign investor originally accessed the Egyptian capital market through the repatriation mechanism, and will validate that the amount requested to be repatriated correctly represents the total proceeds of the foreign investors' designated transactions.
 - The CBE will sell to the custodian the requested amount in USD at the 2 PM CBE Offer Rate + 0.5%. The CBE offer rate is available on Reuters page CBEW1 or Bloomberg page CBEG.
 - The custodian will sell the USD amount to the foreign investor at the 2 PM CBE Offer Rate + 0.5% back to back at the same rate the CBE used to sell to the custodian .
 - The custodian is required to proceed with the foreign investors' instructions to transfer the funds abroad value spot.