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EBRD press release

# EBRD develops short-term debt instruments in Egypt

Financial Regulatory Authority approves new regulations



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The EBRD is strengthening the private sector in Egypt with support for the development of new short-term debt instruments that make it easier for corporate borrowers to tap the market for working-capital funding.

The EBRD worked on the introduction of the new short-term debt instruments (STDIs) with Egypt's Financial Regulatory Authority (FRA), and these instruments were approved by the Board of Directors of the FRA last week.

STDIs are analogous to commercial paper, an important and well-established instrument in other markets. The new instruments are attractive to local issuers because they offer maturities as short as seven days and may be listed and traded on an exchange. The application and issuance process has also been simplified, giving borrowers almost instant access to market liquidity while permitting a programme of issuances lasting up to two years with a single approval. To date, the only issuer of short-term securities has been the Egyptian government, and this important change will open the market to corporate issuers for the first time.

The new instruments address a problem facing many Egyptian firms by providing access to previously untapped local liquidity from money market funds and other lenders to support working-capital needs, while reducing their reliance on the country's banks and freeing up additional liquidity in the financial sector.

Egypt is a founding member of the EBRD. Since the Bank began investing there in 2012, it has invested over €4.5 billion in 89 projects in the country. The EBRD has also provided technical assistance to more than 750 small and medium-sized local enterprises.

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 38 economies across three continents. The Bank is owned by 67 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions **competitive, inclusive, well-governed, green, and integrated**. Follow us on the [web](#), [Facebook](#), [LinkedIn](#), [Instagram](#), [Twitter](#) and [YouTube](#).

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