



# EGX's Trading Rules & Mechanisms Reforms

EGX Decisions regarding the development of the trading rules and mechanisms to enhance market liquidity.

## Accounting for the impact of cash dividends on trading halts

Whereby prior to the decree, stock trading was suspended should the cash dividend as a percent of its price fall between the circuit breaker limit ( $\pm 5\%$ ) and price limits <sup>2</sup> ( $\pm 10\%$ )

## Expanding the number of stocks allowed to be traded with margin and intra-day trading <sup>3</sup>

Via amending the inclusion criteria for securities.

## Allowing stock splits more than once per stock per year

Via amending the executive regulations of the listing rules issued by EGX board to further enhance trading activity.

## Amending trading system tick size

Allowing 3 decimal points quotation for securities priced below EGP/2, or USD/2 respectively, to further enhance trading activity and turnover on these securities.

## Expanding price limits on companies subject to tender offers with a price outside price limit

To accommodate for swift price movements and ensure trading continuity.

## Further reducing trading halt time from 15 minutes to 10 minutes

In an attempt to align with international best practices and further enhance trading activity and turnover ratios.

## Extending intra-day trading mechanism to 160 from 104 stocks allowed to be traded with intra-day trading (intra-day traded expanded on list A&B)

To enhance trading turnover and market activity and align with the international best practices.

## Cutting circuit breaker trading halt time <sup>1</sup> to 15 minutes down from 30 Minutes

To enhance trading after studying international practices regarding trading halts timing that ranges between 3 to 5 minutes. This decision was conducted after analyzing 18,000 trading halts because of circuit breaker since 2012.

## Approving the Margin Trading for ETFs

To enhance market activity and diversify investments products for investors.

## Doubling the intraday trading limit per security while allowing multiple trades after reaching the limit per security <sup>4</sup>

With the aim of increasing market turnover and activity and aligning trading rules to international best practices.

## Allowing for the Adjustment for ETFs Opening Price

To reflect the fund's net asset value (NAV) per certificate to rectify any misalignment between opening prices and iNAV to improve efficiency in the market.

## Extending the time granted to conform with the margin trading <sup>5</sup> ratios for disqualified stocks from the list of specialized activities

To be able to close the open positions and ensure investors' protection and market stability.

## Setting the requirements for the inclusion of IPO shares to the list of specialized activities after the IPO if it meet new criteria

With the possibility of reviewing the stocks' trading activity in the first 20 trading sessions and their compliance with the original inclusion rules, in case not included after the IPO immediately

1. Trading halt time: suspension of trading on a particular stock for 10 minutes when price changes by  $\pm 5\%$  (currently).  
 2. Price limits: the maximum allowable price change of stocks per day of  $\pm 10\%$  (currently).  
 3. Specialized activities: Lists of stocks allowed to be traded using margin trading and intra-day.  
 4. Intraday trading: is allowing investors to sell their purchases of stocks during the same trading session.  
 5. Margin trading: allowing investors to use leverage to partially finance their purchases of securities that are used as collaterals against this borrowing.



Are There More Measures?