

Non official Translation

Central Bank of Egypt Instructions: 3 May 2018

These instructions are in light of the document issued in the name of the Governor of The Central Bank of Egypt dated 21 December 2015 to its participation in reinforcing the national economy, and removing barriers of trade and introducing easier measures for importation, the following has been decided:

1. The cancellation of the following regulation:
“Import transactions concluded under documentary collections, the conclusion of those transactions shall take place only via documentary collections directly received by the banks from banks existing abroad, provided that the documentary collections directly incoming into clients’ accounts shall not be accepted.”

It has been decided that it is acceptable for trade documents to be sent directly to clients rather than through bank in Exporters country to Egyptian Bank. This applies to all exported products.

2. Regarding SME’s that import essential food products (According to the definition issued on 5th of March 2017 and its subsequent circulars); the obligatory security deposit will be lifted on import transactions in trading under documentary credits opened for financing the imported commodities for account of the trading companies or governmental bodies. This shall also apply in case of confirming promissory notes under suppliers’ facilities for importing those commodities for account of the aforesaid entities or with the aim of counterbalancing any liabilities on the bank, including the issuance of letters of guarantee in respect of the import transactions carried out in favour of traders and governmental bodies. This is instead of the applied rate of 100% putting in consideration credit studies conducted by each bank

So you are kindly requested to instruct that all necessary measures toward applying the above decisions are taken.

Best regards,
Gamal Negm