

Legal Updates

FRA Introduces a New Framework for Enforcing Judgments and Arbitral Awards Relating to Unlisted Securities

The Financial Regulatory Authority (FRA) has introduced a new regulatory framework governing the enforcement of court judgments, arbitral awards, and other enforceable instruments relating to the transfer of ownership of centrally deposited unlisted securities.

The framework was introduced under FRA Board Resolution No. 99 of 2026, amending Resolution No. 94 of 2018 governing transactions in unlisted securities and the procedures for transferring their ownership.

By introducing a new Article (11), the resolution establishes a dedicated mechanism for implementing enforceable decisions requiring the sale, purchase, or transfer of ownership of unlisted securities through the central depository system.

The resolution addresses an important practical issue within Egypt's capital markets framework: the implementation of final judicial and arbitral decisions concerning ownership of unlisted shares and securities.

What Does the Resolution Introduce?

The new framework applies to final court judgments, final arbitral awards, and other enforceable instruments requiring the sale, purchase, or transfer of ownership of unlisted securities.

Under the new mechanism, the interested party must submit the enforceable judgment or instrument to Misr for Central Clearing, Depository and Registry (MCDR), together with the documents and evidence required under the resolution.

These requirements include, as applicable:

- Evidence that the enforceable decision has been duly served on the judgment debtor;
- Any regulatory approvals required for implementation;
- The supporting documentation prescribed under the applicable regulatory framework; and
- The enforceable judgment, arbitral award, or other instrument establishing the relevant obligation.

Following verification of the submitted documentation, MCDR will notify the Egyptian Exchange (EGX) and proceed with the relevant ownership transfer and the associated financial settlement.

Legislative and Regulatory Impact

The resolution does not create new substantive rights for investors or shareholders. Rather, it establishes a procedural mechanism for implementing rights already recognized by final judicial or arbitral determinations.

Its principal significance lies in addressing the practical gap that may arise between obtaining an enforceable decision and implementing that decision within the central depository system.

By establishing a defined process for the transfer of ownership pursuant to enforceable decisions, the framework may facilitate the practical implementation of judgments and arbitral awards involving unlisted securities and provide greater legal certainty to the parties concerned.

The mechanism is also relevant to the effectiveness of arbitration in corporate and investment-related disputes, particularly where the relief granted requires the transfer of ownership of shares or other centrally deposited securities.

Key Areas of Impact

The resolution is expected to have practical relevance in a number of areas, including:

Shareholder Disputes

Disputes involving the ownership or transfer of shares in private and unlisted companies may benefit from a clearer mechanism for implementing enforceable decisions.

Private Share Transfers

The framework may facilitate the execution of enforceable decisions requiring the completion of private share transfer transactions.

Mergers and Acquisitions

M&A disputes involving ownership or transfer obligations relating to unlisted securities may be affected by the new enforcement mechanism.

Inheritance-Related Transfers

The framework may also be relevant to ownership transfers arising from inheritance where the applicable enforceable instrument requires the transfer of centrally deposited securities.

Arbitral Awards

Arbitral awards requiring the transfer of ownership of unlisted shares or other centrally deposited securities may now be implemented through a more clearly defined procedural framework.

Analysis and Outlook

FRA Board Resolution No. 99 of 2026 represents a significant regulatory development in strengthening post-judgment enforcement mechanisms within Egypt's capital markets framework.

By establishing a defined process for transferring ownership of centrally deposited unlisted securities pursuant to enforceable decisions, the resolution seeks to enhance the practical effectiveness of dispute resolution mechanisms in the non-banking financial sector and address procedural obstacles that may arise at the implementation stage.

The resolution also reflects a broader regulatory trend toward enhancing legal certainty, strengthening investor protection, and improving the efficiency of market infrastructure.

Its practical impact will depend, in part, on the implementation procedures to be prepared by MCDR and approved by the FRA, which are expected to provide further clarity on the operational requirements and documentation applicable to the new mechanism.