







Media Release

The Egyptian Exchange (EGX) Announces the Launch of the Pan African Voluntary Carbon Market

Within the framework of EGX plan to expand its products development, and following its announcement at COP27 in Sharm El-Sheikh, and in accordance with the Prime Minister's Decree No. 4664 of the year 2022 which stipulates that EGX establishes a voluntary market for trading carbon credits as tradable financial instruments, EGX announces the launch of its African Voluntary Carbon Market 

 is a regulated voluntary market established to support corporates in different sectors in Egypt and Africa in their climate commitments and decarbonization journey, whereby companies on the supply side can take advantage of the issuance and trading of credits resulting from the reduction of emissions and achieves an appropriate return that covers their emissions reduction cost. Corporates, on the other hand, can purchase these credits to offset their carbon footprint.

Ahmed El-Sheikh, the Executive Chairman of EGX, stated that  is an important step towards promoting sustainable financing, managing climate-related risks, and achieving Net-Zero in Egypt and Africa.

 also reflects EGX's commitment to achieve sustainable development goals and promote environmental initiatives, hence confirming Egypt's leading role in Africa.

El-Sheikh further emphasized that the market is a joint effort between EGX and the Financial Regulatory Authority (FRA), in their endeavor to continuously develop the market and facilitate the development of a vibrant and effective carbon market ecosystem to achieve the Sustainable Development Goals and Egypt's Vision 2030.

To enable all entities to join the market (locally and internationally), EGX launched an official website of the voluntary carbon market (www.africarbonex.com), developed by EGID; a fully owned subsidiary of EGX,

including all the data and information pertinent to the projects for which credits have been issued and that serves as a platform to engage both potential buyers and suppliers.

The market supports many trading mechanisms, including an auction system, continuous trading as well as the execution of the pre-arranged deals. The settlement of the executed transactions, whether in cash or physically, is carried out by TASWYAAT Clearing Services company.

It is worth mentioning that the trading and settlement are carried out in accordance to FRA decrees No. 163 of the year 2023 regarding the criteria for the selection of the validation and verification bodies (VVBs) for carbon reduction projects, as well as the decrees (57) and (58) of the year 2023 regarding the formation of the committee for carbon credits. This committee shall be chaired by the Chairman of FRA and shall include representatives from EGX, the Ministry of Environment in addition to a market expert in carbon markets.

In that respect, EGX is currently in negotiations with the brokerage firms to act as intermediaries between the buy/sell side to facilitate trading in the carbon market & help maximize the benefits to all market participants.