

Egypt contracts to buy 180,000 tonnes of wheat from India

Reuters | Cairo

Egypt has contracted to buy 180,000 tonnes of wheat from India, Supply Minister Aly Moselhy said yesterday, less than previously agreed, a deal that is part of the country's efforts to diversify its wheat supplies. Russia and Ukraine have been Egypt's main wheat suppliers.

Moselhy had said in May that Egypt had agreed to buy 500,000 tonnes of wheat from India but that a contract had not been signed.

"We had agreed on 500,000 tonnes, turns out [the supplier] has 180,000 tonnes in the port," he said.

Moselhy added that Egypt was also in talks with Russian suppliers for a wheat purchase agreement.

Russia slides towards default as payment deadline expires

● Grace period runs out on \$100 mln interest payment due May 27

● Russia says it has funds to pay, sanctions are to blame

Reuters | London

Russia edged closer to default yesterday amid little sign that investors holding its international bonds had received payment, heralding what would be the nation's first default in decades.

Russia has struggled to keep up payments on \$40 billion of outstanding bonds since its invasion of Ukraine on Feb. 24, which provoked sweeping

sanctions that have effectively cut the country out of the global financial system and rendered its assets untouchable to many investors.

The Kremlin has repeatedly said there are no grounds for Russia to default but is unable to send money to bondholders because of sanctions, accusing the West of trying to drive it into an artificial default.

The country's efforts to swerve what would be its first major default on international bonds since the Bolshevik revolution more than a century ago hit an insurmountable roadblock when the US Treasury Department's Office of Foreign Assets Control (OFAC) effectively blocked Moscow from making payments in late May.

The payments in question are

\$100 million in interest on two bonds, one denominated in US dollars and another in euros, Russia was due to pay on May 27. The payments had a grace period of 30 days, which will expire on Sunday.

Russia's finance ministry said it made the payments to its onshore National Settlement Depository (NSD) in euros and dollars, adding it has fulfilled obligations.

However, it is unlikely that funds will find their way to many international holders. For many bondholders, not receiving the money owed in time until their accounts constitutes a default.

With no exact deadline specified in the prospectus, lawyers say Russia might have until the end of the following business day to pay the bondholders.

US aims to raise \$200 billion as part of G7 rival to China's Belt & Road

Reuters | Washington

The United States aims to raise \$200 billion in private and public funds over five years to fund needed infrastructure in developing countries under a G7 initiative aimed at countering China's multi trillion-dollar Belt and Road project, the White House said yesterday.

US President Joe Biden will unveil the plans, flanked by other Group of Seven leaders, some of whom have already unveiled their own separate initiatives, at their annual gathering being held this year at Schloss Elmau in southern Germany.



US President Joe Biden attends a working lunch with other G7 leader

Increasingly worried about China, G7 leaders first floated plans for the project last year, and are formally launching it now under a fresh title, "Partnership for Global Infrastructure

and Investment" while dropping the moniker "Build Back Better World" first coined by Biden during his presidential campaign.

Biden will unveil several specific projects at a G7 side event, joined by leaders from Britain, Germany, Japan, the European Union and Canada, vowing to focus on projects that help tackle climate change as well as improve global health, gender equity and digital infrastructure. Notably absent will be French President Emmanuel Macron who had formally joined the Chinese infrastructure programme.

NBB gears up for Al Watani's semi-annual prize

TDT | Manama

The National Bank of Bahrain (NBB) announced its upcoming semi-annual prize for Al Watani Saving Scheme for the year 2022, whereby a prize of USD 650,000 will be distributed over 10 lucky winners with a prize of USD 65,000 each at the draw set to take place on [7th of July].

In line with the bank's celebration of its 65th anniversary, NBB offers a variety of prizes throughout the year and aims to reward the largest number of customers.



Subah Abdullatif Al Zayani, Chief Executive Retail Banking, said: "We are thrilled to announce that following our first draw of the year, which awarded a total of 100 customers, we are gearing up to reward the second set of winners for the year 2022.

As NBB celebrates its 65th anniversary, we are looking forward to enhancing our celebrations by aligning our prizes with the theme of the 65th anniversary." NBB customers can deposit into their non-certificate-based accounts and benefit from Al Watani's all-year-round prizes along with having their interest payments paid out for their savings in the Express Savers and SaveWave accounts.

HSBC appoints Dinesh Sharma as Regional Head of Wealth and Personal Banking for EMEA

TDT | Dubai

HSBC has appointed Dinesh Sharma as Regional Head of Wealth and Personal Banking (WPB) for EMEA starting 1 September 2022, subject to regulatory approval.

Dinesh joins from Citibank, where he is Chief Executive Officer, Consumer Bank, Middle East. He will remain based in the UAE and lead the next phase of growth for HSBC's WPB franchises in MENA and Europe, putting a clear focus on driving high value customer acquisition and digital transformation.

Dinesh recently led the repositioning of the UAE as a global wealth management hub for Citibank, and has extensive leadership experience across personal banking, wealth management and risk in the Middle East, Europe, and Asia.

Nuno Matos, CEO Wealth and Personal Banking said: "Dinesh's valuable knowledge and experience of the sector in the Middle East, having led Citi's Consumer Bank in the region since 2014, will be critical in enabling our growth in the region. I congratulate him on his

appointment as we look forward to strengthening our position as a leading international wealth manager in the Middle East and Europe. I would like to thank Taylan Turan for his interim leadership of WPB EMEA over the last year, which he has done alongside his continuing role as Group Head of Retail Banking & Strategy for WPB."

Stephen Moss, Regional Chief Executive for the Middle East, North Africa and Turkey region commented: "I look forward to Dinesh bringing his leadership to the team in the Middle East, to expanding our business, including deepening our relationship and cooperation with our Saudi Arabia strategic partner, the Saudi British Bank (SABB) to fully leverage our international experience and scale for customers in the Kingdom, and to ensuring that HSBC is the go-to partner for onshore and offshore wealth expertise in this dynamic region."

Dinesh added: "There is great potential for HSBC's wealth management proposition that offers a variety of investment and savings opportunities for customers to grow their assets."

LEGAL VIEWPOINT

Collective investment



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Most days, there are attractive ads calling potential investors for collective investments in certain investment funds. These ads are normally from investment banks or companies and the like. When seeing such ads certain queries arise. What is the meaning of this venture, what are investment funds? Is it safe to join and to give money for investment? Investment funds, pension funds, unit trusts, trust portfolio ... are almost of the same legal nature, and they embody the main characteristics with some differences regarding details that are tailored for each fund. As de facto and de jure, stock markets and securities boards encourage investment in such funds because they represent acceptable collective investment.

Collective investment, in securities or commodities, is welcomed because it attracts potential investors and, also, tries to mitigate or counter the risks that could happen to certain participants. Collective investment opens new opportunities for small investors to invest in prime mega projects in which they cannot afford to invest by themselves because a lot of money is needed. This process achieves a profound effect through educating people to invest in securities and stocks even though they do not have big amounts of money, this is because the door is open for big and small amounts from different investors. In collective investment, the interested investor is not involved directly in relation to investment decisions or policies because the fund director takes the decision on his behalf. The concerned director, in all cases, takes the necessary decision that suits the fund and such decision is not necessarily always to the satisfaction of all investors who have joined the fund. This should not be taken to mean that the director or the fund will act in jeopardy to the interests of investors simply because the investors' interest becomes part & parcel of their own interest.

Due to such relationship and other related factors, including the nature and concept of collective investment, the Regulatory Authorities set standards regarding licensing requirements and the regulation of those to operate collective investment schemes. This is a pivotal point because such funds are entrusted to manage third parties money and, they should be trustworthy and able to meet the fiduciary trust vested on them. The Regulatory Authorities should clearly issue and provide for clear-cut rules governing, inter alia, the legal form of the fund, accountability and legal structure of the collective investment schemes.... Rules should be strictly adopted and followed, with particular reference to the segregation and protection of the client assets from the assets of the fund. Each investor, shall be able to know how much he is holding in his name, and how much he can take in case of profits... etc. Laws should clearly provide for disclosure requirements to evaluate the suitability of each collective investment for each investor, and the value of the investor's interest in the scheme. Regulations to ensure that there is proper basis for asset valuation, pricing and redemption of units in each collective investment scheme.

Directors entrusted to manage collective investments shall maintain professional standard, experience and relevant know-how. Good reputation, conduct and close follow-up of the concerned codes of ethics should be of paramount importance. To safeguard the interests of investors and to give them the required shield of protection, Regulatory Authorities are advised not to allow such type of collective investment unless undertaken by able and capable institutions. Reference to able institutions should be taken to mean that such institutions are having sufficient paid-capital, reserves and required net worth. Authorities should make sure that, contracts signed between funds and potential investors are clear and free from ambiguities that could harm investors because the investors rely on the trust bond that links them with the fund. This trust bond constitutes a cornerstone in the relationship between the parties and should be maintained.

Collective investment concept, should be developed and encouraged because we believe that they are important for the market expansion and growth. They should be encouraged according to strong rules that cater for the protection of investors. It should be known that all applicable or specified information furnished to investors, and other parties, is accurate, true, and complete in every material respect. Collective investment funds shall issue a statement or an undertaking to specify that they will comply with all laws and orders. In some jurisdictions investment funds or unit trusts are required to specify that there is no pending legal suit or proceedings before any court, governmental body, or any arbitrator that is likely to affect the legality, validity or enforceability of any of their.

We believe that the competent authorities, should prepare up-to-date regulations to protect investors in all respects, there should be sufficient means to inspect licensed institutions and the products they offer. All, among other things, are required to give water-tight security to potential investors in collective investments.

(The views and opinions expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Daily Tribune)

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