



**The Executive Regulation
of The Investment Law**
as enacted by Law No. 72 of 2017

DISCLAIMER

The English version of the Executive Regulation of the new investment law is a translation of the original Arabic for foreign investors' convenience and information purposes only. This translation, to the best of knowledge and capabilities of GAFI Translation Department, is an accurate rendering of the Arabic text. However, if there is any discrepancy, inconsistency, conflict or any other issue(s) between the Arabic original and the English translation, the Arabic original will prevail. Moreover, this translation must not be relied upon for the basis of a legal opinion nor may it be used for taking any course of action whatsoever.

A table of contents and a list of abbreviations have been added to this English translation for any abbreviations, acronyms used in the text. Additional Roman numbering (i, ii, iii...etc) has been inserted within long paragraphs. Figures mentioned in the original Arabic have been translated and written in both letters and numbers. Moreover, the defined terms, including without limitation, "Approval Office", "Investor", "Investment Project"...etc. are used in the same way as is in the Investment Law, since the translation of this Executive Regulations is merely an extension implementing the Investment Law.

This translation is subject to updates, amendments, corrections or modifications, if necessary. Should any mistake, error, inconsistency, or any other ambiguity or issue(s) be found in this translation, kindly communicate it with us on m.fayez@gafinet.org.eg.

Table of Abbreviations and Acronyms

AOPC	Approval Offices Permanent Committee
BoD	Board of Directors
CAPMS	The Central Agency for Public Mobilization and Statistics
CEO	Chief Executive Officer
CIF	Cost, insurance and freight
EAMC	The Egyptian Arbitration and Mediation Center
EAMC BoD	The Board of Directors of the Egyptian Arbitration and Mediation Center
ECAA	The Egyptian Civil Aviation Authority
EEAA	The Egyptian Environmental Affairs Agency
FRA	Financial Regulatory Authority
FOB	Free on board
GAFI	The General Authority for Investment and Free Zones
GAFI BoD	The Board of Directors of the General Authority for Investment and Free Zones
GAFI CEO	The Chief Executive Officer of the General Authority for Investment and Free Zones
ISC	Investor Service Center
MCICDS	The Ministerial Committee for Investment Contracts Disputes Settlement
MCIDR	The Ministerial Committee for Investment Disputes Resolution

NCPSLU	National Center for Planning State Land Use
PUC(s)	Public Utility Corporation(s)
SCA	The Supreme Council of Antiquities
SCI	The Supreme Council of Investment
SME(s)	Small and medium enterprise(s)
VAT	Value added tax
WIPO	The World Intellectual Property Organization

**Prime Minister Decree No. 2310 of 2017
Enacting the Executive Regulation of
The Investment Law enacted
by Law No. 72 of 2017**

The Prime Minister,

After having taken cognizance of the following:

The Constitution;

The Penal Code enacted by Law No. 58 of 1937;

The Civil Code enacted by Law No. 131 of 1948;

The Law of Criminal Procedure enacted by Law No. 150 of 1950;

The Law of Civil and Commercial Procedure enacted by Law No. 13 of 1968;

Law No. 95 of 1945 on the Supply Affairs;

Law No. 68 of 1947 on Notarization;

Law No. 84 of 1949 on the Registration of Merchant Vessels;

Law No. 453 of 1954 on Commercial and Industrial Shops;

Law No. 308 of 1955 on Administrative Attachment;

Law No. 21 of 1958 on Regulation and Promotion of Industry within the Egyptian Territory;

Law No. 113 of 1958 on Recruitment into Joint-stock Companies and Public Institutions;

Law No. 173 of 1958 on Obtainment of Permission before Assuming Work for Foreign Entities;

Law No. 89 of 1960 on Foreigners' Entry to, Residence on and Exit from the Lands of the Arab Republic of Egypt;

The Public Entities Law enacted by Law No. 61 of 1963;

The Customs Law enacted by Law No. 66 of 1963;

Law No. 12 of 1964 on the Establishment of the Egyptian Public Corporation for Maritime Transport;

Law No. 70 of 1964 on Notarization and Publicity Fees;

Law No. 100 of 1964 Regulating the Tenancy and Disposition of the State's Private-domain Real Property;

The Agriculture Law enacted by Law No. 53 of 1966;

Law No. 84 of 1968 on Public Roads;

Law No. 1 of 1973 on Hotels and Tourist Accommodation Facilities;

Law No. 2 of 1973 on Ministry of Tourism's Supervision and Use of Touristic Areas;

Law No. 73 of 1973 on Laying down Conditions and Procedures for Election of Workers' Representatives to the Boards of Directors of Public Sector Units, Joint-stock Companies, Associations and Private Institutions;

The Social Insurance Law enacted by Law No. 79 of 1975;

Law No. 118 of 1975 on Importation and Exportation;

Law No. 34 of 1976 on the Commercial Register;

The Law on Public Sector Entities and Corporations enacted by Law No. 97 of 1983;

The Law on the Protection of Antiquities enacted by Law No. 117 of 1983;

The Law Regulating Customs Exemptions enacted by Law No. 186 of 1986;

The Maritime Trade Law enacted by Law No. 8 of 1990;

Law No. 7 of 1991 on Certain Provisions Pertaining to the State's Private-domain Property;

The Law on Public Business Sector Companies enacted by Law No. 203 of 1991;

The Capital Market Law enacted by Law No. 95 of 1992;

The Environmental Law enacted by Law No. 4 of 1994;

The Law on Civil and Commercial Arbitration enacted by Law No. 27 of 1994;

Law No. 95 of 1995 on Financial Leasing;

Law No. 5 of 1996 on the Rules of Free of Charge Disposition, or Tenancy by way of Nominal Rent, of Desert Lands Owned by the State or by Public Juridical Persons, for the Purpose of Setting up Investment Projects thereon or Expanding such Investment Projects;

Law No. 230 of 1996 Regulating Ownership of Buildings and Vacant Lands by Non-Egyptians;

Law No. 231 of 1996 on Certain Provisions Regulating the Employment of Egyptian by Foreign Parties;

Law No. 3 of 1997 Granting Public Utilities Concession to Build, Operate and Exploit Airports and Landing Areas;

The Law on Regulation of Tenders and Bids enacted by Law No. 89 of 1998;

The Trade Law enacted by Law No. 17 of 1999;

Law No. 7 of 2000 on the Formation of Conciliation Committees for Some Disputes in which Ministries and Public Juridical Persons Take Part;

The Law on Central Deposit and Registration of Securities enacted by Law No. 93 of 2000;

The Real Property Finance Law enacted by Law No. 148 of 2001;

The Law on the Protection of Intellectual Property Rights enacted by Law No. 82 of 2002;

The Law on Economic Zones of Special Nature enacted by Law No. 83 of 2002;

The Law Regulating Telecommunications enacted by Law No. 10 of 2003;

The Labor Law enacted by Law No. 12 of 2003;

The Central Bank, Banking Sector and Money Law enacted by Law No. 88 of 2003;

The Law on the Civil Aviation Service Fees and Consideration enacted by Law No. 93 of 2003;

Law No. 15 of 2004 Regulating Electronic Signature and Establishing Information Technology Industry Development Agency;

Small Enterprises Development Law No. 141 of 2004;

The Law on the Protection of Competition and Prevention of Monopolistic Practices;

The Income Tax Law enacted by Law No. 91 of 2005;

The Building Law enacted by Law No. 119 of 2008;

The Law on the Establishment of Economic Courts enacted No. 120 of 2008;

The Tax Law on Built Real Estates enacted by Law No. 196 of 2008;

Law No. 10 of 2009 on the Regulation of Supervision over Non-bank Financial Markets and Instruments;

The Law Regulating Private Sector Partnership in Infrastructural Projects, Services and Public Utilities enacted by Law No. 67 of 2010;

Law No. 133 of 2010 Granting Petroleum Refining Projects License to Operate under the Free Zones System;

Law No. 14 of 2012 on the Integrated Development in Sinai Peninsula;

The Law on Sukuk [Islamic Bonds] enacted by Law No.10 of 2013;

Law No. 32 of 2014 Regulating Certain Proceedings of Appeal against the State's Contracts;

Law No. 63 of 2014 on the Maximum Income Limit for the Paid Employees of Government Agencies;

Law No. 141 of 2014 Regulating Microfinance;

Law No. 203 of 2014 Promoting Electricity Produced from Renewable Energy Sources;

The Electricity Law enacted by Law 87 of 2015;

The Law Regulating Movable Guarantees enacted by Law No. 115 of 2015;

The Value Added Tax Law enacted by Law No. 67 of 2016;

The Law on Streamlining Industrial Establishments Licensing enacted by Law No. 15 of 2017;

The Sports Law enacted by Law no. 71 of 2017;

The Investment Law enacted by Law No. 72 of 2017;
and

Prime Minister Decree No. 1820 of 2015 enacting the Executive Regulations of the Law of Investment Guarantees and Incentives enacted by Law No. 8 of 1997;

In pursuance of the recommendation of the Minister of Investment,

After the approval of the Council of Ministers, and

After consulting the State Council,

DECREED THE FOLLOWING

Clause I

Without prejudice to the provisions of Law No. 7 of 1991 on the State's Private-domain Property, the Law on Economic Zones of Special Nature enacted by Law No. 83 of 2002, Law No. 14 of 2012 on the Integrated Development in Sinai Peninsula and the Law on Streamlining Industrial Establishments Licensing enacted by Law No. 15 of 2017, the provisions, hereto attached, of the Executive Regulations of the Investment Law enacted by Law No. 72 of 2017 shall hereby come into force.

Clause II

Without prejudice to the provisions of the Law on Economic Zones of Special Nature enacted by Law No. 83 of 2002, the provisions of the attached Executive Regulations shall apply to the investment projects operating under the Internal Investment System within such zones.

Clause III

The Executive Regulations of the Law of Investment Guarantees and Incentives enacted by the aforementioned Prime Minister Decree No. 1820 of 2015 shall hereby be repealed. Any provision inconsistent with the attached Executive Regulations shall hereby be repealed.

Clause IV

This Decree shall be promulgated in the Official Gazette and shall come into force from the following day to the date of publication thereof.

Prime Minister
(Engineer/ Sherif Ismail)

Prime Minister Office

On Şafar 8, 1439 A.H. [October 28, 2017 A.D]

Secretary General of the Council of Ministers
(Major General SO/ Atef Abd El Fattah)
(Signature)

The Executive Regulation

Part I

General Provisions

Chapter I

Activities and Fields governed by the Provisions of the Investment Law

Article 1

The following investment activities shall be regarded from among the investment activities governed by the provisions of the Investment Law; this shall be without prejudice to the rules and restrictions set forth in the laws and regulations regulating such investment activities:

I. Industrial sector; this includes the following:

- 1- Industrial activities transferring and changing the form of materials and raw materials by blending, mixing, processing, shaping or packing the same, as well as the activity of assembly or installation of parts or components to produce intermediate or final products, but excluding the industry of smoke, chewing tobacco, tobacco, mu'assel and snuff, as well as all kinds of liquor and wine;

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- 2- The design or manufacturing of industrial equipment and machinery and production lines, and the management of execution or restructuring of factories, including:
 - a. Engineering designs in respect of equipment, production lines and factories;
 - b. The design, manufacturing and promotion of prototypes and molds of machinery and products;
 - c. The production of equipment and production lines; and
 - d. The management of execution of industrial projects as well as services and utilities projects of all various activities, and the technical and administrative restructuring of factories.
 - 3- Film industry, including, inter alia, the setting up, renting or operation of cinematographic studios, laboratories or cinemas as well as any processes contained therein such as photography, processing, printing, production, display and distribution;
 - 4- The integrated industrial development, completion of development, marketing or management of industrial zones; this includes:
 - a. Conduction of economic and planning studies to the industrial zones;

- b. Conduction of economic, engineering and technological studies to the projects;
- c. Construction of industrial zone infrastructure and exterior infrastructure thereof;
- d. Marketing and promotion in respect of the lands of the industrial zones in order to attract capitals and industrial projects to the industrial zones;
- e. Construction of factory buildings inside the industrial zones to be ready for the projects; and
- f. Management of the industrial zones and maintenance of the utilities and establishments therewithin.

The aforementioned activities may be carried on collectively or separately.

II. Agriculture, animal, poultry and fish production sector; this includes the following:

- 1- Reclamation and cultivation of barren and desert lands, including inter alia:
 - a. Lands reclamation and provision with basic utilities that would turn the same into cultivatable lands; and

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- b. Reclaimed lands cultivation, conditional upon that such lands mentioned in (A) and (B) are designated for reclamation and cultivation purposes, and that the modern methods of irrigation are used in the cultivation process instead of flood irrigation.
- 2- Animal, poultry and fish production including inter alia:
- a. Raising all kinds of animals, whether for the purpose of breeding, dairying, fattening or meat;
 - b. Raising all kinds of birds and poultry, whether for the purpose of breeding, incubation, egg production, fattening or meat;
 - c. Raising horses; and
 - d. Fisheries.
- 3- Plant and animal genetic engineering.

III. Trade sector; this includes the following:

Such projects investing in the field of internal trade development and promoting investment in trade activities including trade centers, wholesale trade, retail trade and supply chains, provided that such projects are Egyptian joint-stock companies, exception being made for companies and

establishments operating in remote areas and new urban communities.

IV. Education sector of any kind or on any level whatsoever; this includes the following:

- 1- Establishment, operation or management of schools;
- 2- Establishment, operation or management of technical education schools and institutions; and
- 3- Establishment of universities.

V. Health sector including establishment of hospitals and medical and therapeutic centers which include the following:

- 1- Specialized, comprehensive or public hospitals and all therapeutic or medical activities included therein; and
- 2- Diagnostic, medical or therapeutic centers.

This shall be subject to the condition that, in respect of hospitals, ten percent (10%) of the number of occupied beds is annually provided free of charge, and that, in respect of diagnostic, medical and therapeutic centers, ten percent (10%) of the patients is annually provided with medical or therapeutic or diagnostic service free of charge.

VI. Transportation sector; this includes the following:

- 1- Mass transportation inside, from and to cities and urban communities, subject to the following controls:
 - The minimum transportation capacity of a project is no less than three hundred (300) seats;
 - The vehicles to be used in the project are brand new and have never been licensed or used before;
 - The vehicles are powered by natural gas, and for this purpose, diesel-powered vehicles may not be imported;
 - Garages and maintenance workshops are provided to companies located within the new cities;
 - Activity management place of business is located within a new urban community;
 - New companies designate the routes and schedules of their vehicles, subject to the approval of the appropriate department of motor vehicles;
 - Badges indicating the route are placed at the front of the vehicle;

- Rules and restrictions of the Ministry of Transport in respect of loads and vehicle height limits, as well as the other rules and restrictions are complied with; and
 - Rules of environment protection and prevention of pollution are complied with.
- 2- River, maritime and coastal transportation of vessels operating under the Egyptian flag, and transportation on the high seas, including the following:
- a. River transportation: this includes the transportation of passengers, goods, supplies or materials of any type, or containers using means of river transportation;
 - b. Maritime and coastal transportation: this includes the transportation of raw materials, goods or passengers of vessels operating under the Egyptian flag; and
 - c. High seas maritime transportation: this includes the transportation of raw materials, goods or passengers outside the territorial waters using vessels and various means of maritime transportation such as carriers, vessels and ferries.

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- 3- Air transportation and services directly related thereto:
 - a. Passengers or goods air transportation, whether regular or casual; and
 - b. The construction, preparation, operation, management, maintenance and use of airports and landing areas or a part thereof; the operation, management and use of the existing airports and the landing areas therewithin; and any other services directly in connection with air transportation such as maintenance, repair, supply and training.
 - 4- Road transportation of goods including cross-border transportation and rail transportation.
 - 5- Refrigerated transportation of goods, agricultural crops refrigerators, industrial products, foods, container terminals and grain silos; this includes owning and renting means of refrigerated or frozen transportation of goods, agricultural crops refrigerators, industrial products, foods, the refrigeration and freezing of foods, container stations, grain storage silos; shipping and unloading services required to carry on all the aforementioned activities shall be regarded as a part of such activities.

VII. Tourism sector; this includes the following:

- 1- Hotels, safari yachts, motels, hotel apartments and tourist villages, camps and transportation, including:
 - a. Hotels, whether stationary or floating, safari yachts, motels, hotel apartments and suites and tourist villages, as well as any activities pertaining or ancillary thereto, whether of servicing, recreational, sporting, commercial or cultural nature, in addition to the completion of or expansion in such establishments, provided that hotels, motels, hotel apartments and suites or tourist villages rating is not less than three (3) stars and that the total surface area of the sold units of related facilities does not exceed half of the built surface area contained in the accommodation capacity of the project;
 - b. Tourist camps, provided that their rating is not less than three (3) stars;

By way of exception from (A) and (B) above, projects set up in al-Wadi al-Jadid (New Valley) governorate and promising areas outside the old valley to be listed under a decree of the Prime Minister shall be exempt from the 3-star rating condition;

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- c. All means of tourist transportation, whether through the Nile or by road, sea or air; and
 - d. Integrated tourism development projects, provided that such projects are Egyptian joint-stock companies.
- 2- Management and tourism marketing in respect of hotels, motels, hotel apartments and tourist villages;
 - 3- Erection, operation, management and security of Nile marinas providing integrated services that are necessary for tourism operation, provided that the river environment is protected from pollution and fire risks in the sites prescribed and approved by the Appropriate Bodies, and that the capacity of each marina is no less than twenty- four (24) floating hotels;
 - 4- Erection and operation of yacht marinas, golf playgrounds, diving centers and any other activities relating or ancillary thereto;
 - 5- Patients medical tourism to be carried out by regulating the booking procedures at hospitals, medical and therapeutic centers as well as others to be listed under a decision of the Minister concerned with health in coordination with the Minister concerned with tourism;

- 6- Environmental tourism to be carried out by establishing and managing eco-hotels, birds and coral reefs watching sites and other outstanding ecosystems; and
- 7- Service companies at archeological sites and museums as per the provisions and controls to be issued under a resolution of the body concerned with this activity.

VIII. Housing, construction and building sector; this includes the following:

- 1- Housing projects whose units are all rented for non-administrative tenancy purposes, provided that the number of units is not less than fifty (50) housing units, whether constructed in form of one or more buildings;
- 2- Social housing projects and low-income oriented housing projects;
- 3- Real estate investment in cities, new urban communities, remote areas and areas outside the old valley;
- 4- Infrastructure; this includes potable water, sewage, electricity, roads, telecommunications, multi-storey garages, parking meters, overground and underground metro lines, vehicle tunnels, irrigation pump stations, including:

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- a. Erection, or operation, management and maintenance of sewage plants or industrial waste drainage and purification plants, as well as the connections thereof;
 - b. Building, management, utilization and maintenance of free roads, highways and main roads;
 - c. Design, building, or management, operation and maintenance of underground metro lines or parts thereof;
 - d. Design, building, or management, operation and maintenance of overground metro lines, whether inside or between cities;
 - e. Design, building, or management and operation of vehicle tunnels;
 - f. Building, or management and operation of multi-storey garages, whether under or above ground by way of Build, Operate and Transfer (the "BOT"), and parking meters by the same system (BOT);
 - g. Conduction of studies, technical and economic researches, and feasibility studies in the field of infrastructure to Investment Projects;
 - h. Design, building, management, operation, utilization or maintenance of railways and metro lines whether internally or elsewhere;

- i. Operation, maintenance, and use of mobile transportation units whether internally or elsewhere; and
- j. Building or management, operation and maintenance of irrigation pump stations, distribution networks thereof and irrigation water transportation lines to the lands allocated for reclamation and cultivation purposes.

5- Planning, building and development of urban areas (industrial zones, urban communities, remote areas and areas outside the old valley).

IX. Sports sector; this includes all services provided in the field of sports – whether in form of administration, marketing, operation, or sports games management – or the building of private clubs, academies, spas or fitness centers; companies formed to carry on any type of the aforementioned activities shall be joint-stock companies.

X. Electricity and energy sector; this includes the design, installation, production, or management, operation and maintenance of electricity and power generation stations, of any source whatsoever, as well as the networks of distribution and sale of such stations.

XI. Petroleum and natural resources sector; this includes the following:

- 1- Petroleum services supporting drilling and exploration operations and including:
 - a. Services relating to petroleum exploration;
 - b. Petroleum wells maintenance and revitalization;
 - c. Drilling equipment and petroleum pumps maintenance;
 - d. Drilling of water wells and non-deep wells required for petroleum purposes;
 - e. Civil works complementary to drilling and maintenance operations;
 - f. Treatment of surface from sediments; and
 - g. Services related to the laying down of lining pipes and production pipes.
- 2- Installation or management of natural gas reception stations, natural gas regasification, or natural gas preparation for distribution, gas networks supply operations from production sites to consumption sites (including cities, villages and development areas) using specialized trucks or pipelines, excluding petroleum transportation; and

- 3- Activities relating to natural or industrial salt pans or rock salt.

XII. Water sector; this includes the installation or management, operation and maintenance of water desalination and purification plants, water distribution, treatment and recycling networks and pipelines, in accordance with the established technical and scientific specifications in this regard.

XIII. Telecommunications and information technology sector; this includes telecommunications and information technology projects, computer systems and the development thereof, and such projects investing in the development of intellectual property including patents and industrial drawings and prototypes, as follows:

- 1- Information technology and telecommunications industry, including all industrial activities and electronics design and development, data centers, outsourcing activities, software development and technology education;
- 2- Software design and development:
 - a. Characterization, analysis and design of software, databases and applications of any types;

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- b. Design, development of software and applications, and creation of databases and electronic information technology systems, operation thereof and training thereon;
 - c. Creation of various electronic content whether audio, video or data; and
 - d. Data entry on computers and data entry using electronic means.
 - 3- Design and manufacturing of computer equipment:
 - a. Characterization, design and upgrade of computer systems of any types; and
 - b. Development, upgrade and operation of integrated systems and training thereon.
 - 4- Design, implementation and management of information technology and telecommunications infrastructure projects:
 - a. Characterization and design of data networks, transmission and circulation; and
 - b. Implementation and management of data transmission and circulation networks.
 - 5- Telecommunications and internet services;
 - 6- Projects investing in the development of intellectual property including patents, prototypes and industrial drawings;

- 7- The creation of audio, video and data transmission networks, as well as rendering added value services, after having obtained license to do so from the bodies concerned; this shall include cellular networks;
- 8- Installation or management, operation and maintenance of wired and wireless telecommunication stations and networks, as well as satellites, after having obtained license to do so from the bodies concerned; radio and television shall be excluded;
- 9- Research and scientific advancement projects aimed at development, projects supporting space science and remote sensing, as well as modern technology projects;
- 10- Establishment and management of researcher training centers and information technology transfer centers;
- 11- Establishment, management and development of consultancy and studies centers specialized in fields of information and telecommunications;
- 12- Technology incubators and entrepreneurship support; and
- 13- Activities relating to the conversion of traditional audio, video and data content into digital content, including the digitalization of scientific, cultural and artistic content.

Chapter II

Investor Social Responsibility

Article 2

Investor may, apart from Investment Project thereof, allocate a percentage of profits thereof to social development by participating in any or all fields as follows:

- 1- Take necessary measures to safeguard and improve the environment, or improve environment conditions in society and address different environment problems by, for example:
 - Providing mechanisms whereby waste is recycled;
 - Utilizing treatment plants to reuse water;
 - Utilizing new and renewable energy;
 - Disposing of wastes safely; and
 - Reducing emissions of greenhouse gases and any projects in order to adapt to climate changes impacts.

- 2- Provide services or programs in fields of healthcare, social or culture care, or in any other field of development, by:

- a. Creating job opportunities to persons with special needs;
 - b. Sponsoring youth and sport activities;
 - c. Sponsoring (scientific, artistic and sportive) talents and innovators;
 - d. Participating in poor families care programs, and improving citizens livelihood; or
 - e. Funding (i) awareness-raising campaigns aimed at the promotion of safe emigration and the prevention of illegal emigration; and (ii) training and qualification programs, in the area of providing positive alternatives to illegal emigration, such as entrepreneurship programs or training for employment at various industrial and service sectors inside Egypt or elsewhere, particularly in the targeted governorates in which such phenomenon is common, in cooperation with the Ministry of Youth and Sports, the Ministry of Labor Force and the Ministry of State for Emigration and Egyptian Expatriate Affairs.
- 3- Support technical education, or fund research, studies and awareness-raising campaigns aiming at developing and improving production, in agreement with one of the universities or scientific research institutions, whether internally or abroad; and

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- 4- Conduct training and scientific research in a way that would update technology used in production, and conduct studies aiming at improving the environment and preventing adverse environmental impacts.

The sums of money, of no more than ten percent (10%) of Investor's annual net profits, paid thereby in any of the fields listed in the previous paragraph shall be deemed from among the deductible cost and expense stipulated under Item 8 of Article (23) of the Income Tax Law.

Article 3

Investor allocating a part of profits thereof, to establish a social responsibility system, shall provide GAFI with an annual report enclosing evidencing documents as prescribed by GAFI.

Part II

Facilitations and Incentives Relating to Investor

Chapter I

Non-Egyptian Investors Residence and Foreign Employment Regulation

Article 4

Subject to the laws regulating residence in the Arab Republic of Egypt, non-Egyptian Investors shall, in course of being granted residence, satisfy the following conditions:

1. A non-Egyptian Investor shall be a founder, shareholder or partner in a company, or shall be an establishment owner; and
2. The residence period may neither be less than one (1) year nor exceed the term of the project.

GAFI BoD may add any other conditions, subject to the approval of the Ministry of Interior.

A residence permit shall be revoked, in the event of Investor's exit “takharouj” from the company, the crossing out of company name by virtue of liquidation or the crossing out of establishment name from the Commercial Register.

Article 5

An application for residence shall be submitted using the application form designated by GAFI for this purpose. A residence permit shall be granted in accordance with the rules and controls to be stipulated under a GAFI BoD resolution, subject to the approval of the Ministry of Interior, in light of the categories and relative weights of companies object, capital, number of labor and project site.

A residence permit period shall, upon incorporation, be one (1) year that may be renewed for a similar period in the event that an Investor demonstrates seriousness in starting up the implementation of the project. Such period may be renewed for other periods each not exceeding five (5) years. In all cases, the residence permit period may not exceed the term of the project.

Article 6

An Investment Project may employ foreign workers up to ten percent (10%) of the total number of Investment Project workers. This percentage may be increased up to twenty percent (20%), should employment of national workers having the required qualifications be not possible.

A committee shall, by virtue of GAFI CEO decision, be formed comprising technical and legal members,

along with Appropriate Bodies representatives. This committee shall have competence to decide on applications for prescribed foreign labor employment percentage increase, and shall cause its resolutions to be approved by GAFI CEO. Such committee shall, upon reviewing submitted applications:

1. Review the academic qualifications and expertise of the foreign worker and to what extent such qualifications and expertise match the professions in which such worker is licensed to operate;
2. Take the opinion of the body concerned with supervision over economic activities carried on by a company or establishment, and, in abiding by national security requirements, take the opinion of the security authorities;
3. Observe the principle of reciprocity in respect of the State which the foreign Investor holds nationality thereof (if any);
4. Observe the State's economic need and interest in respect of foreign expertise;
5. Observe a company's or establishment's need to specialists or consultants and the working conditions therein, as well as the impact of production or investment approval or rejection;
6. Consider to what extent can a company or establishment create job opportunities to Egyptian labor;

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7. Consider to what extent can a company or establishment be committed to meeting any prior obligations, and the extent of compliance with the provisions of the law;
 8. Give preference to such foreign worker born and residing on a permanent basis in the Country, should there be more than one (1) foreign worker having the same specialization; and
 9. Consider the extent of compliance of a company or establishment, permitted to employ foreign experts or specialists, in respect of hiring Egyptian workers, whose qualifications are compatible with those of the foreign experts and specialists, to work as assistants to the foreign experts and specialists, provided that the foreigner trains such Egyptian workers and provides periodic reports on their progress.

Foreign workers in an Investment Project may transfer abroad all or part of their financial dues in accordance with the applicable rules of the Central Bank of Egypt ("CBE").

Chapter II

Guarantees

Article 7

All decisions made by GAFI or other bodies on Investment Project affairs shall be reasoned decisions. Service of notice of such decisions on the parties concerned shall be effected by virtue of a registered letter with an acknowledgment of receipt or by any other means, to be agreed upon with the Investor upon application being made for the service, such as email or fax, in accordance with the application form designated for this purpose.

Article 8

An appropriate administrative body may not revoke or suspend the licenses issued for Investment Project, nor may it reclaim the real property allocated for the same, unless it has served a notice on Investor, by virtue of a registered letter with an acknowledgment of receipt, comprising the violations with which Investor is charged, has heard Investor's evidence and has given Investor an adequate grace period not exceeding sixty (60) days from the date of service of notice to rectify the violations. Should such grace period lapse while the Investor has not rectified the violations, the appropriate administrative body shall, before making a decision in

this regard, obtain GAFI's opinion by virtue of a letter comprising all legal actions taken against the Investor. GAFI shall give opinion thereof within seven (7) days from the date on which GAFI receives such letter.

Investor may file a grievance against the revocation or suspension of license, or against property reclamation before the Grievance Committee stated in Article (83) of the Investment Law.

Article 9

In application of the provisions of Article (6) of the aforementioned Investment Law, cash transfers pertaining to foreign Investment shall include the following:

- a. Free foreign cash, transferred through one of the banks registered at CBE, used in setting up or expanding any of the projects engaged in any of the activities set forth in the Investment Law or these Executive Regulations;
- b. Free foreign cash, transferred through one of the banks registered at CBE, used in subscription in or purchase of Egyptian securities from the Egyptian Exchange, in accordance with the rules to be prescribed by GAFI BoD;
- c. Egyptian cash paid, subject to the approval of the

bodies concerned, to satisfy liabilities payable in free foreign cash, should such Egyptian cash be used in setting up or expanding any of the projects;

- d. Machinery, equipment, primary materials, commodity requirements and means of transportation arriving from abroad to set up or expand the projects;
- e. Intellectual property rights, and intangible assets owned by residents abroad and used in setting up or expanding the projects, such as patents, trademarks and trade names registered with any WIPO member state, or in accordance with the international registration rules set forth in the international conventions in force in this respect; and
- f. Profits that may be transferred abroad generated by Investment Project, should such profits be used in completing or increasing the capital of Investment Project or be invested in another project.

Valuation of the invested capital referred to in Items (D and E) above shall be in accordance with the Egyptian Accounting Standards.

Chapter III

Special and Additional Incentives

Article 10

In application of the provision of Article (11) of the Investment Law, the geographic territory of Sectors (A and B) shall be set in accordance with the investment map as follows:

I. Sector (A)

It includes Suez Canal Economic Zone, al-Muthalath al-Dhaby (Golden Triangle) Economic Zone and the most-in-need-of-development areas, to be listed under a resolution of the Council of Ministers, which are characterized by:

- 1- Low economic development and domestic production, and high volume of informal sector;
- 2- Low employment rates and job opportunities, and high unemployment rates; and
- 3- The following social indicators:
 - Evident high population densities;
 - Low quality of education, and high illiteracy rates;
 - Low level of health services; and
 - High rates of poverty.

II. Sector (B)

It includes the remaining parts of the Republic, in particular, the areas, in which elements of development are available, that contribute to the attraction of investments in order to seize development opportunities available therein and develop adjacent areas thereto; this shall be in respect of the following Investment Projects:

- Labor-intensive projects, subject to the controls prescribed in these Executive Regulations;
- SMEs;
- Projects depending on or producing new and renewable energy;
- National and strategic projects to be listed under a resolution of The Supreme Council of Investment (SCI);
- Tourism projects to be listed under a resolution of the SCI;
- Electricity generation and distribution projects to be listed under a decree of the Prime Minister, based on a joint proposal of the Appropriate Minister, the minister concerned with electricity affairs and Minister of Finance;
- Projects exporting no less than fifty percent (50%) of products thereof outside the geographic territory of the Arab Republic of Egypt;

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- Automotive manufacturing and the supplying industries thereof;
 - Wood, furniture, printing, packaging and chemical industries;
 - Antibiotics, tumor drugs and cosmetics industry;
 - Food, agricultural crops and agricultural waste recycling industries;
 - Engineering, metallurgical, textile and leather industries; and
 - Industries pertaining to information technology and telecommunications.

Article 11

An Investment Project shall, in application of the provisions of the Investment Law, be considered labor-intensive whenever it satisfies the following two conditions:

- 1- The number of employees as evident in the employer's social insurances subscription form is no less than five hundred (500) employees; and
- 2- The direct labor cost of such Investment Project exceeds thirty percent (30%) of the total operating cost thereof.

Project investment cost shall mean such costs required to set up an Investment Project represented in property

rights, in addition to long-term liabilities invested in setting up or establishing fixed corporeal (tangible) assets or incorporeal (intangible) assets, conditional on payment of value thereof in cash, and working capital.

Article 12

In order for companies and establishments to be granted the Special Incentives stipulated in Article (13) of the Investment Law, they must have started production or engaged in activity, as the case may be, in accordance with the report approved by GAFI, and must satisfy one of the following conditions:

- 1- The Arab Republic of Egypt is one of the principal places of production of products in which such companies and establishments specialize, or the principal place of the products in which such companies and establishments specialize is the Arab Republic of Egypt;
- 2- Such companies and establishments, in course of financing their projects, depend on foreign cash transferred from abroad through an Egyptian bank in accordance with the rules specified by CBE BoD;
- 3- Such companies and establishments export abroad no less than fifty percent (50%) of their products;
- 4- The activity of a company or an establishment

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- includes operation in any cutting-edge modern technology field and cutting-edge technology transfer into Egypt, and support of industries supplying such field or transfer;
- 5- The local component is strongly included in the products of an Investment Project, provided that the percentage of local components, including raw materials and production requirements, in the products of the Investment Project, is no less than fifty percent (50%), in accordance with the applicable rules of the Industrial Development Authority; or
 - 6- The activity of a company or an establishment is based on research conclusions reached through research projects carried out inside the Arab Republic of Egypt.

Article 13

Companies and establishments governed by the provisions of the Investment Law shall notify GAFI of the date of commencement of production or engagement in activity within ninety (90) days from the commencement date. A statement of the investment costs certified by a chartered accountant registered at the Register of Accountants and Auditors, shall be attached to the aforementioned notice.

A company carrying on the activity of integrated tourism development shall serve on GAFI the aforementioned notice for each project carried out by such company.

GAFI shall solely set the procedures determining the date of commencement of production or engagement in activity through one or more committee(s) to be formed under a decision of GAFI CEO or a delegate thereof. The bodies concerned with the activity of the project shall participate in such committee(s). Such committee(s) may conduct necessary inspections to set the date of commencement of production or engagement in activity, and to carry out the required documentation assessment. Such committee(s) shall prepare a report on the outcome of inspection(s) and assessment of accessed documents, data and records conducted thereby, within fifteen (15) business days from the date on which the aforementioned fulfilled notice has been duly received thereby. Such report shall include the foundations on which the committee(s) stood in determining the date of commencement of production or engagement in activity and the value of investment costs. Such report shall be caused to be approved by GAFI CEO or a delegate thereof, and shall be final. The company or establishment, and the Appropriate Bodies shall be notified of the outcome of the report after being approved.

Companies and establishments may file a grievance against such report and the grounds on which such report is established before the committee stated in Article (83) of the Investment Law.

Part III

Investor Service Center

Chapter I

Investor Service Center Regulation and Investment Guidebooks

Article 14

GAFICEO shall, in coordination with the governmental bodies and Public Utilities Companies (PUC), set the number of operating and standby duty personnel required to represent such entities at the ISC, provided that the operating personnel job level is no less than senior, unless otherwise necessitated. Delegation of such personnel to ISC shall be effected by virtue of a GAFI CEO decision; such employment shall be for a period of one (1) year that may be renewed conditional upon GAFI approval. GAFI may, if deemed necessary thereby, terminate such delegation in coordination with the bodies such personnel represent.

Article 15

In order for any representatives of governmental bodies and PUCs to be delegated to ISC, they shall satisfy the following conditions:

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- 1- The representative has never been subject to a disciplinary action or such disciplinary action has been cleared;
 - 2- The representative has never been convicted of a felony nor subject to a freedom-restricting penalty in a crime involving breach of honor or trust, unless legally rehabilitated;
 - 3- The representative has the required experiences to perform the role delegated therefor; and
 - 4- The representative has been rated "excellent" in the competency evaluation report for the last two (2) years.

Article 16

The relevant bodies shall, after having obtained the approval of the Ministry of Defense in accordance with the rules and regulations necessary for defending the State, provide GAFI with the prescribed conditions, procedures and time limits, as well as all required data, documents and application forms in connection with the allocation of real property and the issuance of approvals, permits and licenses pertaining to the investment activities governed by the provisions of the Investment Law; this shall be within sixty (60) days from the date on which these Executive Regulations come into force.

A guidebook shall be issued by virtue of GAFI CEO and shall include the following information and data:

- 1- The name of the body having competence to issue an approval, permit or license, and the administrative subsidiarity thereof;
- 2- The documents required to be submitted by the Investor;
- 3- The procedures required for obtainment of investment services;
- 4- The fees and consideration for obtainment of an approval, permit or license in accordance with the applicable laws;
- 5- The technical rules and controls for obtainment of an approval, permit or license in accordance with the applicable laws and regulations;
- 6- Time limit prescribed for providing Investment services as regulated by the Investment Law;
- 7- The legislative basis relating to Investment services; and
- 8- The necessary documents to effect insurance subscription, in coordination with the National Organization for Social Insurance.

This guidebook shall be made available on the website and in the publications of GAFI and the other bodies.

GAFI shall review and update this guidebook regularly, and as necessary, in light of the amendments to the effective legislations in the State.

Chapter II

Approval Offices and Certificates

Article 17

In order for Approval Offices to be licensed to operate as, they shall satisfy the following conditions:

- 1- The applicant for a license to operate as Approval Office is a joint-stock company whose activity is limited to the work of the Approval Offices;
- 2- An application is submitted to the Approval Offices Permanent Committee ("AOPC") using the application form approved by GAFI in this respect, provided that the application is signed by the legal representative of the company, or the attorney thereof, bears the seal of the company and contains, in an attachment thereto, all documents listed in the application form approved in this respect;
- 3- The office includes specialized technical personnel whose qualifications match the area(s) of specialization in respect of which the office issues an approval certificate, and whose experience is no less than ten (10) years in the aforementioned area(s) of specialization;
- 4- The office has sufficient tangible resources enabling the same to engage in the activity of granting an approval certificate;

5- The office submits a notarized copy of a one-year insurance policy, which may be renewed for similar period(s), against risks and damage arising out of the activities carried on by such offices; and

6- The license or license renewal fee is paid as follows:

Description	Fee
Granting license to the Approval Office whereby may issue an approval certificate indicating that an Investment Project satisfies the criteria for obtainment of a one comprehensive approval, permit or license allowing such an Investment Project to be set up, operated or expanded.	Ten thousands Egyptian Pounds (EGP 10,000)
Granting license to the Approval Office whereby may grant two (2) approval certificates indicating that an Investment Project satisfies the criteria for obtainment of two types of approvals, permits or licenses allowing such an Investment Project to be set up, operated or expanded.	Fifteen thousand Egyptian pounds (EGP 15,000)

More than that.	Twenty thousand Egyptian pounds (EGP 20,000)
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Article 18

Upon a decision given by GAFI CEO or on its behalf, a license shall be issued to the Approval Offices for one year that may be renewed for the same period or similar periods upon an application submitted using the application form prepared for this purpose no later than one month before the expiry of the license period. Upon renewal, requirements for obtaining licenses shall be taken into consideration, as well as the valuation outcomes of the Approval Offices provided by the Approval Offices Permanent Committee (AOPC).

Article 19

The Approval Offices shall conclude a one-year insurance policy, not less than one million Egyptian pounds (EGP 1,000,000), covering the value estimated by GAFI. The policy shall be issued, on behalf of GAFI, by one of the companies licensed-to-operate inside Egypt and governed by the supervision of the Financial Regulatory Authority (FRA).

The policy shall cover risks and damages caused by Approval Offices in practicing its profession and affect the concerned person who authorized the Approval Office or affect third parties; whether these risks and damages are caused by errors, negligence or dereliction of the Approval Offices or affiliates thereof, and are made during the policy period.

Article 20

A committee shall be formed at GAFI and entitled "Approval Offices Permanent Committee" (AOPC), chaired by one of the CEO Deputies and shall consist of the following members:

- Head of the Investment Services Sector;
- Head of the Central Administration for Licenses;
- Head of the Central Administration for Engineering Affairs;
- Head of the Investor Service Center (ISC);
- Three members of expertise in the fields of law, accounting, consulting and other technical specializations; and
- Representative of the Appropriate Body in the ISC.

The Committee may call upon the specialization required to accomplish duties thereof.

The Appropriate Minister for investment affairs, upon a proposal of GAFI CEO, shall issue a decision on the formation of the AOPC and its technical secretariat, as well as designating members thereof.

Article 21

The AOPC scope of competence shall include the following:

1. Considering Approval Offices applications for licenses, in order to assure that the prescribed conditions and controls of licenses issuance and renewals are met, in addition to presenting the application to GAFI CEO;
2. Laying down the criteria for determining the considerations of services rendered, in addition to presenting them to GAFI CEO to be approved by GAFI BoD;
3. Carrying out regular follow-up of the Approval Offices to ensure compliance with conditions and controls prescribed by the Law;
4. Preparing a biannual report comprising the assessment of the Approval Offices performance; such report shall be presented to GAFI CEO to decide what deems appropriate should the assessment is low;

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5. Furnishing the administrative appropriate bodies with a list of the Approval Offices registered at GAFI;
 6. Examining the violations attributed to the Approval Offices or employees thereof; and taking any measures and procedures stipulated in the Investment Law or these Executive Regulations. GAFI CEO shall present the examination outcome to GAFI BoD to inflict any of the penalties prescribed in Article (22) of the Investment Law where appropriate;
 7. Receiving, examining and assessing proposals and complaints brought by Approval Offices, and presenting the same to GAFI CEO to take the necessary course of action; and
 8. Setting policies that would improve the Approval Offices performance.

Article 22

The licensed Approval Offices may not assign the obtained license to third party in any manner whatsoever. In the event of non-compliance with this matter, the AOPC shall report such matter to GAFI CEO to be proposed to GAFI BoD in order to revoke the license.

Article 23

Further to the rules of professional responsibility stipulated in the Investment Law, the Approval Offices shall comply with the following rules:

1. Conducting the required examination for issuing the approval, permission or license within a time frame appropriate to the nature of the procedure;
2. Training the human resources performing the examination;
3. Following the necessary technical modalities for examining the documents to assure its compliance with the conditions and controls prescribed for such matter;
4. Preparing a database including all applications submitted to the Approval Offices, as well as the assessment and examination outcomes and the duration thereof;
5. Providing fair treatment for the applications submitted to the Approval Offices;
6. Abiding by the criteria of determining the considerations of services rendered;
7. Providing insurance for employees thereof;
8. Assuming liability of the employees' actions and behaviors inside the office; and

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9. The Approval Offices or employees thereof should not conclude a labor contract with GAFI, or with any of the appropriate administrative bodies or with approval applicants in any manner whatsoever relevant to activities performed by the Approval Offices.

GAFI shall develop a performance appraisal system for the Approval Offices encompassing service standards and timelines, considerations collected by the Approval Offices and the extent of compliance with the rules of professional responsibility; such system shall be upon a resolution by GAFI BoD based on a proposal of GAFI CEO.

Article 24

The Investor shall submit to the specialized Approval Offices, licensed by GAFI, an application form enclosing two copies of all documents required in accordance with the guidebook, stated in Article (19) of the Investment Law, which comprises the conditions and the procedures in respect of investment activities, to be examined for assuring the fulfilment of conditions and procedures necessary for the issuance of the required certificate of approval as per the type and nature of each license.

The Approval Offices are accorded the right to perform all field observations, and to conduct assessments,

examinations and others necessary for the issuance of the aforementioned certificate.

Article 25

The licensed Approval Offices shall, at their own liability, issue to the Investor three (3) true copies of the certificate of approval, one of which is furnished to the Investor, agent or representative thereof; such copy shall be valid for one year and comprise a statement of compliance that indicates to what extent the investment project has satisfied all or part of the conditions set under the laws and regulations regulating the issuance of approvals, permits and licenses. Another copy shall be furnished to the ISC at GAFI or the branches thereof and to the Appropriate Body, enclosing a copy of all documents, on the basis of which the certificate was issued, by virtue of a registered letter with an acknowledgment of receipt or delivered in-person at the headquarter of the Appropriate Body in return for a receipt-of-delivery.

Article 26

Without prejudice to the criminal or civil liability arising from the violations committed by the Approval Offices

registered at GAFI, the CEO, upon a proposal of the AOPC, and in the event of violating any of the license conditions issued thereto, shall serve a warning to the Approval Office by virtue of a registered letter with an acknowledgment of receipt to rectify the violations within a maximum of fifteen (15) days from the date of receipt on which the warning was issued.

In the event that the fifteen (15) days elapsed and the Approval Office failed to rectify the violations, GAFI BoD, upon a proposal of GAFI CEO, shall cross out the Approval Office from GAFI's register for a period not exceeding one year.

The issuance of a false certificate or a certificate violating the rules stated in the Investment Law or these Executive Regulations shall result in the eligibility of the insurance value and its encashment thereof to the beneficiaries as elaborated in Article (19) in these Executive Regulations; moreover, the Approval Office shall be crossed out from the register at GAFI for a period not exceeding three (3) years upon a resolution of GAFI BoD upon a proposal from GAFI CEO.

In the event of recurrence of such violation, the Approval Office shall be crossed out permanently from the register at GAFI upon a resolution of GAFI BoD.

In all cases, GAFI shall notify the Approval Offices with the resolution issued on this matter by virtue of a registered letter with an acknowledgment of receipt.

Article 27

The Approval Office shall be crossed out from the relevant register at GAFI in the following events:

1. The dissolution, termination or liquidation of the joint-stock company of the Approval Office;
2. The revocation of the license-to-operate issued thereto by GAFI;
3. The licensee does not renew the granted license within two months following the expiration date; or
4. The suspension or liquidation of the Approval Office, or the desire to suspend, temporarily or permanently, its business at minimum of three (3) months before the date prescribed for that.

GAFI BoD shall issue the crossing out resolution upon a recommendation of the AOPC; in all cases, the Approval Office must complete the examination of all applications submitted thereto at least before crossing it out.

Article 28

GAFI shall (i) publish the data of the registered Approval Office or any amendments made in the Registry prepared for such matter, (ii) cross out the Office, either temporarily or permanently (iii) or revoke or suspend

its license in the Investment Gazette or in any other means of publication, and under all circumstances, such publication shall be at the expense of the Approval Office.

Article 29

The certificate of approval submitted, attached to the Investor's application, to the Appropriate Body must be accepted by the said Appropriate Body, the representative thereof at ISC and other administrative bodies. However, this may not prevent the Appropriate Body or the representative thereof from raising a reasoned objection against the certificate within maximum ten (10) business days from the date of submitting the certificate.

The Appropriate Bodies shall examine the applications submitted through the ISC, ensure the extent of compliance with the necessary conditions of accepting the applications as stated in the Investment Law, and decide on the application within a period not exceeding sixty (60) days starting from the date of receiving the application fulfilling the necessary documents.

In all cases, the Investor and GAFI shall be notified -by virtue of a registered letter with an acknowledgment of receipt- with the decision, whether approved or rejected, made within seven (7) days starting from the date of elapsing the two (2) periods stipulated in the

aforementioned two paragraphs; the relevant parties may raise grievances against the said decision of rejection before the Committee elaborated in Article (83) of the Investment Law.

In case such periods elapsed without a decision by the Appropriate Body, whether a decision of approval or rejection, this shall be deemed an acceptance to the Investor's application and shall be issued by GAFI CEO in the form designated for that purpose; the Appropriate Body shall be officially notified with such approval, said approval shall be self-executing and binding on all bodies within the limits of its listed data; the Appropriate Body may not disturb the Investor, suspend setting up the project or carrying on the activity thereof only in cases regulated by the Investment Law and after referring the matter to GAFI.

Chapter III

Incorporation of Companies – Mechanization – Liquidation

Article 30

Subject to the provisions of the Capital Market Law and the Law on Economic Zones of Special Nature, GAFI – through the ISC at GAFI or at branches thereof – shall be the sole appropriate administrative body to provide all the services of incorporation and post incorporation to companies and establishments operating any of the activities stipulated in the Investment Law or were subject to the Law on joint-stock companies, partnerships limited by shares and limited liability companies, notwithstanding the governing legal structure.

GAFI may not be confined to any procedures stipulated in other laws, and all relevant bodies must adjust positions thereof in order to activate such services.

Article 31

Each type of company shall have an articles of association and incorporation, issued upon a decision by the Appropriate Minister. Each company shall have a certificate of incorporation and a decision by GAFI

CEO shall determine the data thereof. Each company shall have an incorporation application and a decision by GAFI CEO shall determine the data thereof, and it shall be registered at the Commercial Register.

Promptly upon the issuance of such certificate or form by GAFI, all Appropriate Bodies, banks and relevant bodies shall deem it, as the case may be, as an official document in their dealings.

Article 32

Those who are willing to incorporate shall follow the below steps:

1. Create an account on GAFI's website to obtain electronic incorporation services;
2. Complete the incorporation application form, which determines the governing legal structure and system, as well as all data and necessary documents to obtain the service;
3. Submit the incorporation application electronically or completing all amendments (if any);
4. Pay the incorporation fees electronically in one installment to the relevant provider of the incorporation services and the post incorporation services; and
5. Sign electronically on all forms.

GAFI shall decide on approving the company's name upon submitting the incorporation application.

Article 33

Apart from incorporation cases where the party who is willing to incorporate shall obtain a pre-approval for the project, the party who is willing to incorporate shall attach all necessary documents for the application to be reviewed as per the type of company, in particular, the following documents:

I. Corporations:

1. The submission of a certificate, obtained from one of the accredited and the so licensed banks, indicating the payment of the legal percentage;
2. A copy of the personal identity (national identity card) of the founders, members of the Board of Directors, managers or partners;
3. A copy of the incorporation powers of attorney; and
4. The permission of the Appropriate Authority, if the founder or the member of the BoD is a public employee or an employee in one of the Public Sector corporations or the Public Business Sector for cases of joint-stock companies.

II. Partnerships and Sole Proprietorships

1. A copy of the personal identity (national identity card) of the partners or the owner of the Sole Proprietorships as deemed appropriate;
2. A copy of the incorporation powers of attorney as deemed appropriate;
3. An acknowledgment from the joint partner, the attorney thereof, non-partner manager or the establishment owner indicating that he is not a public employee or an employee in one of the Public Sector corporations or the Public Business Sector.

Article 34

The articles of incorporation and association, along with amendments thereof, shall be published at the expenses of the concerned parties in the Investment Gazette of GAFI or in any electronic means.

The publication may be in a foreign language, if the concerned parties require so, on their own liability.

GAFI BoD shall lay down the conditions and procedural rules for amending articles of incorporation and association.

Article 35

Upon a decision made by GAFI CEO, a certificate of the investment project shall be issued or any amendments thereto, including the following data:

1. The Unique National Number for the establishment or the company notwithstanding its legal structure, as per the international standards in such matters, and the code of the licensed activity; taking into consideration the integration with consensus recording data and the laying down of the system of a Unique Number for companies and establishments;
2. The name of the project, the activity and the geographical territory thereof;
3. The investment costs of the project and licenses of carrying on the activity;
4. The name of the manager-in-charge or the managing director who actually performs management tasks and data thereof;
5. The system of incentives granted to the investment project, the benefits and the validity period thereof;
6. The legal structure of the project;
7. The licensed, issued and paid-up capital of the project; and

8. The head quarter and the location of carrying on activity.

Article 36

The companies during the incorporation process may have their capital fixed at any convertible free currency, subject to the following conditions:

1. The deposit of the percentage prescribed from the capital in joint-stock companies or partnerships limited by shares in foreign currency accounts at any bank licensed by the Central Bank of Egypt; and
2. The deposit of the total capital for the rest of the companies' legal structures in foreign currency accounts at any bank licensed by the Central Bank of Egypt.

In all circumstances, the depository shall be conducted with the same currency in accordance with the data determined by the Investor or attorney thereof in the investment application; the aforementioned companies shall be obliged to prepare financial statements, in accordance with the Egyptian Accounting Standards (EAS), with the same currency of incorporation, without prejudice to the commitment of the Corporations to publish financial statements thereof.

The established companies may request the designated

capital to be converted from Egyptian pounds into any convertible free currency in accordance with the following controls:

1. The extra-ordinary general meeting (or all partners) with the majority stated in the company's articles of association or incorporation shall issue a resolution to convert the designated capital into foreign currency;
2. The issued capital prior to the conversion shall not be less than two hundred and fifty million Egyptian pounds (EGP 250,000,000) and to be fully paid;
3. The designated capital shall be converted as per the prevailing rate of exchange declared by the Central Bank of Egypt at the date of approval by the extra-ordinary general meeting, provided that completing the conversion procedures at a maximum of one hundred and twenty (120) days from that date;
4. Provide what indicates that founders and shareholders or partners have paid, at the time of incorporation, a hundred percent (100%) of the company's paid-up capital in the designated free currency transferred from abroad, and provide what indicates that shareholders have paid hundred percent (100%) of the rest of the issued capital through converting from a foreign

- currencies transferred from abroad or from the company's profits gained prior to the conversion;
5. Financial statements of the company at the year prior to the conversion shall be reformulated to be in the converted foreign currency in accordance with the Egyptian Accounting Standards; and
 6. Financial statements of the company shall be prepared and published with the same converted currency.

The aforementioned controls shall apply (i) in the event a company changes the legal structure thereof, or goes through merger or split-up, or (ii) in the event a company converts to the internal investment system from the free zones system or vice versa, if, as a consequence of any of the foregoing events, the capital of the new company – whether the capital of the company whose legal structure has been changed, the merging or resulting company, or the company converting from the free zones system to the internal investment system or vice versa – is designated using one of the free currencies.

Article 37

GAFI shall establish an automated and unified system encompassing data, application forms and documents

required to provide incorporation services for companies and establishments, whatsoever their legal structure and system governed thereby, and to provide post incorporation services via electronic networking and other necessary technological means; GAFI shall make this system available via internet in a safe manner.

GAFI may also make this system available via mobile phones or tablets promptly upon activation.

Such system shall be the only reliable system before all other bodies.

Article 38

Appropriate Bodies shall establish and develop their technological infrastructure, information systems and current electronic databases to provide a safe information circulation and integration with the electronic systems, thus providing all stages of services of incorporation and post incorporation in GAFI.

The Appropriate Minister, in coordination with the concerned ministers, all within their scope of functions, shall (i) take the necessary procedures to activate the electronic services system (the "E-services System"); (ii) integrate work systems and databases of the Appropriate Bodies with E-services System and database of GAFI; (iii) follow-up on such bodies compliance in respect of adjusting their positions.

Appropriate Bodies shall provide GAFI with all documents, application forms and data of services provision.

Representatives of such Bodies in GAFI, until adjusting their positions, may provide services assigned thereto via the electronic systems provided by GAFI in headquarters thereof.

Without prejudice to the provision of Article (50) of the Investment Law, Appropriate Bodies shall accept the electronic payment of all fees and charges imposed by laws.

Article (39)

The below procedures shall be followed upon voluntary liquidation of companies governed by provisions of the Investment Law and the Law on joint-stock companies, partnerships limited by shares and limited liability companies:

I. Appointment of the liquidator and entering its name in the Commercial Register:

Appointment of the liquidator shall be upon a decision by all partners or the general meeting of the company, as the case may be. An entry of such liquidator's name, scope of mission and duration thereof shall be effected in the commercial registry and the phrase "Under Liquidation" shall be added to the name of the company.

This shall be published by GAFI in the Investment Gazette and in a widely circulated daily newspaper, within one week from the date on which the company has been placed under liquidation in the Commercial Register; or such publication shall be in any other electronic means at the expense of the company under liquidation. Publication must include the following:

- a. The liquidator name, summary of its mission and the duration of the liquidation;
- b. The company's name in conjunction with the phrase "Under Liquidation";
- c. The date of the liquidator's receipt of applications for verification of debts attached to supporting documents thereof, provided that such date shall be at least one month after the publication date.

Appropriate administrative bodies shall be notified that the company is under liquidation, and such bodies shall furnish to GAFI and the liquidator a notice comprising the liabilities of such company, whether final or due, within maximum one hundred and twenty (120) days from the date of being notified by GAFI or the date on which the liquidator has filed an application of liquidation. The expiry of this period without notifying such liabilities shall be deemed a discharge on the part of the company

under liquidation, without prejudice to the criminal and disciplinary liability of the person-in-charge of issuing a false statement or the person responsible for the lapse of the aforementioned term without replying to the application.

II. Completion of the liquidation proceedings:

The liquidator shall submit to GAFI the minutes of all partners meeting or the minutes of the ordinary general meeting that enclose the approval of partners or shareholders by the majority, stipulated in the company's articles of incorporation or association, on the report prepared thereby pertaining the outcome of the liquidation proceedings. Such minutes shall be attached to the following:

1. The final liquidation account approved by the liquidator in accordance with the Egyptian Accounting Standards recognized in preparing financial statements;
2. An acknowledgment by the liquidator to the effect that the liquidation proceedings have been duly carried out by same, that the company's liabilities have been fulfilled and that the outstanding liquidation proceeds, if any, have been distributed on the relevant partners/ shareholders;

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3. Evidence on publication; and
 4. An acknowledgment by the liquidator and partners or shareholders of liability thereof for the liquidation proceedings.

GAFI shall deliver a letter to the liquidator approving the company to be liquidated at such liquidator's own liability, addressed to the appropriate Commercial Register to cross out the company from the Register based on a request of the liquidator and the approval of all partners or the ordinary general meeting.

The appropriate Commercial Register shall promptly cross out the company upon receiving GAFI's letter approving the liquidation.

Chapter IV

The Prior and Comprehensive Approval

Article 40

Within the framework of the economic development plan of the State, GAFI may provide the approvals, permits or licenses required for carrying on investment activities on the lands intended for investment before such lands have been allocated to Investors.

The relevant bodies shall provide GAFI with such approvals, permits or licenses within a term not exceeding sixty (60) days from the date of GAFI's request for such approvals, permits or licenses.

GAFI shall proclaim such lands that have fulfilled all approvals, permits and licenses, and shall receive applications from investors, provided that fees and other charges payable to the Appropriate Bodies in consideration of said approvals, permits or licenses shall be collected from Investors upon completion of the land allocation procedures.

In all cases, Investor shall obtain the approvals, permits or licenses to start the production or engage in the activity as the case may be. Investor shall also implement the schedule submitted thereby to GAFI for carrying on the activity in the time limits specified in the schedule.

Article 41

Terms of determining the projects, whether national or strategic, shall be listed under a resolution of the Council of Ministries based on a joint proposal of the Appropriate Minister and the relevant minister. Such terms shall be periodically amended and updated in light of the economic development plan of the State.

Article 42

Those who apply for the Comprehensive Approval stipulated in Article (20) of the Investment Law must meet the following terms:

1. They shall be in the form of an Egyptian joint-stock company in accordance with the provisions of the Investment Law with an issued capital not less than fifty percent (50%) of the project investment costs;
2. They shall submit a general plan prepared by a reputable and licensed national or international consultancy firms;
3. They shall submit a schedule for implementing the project;
4. They shall provide all utilities of the infrastructure (roads- water- sewage- electricity- communications- waste management); and

5. They shall submit an acknowledgment of all requirements and controls pertaining the company's activity in accordance with laws and regulations regulating thereof.

Article 43

Companies incorporated to launch strategic or national projects – contributing to the achievement of the sustainable development in accordance with the economic development plan– or partnership projects conducted between the private sector and the State, the public sector or the public business sector, in the fields of public utilities and infrastructure, new or renewable energy, roads, transportation, ports or communications and information technology shall apply for the Comprehensive Approval from GAFI. GAFI shall assess such application for the approval and verify the fulfillment of controls and requirements stated in the previous Article.

The Appropriate Minister concerned with investment affairs shall, in agreement with the concerned Minister, present the company's application to the Council of Ministers to obtain a resolution of granting the company a Comprehensive Approval on the setup, operation and management of such projects, including the building licenses and the allocation of the real property required therefor. Such approval shall be self-executing without the need for any further procedure.

GAFI shall coordinate with all the Appropriate Bodies relevant to the company's activity, and such bodies shall streamline all procedures concerning the company's activity.

Chapter V

The Real Estate Allocation for Investment

Article 44

Administrative bodies of competent jurisdiction shall, upon coordination with all Appropriate Bodies and the National Center for Planning State Land Uses (NCPSLU), furnish to GAFI detailed maps on which all real property available for investment and falling within the jurisdiction thereof respectively are specified for inclusion in the investment map, along with a complete database comprising the prescribed location, surface area, building terms, estimated price, utilities condition, appropriate investment activities to the nature of such real property, as well as the manner of disposition thereof.

GAFI may request any other necessary data from the bodies of competent jurisdiction or others to develop the investment map. Said bodies shall periodically update these data every six (6) months or whenever requested by GAFI.

GAFI, in coordination with all bodies of competent jurisdiction, shall establish the infrastructure for the electronic integration therewith, allowing the speed exchange of data and information pertaining real properties available for investment.

Upon the approval of the Council of Ministers, the President of the Republic shall, based on a proposal by Appropriate Minister in coordination with the body of competent jurisdiction, issue a decree transferring the ownership of, changing the body of competent jurisdiction or the supervision over some of the private-domain property of the State or of other public juridical persons from the administrative bodies of competent jurisdiction to GAFI, whenever necessitated by the implementation of the investment plan after being approved by the Supreme Council of Investment, provided that GAFI disposes of such real property in accordance with the provisions of the Investment Law and these Executive Regulations.

Article 45

The investment plan shall include provisions specifying the types, systems, terms, geographic areas and sectors of investment. Said plan shall list the real property owned by the State or other public juridical persons intended for investment, as well as acts and manner of disposition of such real property according to the type of the investment system.

GAFI shall draft the investment map in full coordination and cooperation with all concerned State agencies, along with providing an electronic link to exchange such maps and data among administrative bodies of competent jurisdiction and GAFI.

The investment plan shall be reviewed at least once every three (3) years, and whenever necessary based on GAFI's recommendation.

Article 46

Disposition of real property, falling within the private-domain property of the State or of other public juridical persons, to Investors shall be for the purpose of Investment in accordance with the provisions, controls and procedures stipulated in the Investment Law and these Executive Regulations, after assuring that there is no serious dispute thereon, taking into account the State's investment plan, the volume of Investment Project, the nature of the activity thereof as well as the value of Assets invested therein through GAFI in coordination with appropriate administrative bodies.

The provisions of said Law on Regulation of Tenders and Bids may not apply to the disposition, exception being made for matters in respect of which a special provision is not stipulated in the Investment Law, and for such provisions consistent with the provisions of this Law.

Administrative bodies of competent jurisdiction over the real property and GAFI shall notify each other of serious dealings on real properties, listed in the investment map, within a period not exceeding three (3) business days. Dealings on such real properties shall

be deemed serious whenever an official application is submitted, attached with all the necessary documents.

Investor shall comply with the schedule submitted thereby in respect of the implementation of the Investment Project approved by the Appropriate Body, as long as such Appropriate Body has fulfilled the obligations thereof toward such Investor. An Investor may not make amendments to the Investment Project, including change of object, expansion, increase in volume or any other amendments, except with a written approval of the Appropriate Body obtained directly or through the Appropriate Body Representative at ISC.

Article 47

Subject to the provision of Article (37) of the Investment Law, real property required for setting up or expanding Investment Projects may be disposed of by one of the following acts: **sale, lease, lease-to-own, usufruct licensing**.

Disposition of such real properties shall be upon either (i) Investor's submission of an application form for this purpose to GAFI or one of the branches or offices thereof, stating the purpose, surface area and location on which Investor willing to set up the Investment Project; or (ii) an invitation by GAFI, in coordination with appropriate administrative bodies, offering the available investment opportunities thereof through

different means, such as conferences; or (iii) an announcement through the proper means of publication, including the announcement on GAFI's website, after coordination with the appropriate administrative body. In all cases, said announcement must include the real properties' surface area, locations, acts of disposition, features, prices and other terms required to be met by the investor, as well as deadline for the submission of applications and other requirements to achieve the purpose of the announcement. In all cases, submission of applications shall not be less than fifteen (15) days from the date of the announcement.

Article 48

Administrative bodies of competent jurisdiction may be partners in Investment Projects by holding real properties as contributions in-kind within the capital of the project company, in accordance with the following conditions and controls:

1. The project company shall be in the form of an Egyptian joint stock company; and
2. The contributions in-kind shall be valued by one of the valuations entities stated in Article (64) of the Investment Law, provided that the valuation report shall be approved by the Appropriate Authority in such body.

Administrative bodies of competent jurisdiction may be partners by holding the real property in the project through one of the following forms:

- Public-Private Partnership (PPP);
- Partnership in consideration of long-term usufruct;
- Build, Operate and Transfer (BOT);
- Build, Own, Operate and Transfer (BOOT); or
- Partnership by a percentage of the project revenues.

In all cases, any form of the aforementioned partnerships in the Investment Project shall be approved by the Council of Ministers.

The announcement of partnership shall specify its type, nature of the real property and nature of the activity desired to be set up on such property. Partnership by holding the real property shall be based on an invitation or an announcement by GAFI in coordination with the administrative bodies of competent jurisdiction.

Article 49

For the sole purpose of development, and pursuant to the investment map in the areas to be listed under a decree issued by the President of the Republic and

upon the approval of the Council of Ministers, based on a joint proposal of the Appropriate Minister and the minister concerned, the private-domain real property of the State or of the public juridical persons may be disposed free of charge in favor of Investors satisfying the technical and financial conditions to be specified under a resolution of the Council of Ministers. Investor shall submit to body of competent jurisdiction a cash collateral letter, or an equivalent thereof, not exceeding five percent (5%) of the value of the project investment costs within fifteen (15) business days from the date on which the investor has been notified by a letter with an acknowledgement of receipt of investor's fulfillment of technical and financial conditions, in accordance with the following controls:

- In respect of projects of production nature: Investor shall submit a collateral letter, or an equivalent thereof, by one percent (1%) of the value of project investment costs;
- In respect of projects of service nature: Investor shall submit a collateral letter, or an equivalent thereof, by three percent (3%) of the value of project investment costs; and
- In respect of projects of storage nature: Investor shall submit a collateral letter, or an equivalent thereof, by five percent (5%) of the value of project investment costs.

The collateral shall be deposited at the body of competent jurisdiction, in a manner consistent with the nature of the collateral, under an official receipt indicating the application number and the date of such receipt; there shall be no interest on such amount. The approved cheques drawn on the banks shall be accepted, as well as those drawn on banks abroad, provided being endorsed with acceptance by one of the accredited banks inside the State.

Such collateral shall be redeemed after the elapse of three (3) years from the date on which actual production starts, in respect of projects of production activity, or, from the date of engagement in activity in respect of other projects, provided Investor complies with the terms of disposition.

In case of failure to complete this contracting for a reason by Investor, said collateral may be redeemed thereto after the deduction of any administrative expenses incurred by GAFI or the concerned administrative body, without the need of any judicial proceedings.

Article 50

Competing applications of investors shall be in accordance with Article (63) of the Investment Law in any of the following cases:

- The increase of the number of applications for

allocation over the number of land plots available at that time, taking into consideration unity of the project types;

- The increase of the number of applications for allocation over the number of projects or licenses announced thereon; or
- The increase of the projects similar in nature and volume of investment over the surface areas available in the zones targeted for investment.

Article 51

In case of competing Investors' applications for acquiring the real property required to set up Investment Projects - whether by sale, lease, lease-to-own or usufruct licensing - the order of preference among those who satisfy the technical and financial conditions required for Investment shall be upon a system of points based on foundations agreed upon with the bodies of competent jurisdiction over the properties. Such foundations shall include the following:

1. Technical specifications of the project, specially the technology used and the extent of modernity thereof;
2. The previous expertise or world renown;
3. The project ability to provide foreign currency,

either through exporting its products abroad or providing an alternative local product imported from abroad;

4. The expected investment costs of the project; and
5. The value of the submitted financial offer and the way of payment thereof.

If the order of preference in respect of Investors cannot be made based on the aforementioned system of points, preference may be conducted in accordance with the highest bid offered from among Investors.

In all cases, the announcement shall include a statement of foundations based on which preference among investors is made.

Article 52

The application for estimating the price of sale or tenancy value, or the consideration for usufruct, submitted to any administrative body stipulated in Article (64) of the Investment Law, shall include all information that enables the valuation entity to accomplish its work, in accordance with the following criteria:

1. Prices of the nearby real-properties;
2. Costs of preparing the real property and the necessary infrastructure, and the extent of availability of the main utilities;

3. Investment activities that can be set up on such lands or real properties; and
4. Other technical elements deemed necessary by the appropriate administrative body for conducting the valuation.

Article 53

A valuation report of sale price, rent, usufruct consideration shall continue to be valid for one (1) year from the date on which it has been submitted to GAFI and the body of competent jurisdiction, unless economic changes impacting such valuation occur. Payable fees to the valuation entity in consideration of valuation may not be less than a half per mille (0.0005) of the land being valued nor more than one hundred thousand pounds (EGP 100,000). The fees shall be paid by the body of competent jurisdiction upon completion of allocation.

Article 54

The relevant body of competent jurisdiction shall assess the applications of disposition of real property submitted by Investors and provide GAFI with technical opinion thereof on Investor s' application, substantiated by the reasons of rejection or acceptance. Such opinion shall be made within one (1) week from the date of receiving

the application or from the time limit specified in the announcement for receiving Investor s' applications, as the case may be.

Article 55

The committees formed as per the provision of Article (65) of the Investment Law shall assess Investor s' fulfilled applications in accordance with the form designated for that purpose, to verify the availability of the technical and financial conditions stipulated previously by GAFI in coordination with the administrative body of competent jurisdiction. Deciding on such applications shall be within maximum thirty (30) days from the date of receiving the technical opinion from the relevant body of jurisdiction. GAFI's CEO shall approve recommendations of these committees, provided that the relevant administrative body and the Investor are notified of the decision by virtue of a registered letter with an acknowledgment of receipt or any other means agreed upon with the Investor during the submission of application, such as the e-mail, determined thereby in the application for real property allocation in accordance with the form designated for that purpose, provided that said notification shall include the procedures necessary for completion of the contracting procedures.

The names of Investors, to whom the allocation of real property is made, shall be posted on GAFI's

official website on the internet, in addition to means of communication aforementioned.

GAFI shall collect sale price, rent, usufruct consideration, as the case may be, payable to the relevant administrative body in accordance with the applicable payment means and procedures therein. GAFI BoD shall determine the payable consideration for its services related to disposition of real property within thirty (30) days from the date on which these Executive Regulations come into force.

Article 56

Upon a decision by GAFI CEO, a committee shall be formed, chaired by one of the specialists in GAFI and shall include representatives of the relevant administrative bodies. The committee shall prepare and draw up all kinds of standard draft contracts of real property disposition. GAFI CEO shall propose these standards or any amendments thereto to be approved by GAFI BoD after being reviewed by Conseil d'Etat (the "State Council"). These standards shall be a basis for contract concluded between the Investor and the body of competent jurisdiction over the real property.

Article 57

For the purpose of enforcing the provisions of the Investment Law, the Investor shall comply with the

object for which disposition of real property is made. The Investor may change the object stipulated in the contract only after obtaining a written approval of the administrative body of competent jurisdiction, in the events where the nature and location of the real property allow such change, provided the elapse of one year from the date of production commencement or activity engagement, as well as the obtainment of approval from all relevant bodies on said change. The Investor shall pay at least 50% of the difference between the value of the property, on time of obtaining it, and the market value on the date of application submission. The relevant administrative body shall respond to the application of the Investor by either acceptance or rejection, and mention reasons thereof within thirty (30) days from the date of submitting the application; GAFI and the Investor shall be notified with such response. Failure to respond within the time limit shall be deemed rejection of the application by the appropriate administrative body.

The Investor shall have the right to raise grievance against such rejection before the committee stated in Article (83) of the Investment Law.

Article 58

The relevant administrative bodies shall not rescind the contract concluded with the Investor unless GAFI BoD approval is obtained. GAFI CEO shall propose

the follow-up reports stated in Article (67) of the Investment Law to GAFI BoD, provided said reports shall include the obligations breached by the Investor in detail and state whether such breach is considered one of the cases stipulated in the Article (67). The report shall be accompanied with the supporting documents thereto.

In such case, GAFI BoD may either approve the recession of the contract by the relevant administrative body or give a response encompassing the absence of justifications of such recession within thirty (30) days from the date of receiving the follow-up report by GAFI; the relevant administrative body, in case of insistence on contract recession, shall seek the Ministerial Committee for Investment Contracts Disputes Settlement” (“MCICDS”) stipulated in Article (88) of the Investment Law within fifteen (15) days, otherwise, it is considered relinquishment by the relevant administrative body of adherence to recession justifications mentioned in the follow-up report. MCICDS shall consider the matter within maximum sixty (60) days.

Article 59

For the purpose of enforcing the provision of Article (67) of the Investment Law, the substantial violations that lead to recession of the contract shall include the investor's failure, without a proof, to:

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1. Pay the installments due or the consideration for usufruct in due dates stated in the contract, despite, having been served a notice of the necessity of payment;
 2. Remove buildings established in violation of the controls and the executive drawings approved to establish the Investment Project stipulated in terms of the contract; and
 3. Start the actual production, in respect of projects of production nature, or commence the engagement in activity within the period stated in terms of the contract or comply with the schedule.

The real property shall be recovered by virtue of a reasoned decision from GAFI CEO and the Investor shall be notified thereof, by virtue of a registered letter with an acknowledgment of receipt. The Investor may have the right to raise a grievance against that decision in accordance with procedures stipulated in the Investment Law and these Executive Regulations.

Part IV

Investment, Technological and Free Zones

Chapter I

Investment Zones

Article 60

Investment zones, specialized in various fields of investment, shall be established by virtue of decree of the Prime Minister upon mutual proposal of both the Appropriate Minister and the minister concerned, subject to a proposal of GAFI BoD in accordance with the application submitted from the entity that would like to establish an investment zone. The decree shall include the location, coordinates, area, nature of the activity(s) permitted to operate, and the schedule for establishment and operation, in addition to any general conditions pertaining to the engagement in such activities. Other activities may be added to the main activity(s) permitted to operate within the zone by virtue of decree of the Prime Minister upon a proposal of the Appropriate Minister.

Every investment zone shall have a developer responsible for carrying out the establishment works, management, development and promotion in accordance with the schedule stated in the establishment decree, otherwise, the decree shall be deemed null and void. Upon a decree

of the Prime Minister or a delegate thereof, subject to GAFI BoD approval, the schedule of establishment and operation of the zone may be extended in light of the justifications presented by the developer.

Article 61

Applications for establishment of Investment Zones shall be submitted by the minister concerned or the entity wishing to establish an Investment Zone. The following documents shall be attached to the said applications:

1. A description of the site on which an Investment Zone is to be established; such description shall include the surface area, location, coordinates and a recent cadastral map of the site, as well as the legal form of site land possession;
2. A statement that includes utilities, ready infrastructure and required infrastructure, and a statement on the estimated water quantities and power required to the Investment Zone throughout the various phases of an activity;
3. The Investment Zone development and marketing strategy, including (i) a general description of the type of projects to be attracted and promoted in the Investment Zone, (ii) the estimated number of such projects, (iii) the required capitals therefor,

- and (iv) the number of labor expected to be employed throughout the various phases of an activity;
4. The proposed master plan in respect of the Investment Zone including the services to be provided to the Investors;
 5. Data of the company assigned to establish, develop, manage and promote the Investment Zone; such data shall include the company's prior experience, shareholders, distribution of capital, and basic information on the other entities applying for license;
 6. A proposed schedule for the establishment and use of the Investment Zone;
 7. A statement of compliance with all environment and health standards, Civil Defense requirements, and occupational safety and health standards in force in the Arab Republic of Egypt, and compliance with the conditions of the decree establishing the Investment Zone;
 8. A standard contract form to be concluded with whomever would like to invest in the Investment Zone, enclosing such company's compliance with the aforementioned standards and requirements in Item (7) above; the company's compliance with the resolutions, rules and regulations set out by

GAFI BoD to manage and regulate Investment Zones; and the company's compliance with the terms of land recovery, should they be not used within a specific period of time.

Article 62

A committee shall, by virtue of GAFI CEO decision, be formed at GAFI to assess applications for approval on the establishment of Investment Zones. Members of the said committee shall be representatives of the public entities concerned with the main activities to be carried on in an Investment Zone, a representative of the Ministry of Finance and a representative of the body having jurisdiction over the land on which such an Investment Zone is to be established. The committee shall assess each application, and obtain the approvals of the bodies concerned with the activity or the main activities in the Investment Zone, and shall obtain the approvals of the Ministry of Defense, National Center for Planning State Land Use ("NCPSLU"), the Supreme Council of Antiquities ("SCA"), the Egyptian Environmental Affairs Agency ("EEAA") and the Egyptian Civil Aviation Authority respectively. The committee shall produce recommendations thereof in light of the rules and regulations set out by GAFI BoD, and shall present the same including the reasons for acceptance or rejection of an application to GAFI BoD. GAFI BoD shall look into the recommendations

of the committee and deliver a resolution in respect thereof. The Appropriate Minister jointly with the minister concerned shall, in case of acceptance of the application, report to the Prime Minister to issue the decree licensing the establishment of Investment Zone.

Article 63

Each Investment Zone shall have a board of directors ("Investment Zone BoD") to be formed for three (3) years, upon a decision of the Appropriate Minister in agreement with the minister concerned by the activity of the Investment Zone.

An Investment Zone BoD shall include (i) representatives of the bodies concerned with the activity or the main activities licensed to be carried on within the Investment Zone, (ii) the body having jurisdiction over the land, (iii) the Ministry of Finance, (iv) one or more members from among the representatives of the bodies licensed to develop the Investment Zone and the investors of the Investment Zone, (v) one or more experienced members, (vi) bodies concerned with supporting and funding projects, and (vii) representatives of any other bodies deemed fit by the Appropriate Minister and the minister concerned to be included in the Investment Zone BoD.

A decision forming an Investment Zone BoD shall lay down the rules of holding meetings, as well as

the allowances and honoraria of the members thereof, provided that the BoD shall convene at least once per month or whenever necessary for conduction of business.

Article 64

An Investment Zone BoD shall have competence to (i) develop an action plan along with the required conditions and standards for engagement in activity and regulation of work in the Investment Zone; and (ii) approve the action plan from GAFI BoD. In order to do so, an Investment Zone BoD may, in particular:

1. Set such conditions, standards and rules relating to the general and detailed planning of such Investment Zone, and to the building process therein, in a way that would ensure compliance with the international levels and standards, and that would boost Investment Zones competitiveness, without prejudice to the provisions of the foregoing Building Code;
2. Set such conditions and standards necessary for licensing the setting up of commercial, service or industrial projects, or any other activities, in the Investment Zone, or the suspension or revocation of such license, without prejudice to the substantive conditions in connection with the licensing in any other laws;

3. Set such conditions and standards required for granting environmental, occupational safety and health, and Civil Defense approvals, provided that such conditions and standards are not less than the requirements stipulated in the laws regulating this respect and that such conditions and standards are set in coordination with the bodies concerned;
4. Approve projects in accordance with conditions and standards approved by GAFI BoD;
5. License the establishment and management of public utilities and infrastructure, and grant through the affiliated executive offices thereof all other licenses to the projects of such Investment Zone;
6. Overcome obstacles, whether internally or elsewhere, impeding Investment Zones Developers and Investors in course of dealing with the bodies concerned; and
7. Follow up on Investment Zones implementation progress and that of the projects operating therein.

An Investment Zone BoD may license private sector companies to develop, manage and promote Investment in the Investment Zone, without prejudice to Developer's obligations set forth in the decree establishing the Investment Zone.

An Investment Zone BoD may form committees from among the members thereof and GAFI personnel, or through participation of external bodies; such committees shall carry out specific tasks for the benefit of the Investment Zone.

Article 65

An Investment Zone BoD shall provide GAFI CEO with quarterly reports. GAFI CEO shall present such reports to GAFI BoD and the minister concerned. Such reports shall include (i) the Investment Zone implementation progress; (ii) the Developer's extent of compliance with the schedule stated in the decree establishing the Investment Zone; (iii) obstacles that might be facing the Investment Zone or the projects operating therein, and the actions taken in respect thereof; and (iv) the Investment Zone BoD extent of compliance with controls and standards approved by GAFI BoD in respect of engagement in activity within the Investment Zone.

Article 66

An Investment Zone BoD Chairperson shall have competence to grant Investment Projects license to operate, provided the license includes a statement of the objects for which such license has been granted and the effective term thereof, which may not exceed

five (5) years. A temporary license of one (1) year may be granted to the Investment Project, in order that the Investment Project obtains the approvals of the bodies concerned with the activity; such temporary license may be renewed for another six (6) months for once only at the liability of the Investment Project. The license may not be waived, in whole or in part, except with the approval of Investment Zone BoD, and rejection to grant or waive such license shall be effected by virtue of a reasoned decision. A party concerned may raise grievance against such decision before the committee stated in Article (83) of the Investment Law.

When dealing with various state agencies in course of obtaining services, facilitations, and privileges for the Investment Project, the license to operate shall suffice, without any need for registration in the Industrial Register.

Any other administrative body may not take any actions within Investment Zones, established by a decree of the Prime Minister, or against the Investment Projects operating therein, unless after having notified GAFI.

Article 67

An Investment Zone shall have an executive office (the “Executive Office”) consisting of GAFI personnel to be formed by a decision of GAFI CEO after having been approved by the Appropriate Minister.

The Executive Office shall carry out the following tasks:

1. Implement the Investment Zone BoD resolutions – pertaining to the granting of all licenses required by the Investment Projects approved to be set up within the Investment Zone, in accordance with the controls and standards approved by GAFI BoD – within a period not exceeding one (1) month from the date on which a complete application for license has been submitted, and in the event of rejection of an application for setting up a project or granting license thereto, such rejection shall be effected by virtue of a reasoned decision;
2. Follow up on the implementation of the Investment Zone BoD resolutions and communicate with all bodies in connection with the Investment Projects set up within the Investment Zone; and
3. Follow up on and monitor Investment Projects within the Investment Zone to verify the extent of compliance of such Investment Projects with the conditions, controls and procedures relating to engagement in activity.

The Executive Office shall receive a consideration for the actual services provided thereby to Investors, based on the type of services prescribed by GAFI BoD, including in particular:

- Approval on setting up an Investment Project;
- Issuance of building licenses;
- Issuance of license to operate decisions; and
- Any other services provided by the Executive Office and approved by GAFI BoD.

All foregoing provided services may not exceed one per mille percent (0.001%) of the Investment Project's investment costs.

An Investment Project operating within an Investment Zone shall annually submit to the Executive Office a report audited by the chartered accountant of such Investment Project and evidencing the investment costs. Such report shall be submitted within the first month of the fiscal year to settle the paid consideration for services. Should an evidence on the exact investment costs be not submitted within the aforementioned period, this shall be considered an approval by the Investment Project that the paid consideration has not exceeded the value of one per mille percent (0.001%) of the stipulated investment costs.

Article 68

GAFI CEO may form from among the management of the Executive Offices and the bodies concerned with the activities a committee. This committee shall

assume a supervisory role, follow up on and support Investment Zones Projects, and shall have the authority to issue or renew the approvals of the bodies concerned in accordance with the applicable rules and procedures of each body.

Article 69

A license establishing an Investment Zone may, by virtue of a decree of the Prime Minister based on a mutual proposal of both the Appropriate Minister and the minister concerned, be revoked based on an application being made by the Developer in this respect giving grounds for revocation, provided that the aforementioned proposal includes the following documents:

- The Investment Zone BoD approval on the revocation; and
- The Developer's payment in full to GAFI's accruals against the Investment Projects operating within the Investment Zone until the date of revocation.

After issuance of the revocation decree of the Investment Zone, all bodies concerned shall be notified of such decree.

Investment Zones, which GAFI, at its discretion, deems unserious, in violation of the permitted activities or

unfeasible, shall be exempted from the aforementioned controls; however, GAFI may decide, by virtue of decree of the Prime Minister, subject to the approval of GAFI BoD based on a mutual proposal of the Appropriate Minister and the minister concerned, to close down such Zones.

Chapter II

Technological Zones

Article 70

Technological Zones shall be established by virtue of a decree of the Prime Minister based on GAFI BoD recommendation, in light of an application being made by the Minister of Communications and Information Technology.

The decree shall include (i) the sites, (ii) the coordinates, (iii) the surface area, (iv) the nature of the activity or the activities permitted to be carried on, (v) the schedule of construction and operation, and (vi) any other conditions deemed by GAFI BoD fit to be added in respect of the activities, permitted to be carried on within the Investment Zone, including any industrial activities, electronics design and development, data centers, outsourcing activities, software development, technological education, and other associated or ancillary activities.

Other activities may, by virtue of a decree of the Prime Minister based on a mutual proposal of the Appropriate Minister and Minister of Communications

and Information Technology, be added to the activity(s) permitted to be carried on within a Technological Zone.

Each Technological Zone shall have a Developer, who shall carry out construction works, management, development and promotion in accordance with the schedule stipulated in the decree establishing such zone; otherwise, the decree shall be deemed as if not issued in the first place. Upon a decree of the Prime Minister, subject to GAFI BoD approval, the schedule of construction and operation of the Investment Zone may be extended in light of the justifications provided by the Developer.

Article 71

Technological Zones shall be governed by the provisions of Articles (66) and (67) of these Executive Regulations.

Machinery, equipment and tools required by Investment Projects within Technological Zones to carry on a licensed activity may not be subject to taxes and customs duties, and the release of such machinery, equipment and tools shall be in accordance with the customs procedures specified by the Minister of Finance.

Machinery, equipment and tools shall be defined as complete production lines, including all requirements thereof, even if consigned in parts, until the completion of setting up the project.

Investment Projects shall, in accordance with the provisions of this Article (71), be fully liable to the aforementioned machinery, equipment and tools. An Investment Project shall provide an insurance policy on all machinery and equipment against all accidents before starting the procedures of obtaining a license to operate.

Investment Projects shall annually make an inventory of the aforementioned machinery and equipment; importation invoices of such machinery and equipment shall be caused to be approved by the Technological Zone Executive Office in the light of the controls laid down by GAFI BoD.

Article 72

Each Technological Zone shall have a board of directors ("Technological Zone BoD") to be formed for three (3) years by a decision of the Minister Communications and Information Technology in agreement with the Appropriate Minister.

A Technological Zone BoD shall include (i) representatives of the bodies concerned with the activity

licensed to be carried on within the Technological Zone, (ii) the body having jurisdiction over the land, (iii) the Ministry of Finance, (iv) one or more members from among the representatives of the bodies licensed to develop the Technological Zone and the investors of the Technological Zone, (v) one or more experienced members, (vi) bodies concerned with supporting and funding projects, and (vii) representatives of any other bodies deemed fit by the Minister of Communications and Information Technology in agreement with the Appropriate Minister to be included in the Technological Zone BoD.

Article 73

A Technological Zone BoD may pass all resolutions and procedures necessary for managing and regulating work within the Technological Zone, approve the setting up of Investment Projects, and may in particular:

1. Set such conditions, standards and rules relating to the general and detailed planning of such Technological Zone, and to the building process therein, in a way that would ensure compliance with the international levels and standards, and that would boost Technological Zones competitiveness, without prejudice to the provisions of the foregoing Building Code;
2. Set such conditions and standards that are necessary

for the issuance, suspension or revocation of the licenses establishing Investment Projects within the Technological Zone;

3. Set such conditions and standards required for granting environmental, occupational safety and health, and Civil Defense approvals, provided that such conditions and standards are not less than the requirements stipulated in the laws regulating this respect and that such conditions and standards are set in coordination with the bodies concerned;
4. Approve projects in accordance with conditions and standards approved by GAFI BoD;
5. License the establishment and management of public utilities and infrastructure, and grant all other licenses to the projects of such Technological Zone;
6. Overcome obstacles, whether internally or elsewhere, impeding Technological Zones Developers and Investors in course of dealing with the bodies concerned; and
7. Follow up on Technological Zones implementation progress and that of the projects operating therein.

A Technological Zone BoD shall submit to GAFI BoD quarterly reports on (i) the Technological Zone implementation progress, (ii) the Developer's extent of

compliance with the schedule specified in the decree establishing the Technological Zone (iii) obstacles that might be facing the Technological Zone or the projects operating therein, and the actions taken in respect thereof; and (iv) the Technological Zone BoD extent of compliance with controls and standards approved by GAFI BoD in respect of engagement in activity within the Technological Zone.

Chapter III

Free Zones

Article 74

A permanent technical committee concerned with free zones affairs shall be formed at GAFI upon a decision of GAFI CEO, which shall set out the scope of competence of such committee. The committee shall look into what may be submitted thereto, and may in particular:

1. Develop such Free Zones policies that are to be proposed to GAFI BoD;
2. Assess application forms for setting up Public Free Zones projects;
3. Approve the amendment of articles of association of companies and legal structures thereof, extend companies lifetime, and extend the effective period of licenses to operate and others before being proposed to the appropriate Free Zone BoD; and
4. Provide solutions to problems and overcome obstacles impeding the Investment Projects of the Free Zones, in a way that would ensure implementation of GAFI's policy in respect of promotion and attraction of Investments.

The committee shall meet on a weekly basis, and shall, with the authorization of the appropriate Free Zone management, inform the Investors of such committee's resolutions within three (3) days from the day on which the resolutions have been approved.

Article 75

Upon a proposal of the Appropriate Minister, the Council of Ministers shall issue a decree approving the establishment of Private Free Zones.

GAFI BoD shall pass a resolution setting out the procedures for obtainment, renewal and amendment of Investment Projects licenses to operate.

An appropriate Free Zone BoD Chairperson shall pass a decision granting license to operate to an Investment Project and approving the Investment Project site, provided that the license to operate includes a statement of the objects of the Investment Project, the effective term and limitations of such license, and the collateral amount to be paid to GAFI against potential liabilities to be incurred by the Investment Project. The Free Zone BoD Chairperson shall have competence to look into the renewal of the aforementioned license and amendments thereof.

Article 76¹

An approval to establish Private Free Zones project shall be in accordance with the following conditions and controls:

1. The appropriate location for the project activity is not available in the Public Free Zone, and the required location for the establishment of the Private Free Zone is the essential factor as to the project economic aspects; it shall not be permissible to issue new licenses establishing Private Free Zones projects within a residential area, real property or any other location licensed under any other customs system such as duty free and bonded warehouses;
2. The project is either a joint-stock company or a limited liability company;
3. The issued capital of the project is not less than ten million dollars (\$ 10,000,000), and the investment costs thereof are not less than twenty million dollars (\$20,000,000) or the equivalent thereof with the free currencies;
4. The number of permanent workers in industrial projects are not less than five hundred (500) workers, exception being made for some strategic projects of special importance whose nature

¹ The last paragraph is added by the Prime Minister Decree No. 1199 of 2020

- of activity does not require large number of workers;
5. The surface area of the project is not less than twenty thousand square meters (20,000 m²);
 6. The percentage of local components is not less than thirty percent (30%);
 7. The percentage of exportation abroad is not less than eighty percent (80%), exception being made for strategic projects of special importance;
 8. Private Free Zones projects shall observe the conditions of industrial safety, fire and Civil Defense – in accordance with the Egyptian Code governing this respect, or in accordance with the decisions issued by the minister concerned with industrial affairs on industrial establishments – and shall secure establishments and boundaries thereof by guard towers, surveillance cameras and security individuals from among GAFI and ports security individuals, at the expense of the project; and
 9. GAFI shall follow up on activities of Private Free Zones projects in a way that would guarantee proper functioning and assure compliance with the applicable procedures in respect of carrying on activity, provided that the appropriate Free Zone management submits periodical reports to such Free Zone BoD which shall verify whether or not it

is feasible for projects to continue operation under the provisions of the Free Zones System. All Free Zones projects shall put all records and invoices at the disposal of GAFI during inspection and follow up processes, and GAFI may, at its discretion, use the services of any relevant bodies in this regard. A final approval on a project shall lapse, should the Investor fail to demonstrate seriousness in carrying out implementing procedures including, inter alia, (i) commencement of incorporation procedures, (ii) submission of engineering drawings, (iii) obtainment from the bodies concerned such approvals that are required to set up the project, and (iv) the schedule set for commencement of engagement in activity, within six (6) months from the day on which the Investor has been notified of the approval on the project. This six-month period may be extended for another in the light of the justifications provided by the persons concerned, and deemed acceptable by the Free Zone BoD at its discretion.

Council of Ministers may, upon the considerations it takes into account at its own discretion on a case-by-case basis, the recommendation of the Appropriate Minister, and the approval of GAFI BoD, exempt a project from one or more of said conditions.

Article 77

After the permanent technical committee concerned with Free Zones affairs assesses and gives opinion thereof on an application form for setting up an Investment Project, engagement in activities operating under the Free Zones System shall be in accordance with what has been licensed by the appropriate Public Free Zone BoD.

Article 78

A Public Free Zone BoD shall have competence to grant final approval as well as cancel the same in respect of setting up projects. The Public Free Zone BoD Chairperson shall issue a decree granting projects license to operate in accordance with the rules specified by GAFI BoD. Such license to operate shall include a statement of the objects of the Investment Project, the effective term thereof, the boundaries of the site and the collateral amount to be paid to GAFI against potential liabilities to be incurred by the Investment Project and not to exceed two percent (2%) of the investment costs, provided that:

- a. In respect of the industrial and assembly projects, the cash collateral is one percent (1%) of the investment costs, provided further that such percentage does not exceed seventy five thousand dollars (\$75,000) or the equivalent thereof with the free currencies; and

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- b. In respect of storage projects or projects, whose main activity does not require entry or exit of commodities, the collateral is two percent (2%) of the investment costs, provided further that such percentage does not exceed a hundred and twenty five thousand dollars (\$125,000) or the equivalent thereof with the free currencies.

The amount of the collateral shall be recalculated every three (3) years based on the project investment costs as evidenced in the latest financial statements and the final accounts submitted to the appropriate Free Zone, or in the event that the project submitted a request having an impact on the investment costs thereof.

Article 79

GAFI shall have the competence to value or approve increase of assets, liabilities, and contributions in kind provided as capitals for Free Zones projects, or provided upon merger or conversion of legal structure into a corporation; the internal regulations of the Free Zones shall specify all procedures and documents required for the valuation process, the manner of objection on the valuation, and the fees to be paid in return for the services rendered by the valuation committee.

Article 80

A zone management shall announce and propose vacant areas and investment opportunities available therein to Investors. An Investor shall submit an application to the zone management indicating the object and the required surface area on which the Investor's project is wished to be set up; such application shall be the application form designated for this purpose. Allocation of said real property shall be based on the following criteria:

- 1- The object of the project (nature of business activity);
- 2- The capital and investment costs of the project;
- 3- The targeted employment volume; and
- 4- To what extent the surface area requested to be licensed fits the activity intended to be carried on.

Article 81

A zone management shall submit the application of an Investment Project, after such an Investment Project have been initially approved, to such zone BoD in order for the latter to decide on such application, after the relevant Investor has paid ten percent (10%) of the usufruct consideration, up to a maximum of one thousand dollars (\$1,000), as an advance payment demonstrating

seriousness in execution of said Investment Project, provided that such amount is deducted from the usufruct consideration upon land being handed over. Such an amount may not be refunded in the event of failure to execute the Investment Project due to reasons related to the Investment Project. Such zone BoD resolutions shall be caused to be approved by GAFI CEO.

Article 82

Within thirty (30) days from the day on which an Investor has been notified that the Investment Project thereof has been approved to be set up, such Investor shall head to zone management to receive the land allocated to such Investor, and sign, after payment of the specified usufruct consideration, the records of land allocation and usufruct contracts. The day of signing the records of land allocation and handover shall be deemed a duly served notice of land handover.

Should the person concerned fail to head to the management zone to receive the land within the aforementioned period, the issued approval shall be deemed as if not issued in the first place, unless the Investor provides justifications acceptable by the zone BoD.

Within ninety (90) days from the day on which the records of land handover have been signed, the licensee shall carry out the legal procedures prescribed for

setting up the project, and launch the implementing phase as per the submitted schedule; otherwise the approval setting up the Investment Project shall be null and void. This period may be extended for another in light of the justifications provided by the Investor or the representative thereof and estimated by the respective zone BoD.

GAFI BoD shall specify the categories of the usufruct consideration per each square meter (m²) of land, allocated for Investment Projects within the Public Free Zones, based on the nature of each activity and the economic needs of each zone. GAFI BoD may, when necessary, reconsider such categories.

Article 83

GAFI CEO may, when necessary, and after the approval of GAFI BoD, approve the completion or development of the infrastructure of Public Free Zones not owned by GAFI, provided any expenses incurred by GAFI shall revert thereto by deduction from the usufruct consideration collected from the projects set up within such zones for the benefit of the entity owning the land, subject to that:

- 1- GAFI makes an estimate of the required works for infrastructural completion or development, and specifies the value of costs thereof, and the method and period in which such costs are to be

recovered, in accordance with the study conducted on the development works of each zone separately, and as per the applicable rules of the Free Zones owned by GAFI; and

- 2- The BoD of the Public Free Zone, which is not owned by GAFI, approves that GAFI shall carry out the required works in return for the specified value of costs and as per the specified methods of payment.

Article 84

The licensed projects shall be confined to the surface areas allocated thereto. They may not store goods or scraps, or construct buildings or establishments outside the boundaries of such surface areas, and shall maintain the civilized appearance of the Public Free Zone. In the event of violation, the violator shall rectify such violation within the period specified by the zone management; otherwise the violation shall be rectified at the expense of the violator and, in such case, the violator shall pay double the occupancy consideration prescribed for the surface areas occupied without license, unless the zone BoD at its discretion, exempts the violator, based on the justifications provided thereby, from the said duplication of occupancy consideration.

The zone BoD may double the occupancy consideration, in the event of recurrence of violation, and the violator

shall pay the doubled consideration without prejudice to the right of the zone BoD to claim compensation.

In the event that the project exploits surface areas allocated to other projects, a double occupancy consideration shall be paid by the project that has exploited surface areas, and a sublease fee shall be imposed against the project to whom such exploited surface areas are allocated; this shall be in accordance with the rules specified by GAFI BoD.

Article 85

Upon project cancellation or nullification of approval granted thereto, the project shall hand over the land allocated therefor free and clear of any occupancy to the respective zone management. Should the land site be occupied with buildings, facilities or assets, the project shall, at its own expense, within the period specified by the respective zone BoD, vacate such buildings, facilities or assets; which period may not exceed six (6) months from the date on which the project has been served a notice to vacate by virtue of a registered letter with an acknowledgment of receipt.

The project may, within the aforementioned period, assign the site, including the buildings and facilities thereon, to another existing and new an assignment consideration of one percent (1%) of the value of such buildings and facilities shall revert to GAFI that shall value the aforementioned buildings and facilities.

The project may assign such buildings and facilities to the respective zone management, and shall deposit the value thereof with GAFI in an account in favor of the Investor, after deducting the fees of the aforementioned assignment or any accruals due to GAFI, provided that any goods or assets, if any, shall be vacated by the project within the aforementioned period.

Should project fail to abide by the provisions of the previous two paragraphs, the respective zone BoD shall pass a resolution of administrative eviction and recovery of possession of the site. In the event that there are assets or goods on the site, the respective zone management and the Customs shall make and furnish an inventory of such assets, and surrender such assets, to the customs department concerned, which shall either maintain such assets temporarily or sell the same in accordance with the Customs Law provisions on the abandoned or unclaimed goods, and shall deposit such price in an account with GAFI in favor of the Investor

Article 86

Goods imported under the Free Zones System shall be incorporated in the packing lists with an express stipulation in such lists, bills of lading and invoices that such goods are consigned to the Free Zone.

The Free Zone management may waive such condition, should such goods be imported in the name of the

project, whether for its own account or for the account of third parties, provided that the project or the third parties have no business activities within the Country.

Article 87

In respect of transporting and securing transit goods or goods consigned to the Free Zones located within customs zones, the following procedures shall apply:

- 1- Using application form designated for this purpose, the project shall furnish to the zone management concerned a declaration in original and one copy to the effect that the goods are consigned to the Free Zones; the shipping delivery order shall be attached to such declaration;
- 2- The zone management shall endorse the original of the declaration to the effect that the project operates under the Free Zones System, and that the goods contained in the declaration are necessary items for the licensed activity. The original of the declaration shall be then referred to the customs department concerned for checking shipping documents and authorizing goods to be transported to the Free Zone, as per the direct transit system, subject to reconciliation, through and at the full liability of the shipping agency;

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- 3- Immediately upon the arrival of goods to the Free Zone, the free zone management shall conduct an inspection, either through random sampling or detailed checking as the case may be. The customs department concerned shall be furnished with a copy of the inspection outcome. The goods shall then be handed over to the project officer in charge, and shall henceforth become in such officer's full custody and under full liability thereof; and
 - 4- Machinery, equipment and means of transportation of special uses, except passenger vehicles released for Public and Private Free Zones, may be utilized within the customs zones located in seaports, should the nature of the activity licensed to the zone so require.

Should the foregoing items temporarily exit the Free Zone or the customs zone to enter the Country, and then return to the Free Zone, the guarantees, conditions and procedures to be laid down in a resolution of the Council of Ministers, issued upon a proposal of the Appropriate Minister and Minister of Finance, shall apply to such items.

Article 88

In respect of transporting and securing goods consigned to the Free Zones having ports of their own, the following procedures shall apply:

- 1- Ship captains and aircraft pilots or representatives thereof (shipping agencies/airline offices) shall, within twenty-four (24) hours from the arrival of ship or aircraft, submit the packing list (manifest) of goods bound to the Free Zone to the customs department concerned;
- 2- The Free Zone management concerned shall notify the consignees concerned included in the packing list of the arrival of their consignments, instructing them to withdraw the same within forty-eight (48) hours from the date of notice, otherwise the Free Zone management may cause the consignment to be carried at the consignees' expense to such places as the Free Zone management concerned may decide;
- 3- The project shall submit an importation declaration, approved by the Free Zone management and enclosing the shipping delivery order, to the customs department concerned for registration and processing in accordance with the prescribed procedures for goods in transit; and
- 4- Following registration, the declaration shall be attached to the consignment documents while referred to the Free Zone management for inspection or detailed checking as the case may be. The goods shall then be handed over to the project, and shall henceforth become in such

project's full custody and under full liability thereof. The Customs shall be furnished with a copy of the inspection outcome.

Article 89

In respect of transporting and securing goods consigned to the Free Zones established within the Country, the following procedures shall apply:

- 1- A person concerned shall submit the following documents to the zone management concerned:
 - a. A declaration, in original and two (2) copies, of goods consigned to the Free Zones to be filled in the application form provided by GAFI; and
 - b. Consignment invoices and packing list.
- 2- The zone management shall endorse the original declaration to the effect that the project operates under the Free Zones System, and that the goods listed in the declaration are necessary items for the licensed activity. The original and the copy of the aforementioned declaration shall be submitted to the person concerned.
- 3- The original and the copy of the aforementioned declaration shall then be submitted to the customs department concerned for customs processing under a transit customs certificate, whereupon the goods are transported to the Free Zone.

- 4- Goods shall be delivered to the person concerned, together with the customs forwarding request and a copy of the importation declaration endorsed by the customs department concerned to the effect that transit procedures have been completed on goods sent to the Free Zone, for relocation to the Free Zone management, for completion of inspection and filling of inspection details in original and two (2) copies in the presence of the person concerned.
- 5- Forwarding request counterfoil shall, subject to approval, be returned enclosing a copy of the inspection details to the customs department concerned.

In all cases, the person concerned shall be held liable for any shortage, loss or damage that may be caused to the goods during transportation from the Customs to the Free Zone.

Article 90

GAFI shall, upon the request of the person concerned, submit to the Egyptian Customs Authority a guarantee, as specified by the Egyptian Customs Authority, against the value of taxes and customs duties due on goods, during transportation of such goods from customs zones to the Free Zones, vice versa or between the Free Zones.

GAFI shall submit the aforementioned guarantee in return for collecting one per mille (0.001) of the value of such guarantee, subject to the submission by the project of an insurance policy, against theft, damage and fire risks, amounting to the total value of the guarantee.

Article 91

Subject to the approval of the Prime Minister, the Appropriate Minister may, with the consent of the Investor, when it is necessary to meet the basic needs of the Country, allow commodities, materials, equipment and devices consigned to the Free Zones to be released from the customs zone to enter the Country, only after completion of all the customs and importation procedures, collection of taxes and customs duties due and full payment of GAFI's accruals.

Article 92

All products of smoke, tobacco, chewing tobacco, *mu'assel*, snuff, cigarettes and cigars manufactured in the Free Zones shall hereby be banned from entering the Country.

Article 93

In respect of consignments exported abroad by the projects licensed to operate in the Free Zones having

ports of their own, or established within the customs zones or within the Country, the following procedures shall apply:

- 1- The person concerned shall, on the application form provided by GAFI, submit to the Free Zone management concerned, for checking and approval, an exportation declaration in original and two (2) copies, along with evidence on payment of the guarantee, submitted by GAFI upon the request of such person concerned, and the consignment invoice.
- 2- A committee of the Customs and the zone management shall, in the presence of the project representative, inspect the consignment and check it against the documents submitted by the project. The inspection outcome shall be inscribed on the original declaration, which shall be submitted to the customs department concerned for processing as required and issuance of the exportation release permit.
- 3- Parcels shall, under the customs supervision, be packed, lead-stamped and dispatched to the exportation port.
- 4- The exportation customs department shall annotate on the exportation declaration copy attached to the goods that the exportation process has been

effected. The declaration shall be then handed over to the person concerned who shall return the same to the Free Zone within fifteen (15) days.

Article 94

Goods may be circulated among projects within the same Free Zone or from one Free Zone to another, whenever required in the interest of realizing the objects licensed for such projects.

Circulation of goods among projects within a Public Free Zone or among various Free Zones shall be subject to the approval of the Free Zones managements concerned.

Article 95

A project or an establishment licensed in the Free Zones shall be fully liable to any shortage, loss or change in the type, number or weight fixed upon storage of goods or products, unless such shortage, loss or change was caused by the nature of such item or as a result of force majeure or fortuitous events. The zone management concerned may demand taxes and customs duties to be paid, in addition to penalty for any such shortage or excess as it may deem unacceptable in said goods and products, subject to the rules and limits to be laid down by a resolution of GAFI BoD.

The aforementioned provisions may not apply on loss resulting from industrial processing in accordance with the applicable technical ratios in this respect.

Article 96

With the exception of banned plants and farm products, and those infected with deleterious plant epidemic, goods and products may not be subject to any specified time limits as regards period of retention within the Free Zones.

As an exception to the provision of the preceding paragraph, a Public Free Zone management may order some of these goods, commodities or products to be dispatched out and sold for the account of their respective owners and taxes and customs duties deducted, or order the destruction thereof in the following events:

- 1- If such items are perishable or dangerous to public health as may be decided by the appropriate public authorities;
- 2- If the consignments existing in the zone will be adversely affected by such items continued presence within the zone; or
- 3- If, for any reason, the activity of the project or establishment is suspended for a time period justifying that such items or commodities must not be retained within the zone.

In all cases, the zone management may not enforce such order at the expense of the project or the establishment, unless such project or establishment has refused to execute the issued written order to carry away from the zone or destroy such items within the time limit specified by the zone management.

Article 97

A Public Free Zone management may, upon an application being made by a project or an establishment, authorize stored goods or products to be destroyed. Application for destruction shall be submitted to the zone management, and shall comprise the reasons justifying destruction as well as type, description, quantities, weights, value and importation date of goods or products to be destroyed.

A Free Zone BoD Chairperson shall decide on the application, subject to scrutiny and verification of reasons and data contained therein, and subject to inspection of the items to be destroyed by a committee, to be formed by a decision of such Chairperson, which shall report on the items approved to be destroyed as well as the date, place and manner of so doing, in such a way as to ensure safety and security, and avoid any threat to public health.

Specialized technical expertise may, whenever necessary, be invited to participate in the inspection

committee, verify the data contained in the said application for destruction and give opinion on the manner of destruction.

Article 98

Goods and products specified in the permit shall be destroyed in the time, place and manner specified, in the presence of Appropriate Bodies Representatives as well as the representative of the project or the establishment. Quantities already destroyed shall be deducted from the balances of the project or the establishment registered on the books of such project or establishment. Procedures completed shall be entered into a verbal process.

Article 99

GAFI may, upon an application being made in writing by the person concerned, authorize the admission of local and foreign goods, materials, parts and raw materials, owned by the project or third parties, from within the Country to the Free Zone on a temporary basis for repair or industrial processing and later repatriation into the Country, without having to be subject to applicable importation rules. These rules shall apply to goods and raw materials, whereon manufacturing processes were conducted, upon repatriation into the Country.

The application shall be submitted along with a declaration containing (i) a description and quantities of

items, (ii) type of processes to be undertaken, whether for the purpose of repairing or industrially processing such items, (iii) the estimated value of the foregoing, (iv) ratios of expected waste in case of industrial processing as per the universally-acknowledged technical ratios, (v) type and value of foreign-made materials included in the industrial processing, and (vi) the fixed date for withdrawing completed items. The original declaration shall be caused to be approved by the Free Zone management concerned that shall retain a copy thereof.

The declaration shall be submitted along with an undertaking by the project to return the items from the Free Zone into the Country following repair or processing, or to complete customs, exportation and monetary procedures, should the project elect to export the items abroad.

GAFI shall decide on the application within a period not exceeding three (3) days from the date of the completion of documents and the conducting of necessary inspections.

Article 100

An application for dispatch out of the Free Zone and repatriation into the Country shall be submitted by the person concerned to GAFI, after repairs and industrial processing have been made. The application shall

indicate (i) the works effected and the value thereof, (ii) the value of foreign materials used in such works, (iii) the period of completing the works, and (iv) the shape of items after processing. Enclosed with the application shall be a copy of the admission application, a declaration to the effect that such are the very items earlier permitted for admission into the zone and the repair or industrial processing invoice. The original declaration shall be caused to be approved by the zone management that shall retain a copy thereof.

Article 101

The items referred to in the preceding Article (100) shall, in the presence of the person concerned, be inspected by a joint committee of the zone management and the Customs, which shall verify the accuracy of data against the submitted documents. A decision to release items shall be issued subject to payment of the prescribed taxes and customs duties. The project shall submit the endorsed original declaration to the customs department concerned for necessary customs processing. The project shall keep a copy for submission together with other documents, when readmitting items into the country. Items shall be handed over to and shall remain in the full custody and under full liability of the project representative pending repatriation.

Article 102

A Public Free Zone project licensed to undertake repair and industrial processing operations shall assign from among the warehouses thereof separate warehouses for goods, materials, parts and raw materials to be repaired or processed, and shall maintain a separate account for such activity other than the account of the main activity licensed to such project, in such a way as to ensure that individual results will be shown for each activity separately.

Article 103

Dispatching plain packages, empty cans, damaged products rendered unfit for exportation as well as processing leftovers out of the Free Zones into the Country shall be subject to the approval of the Free Zone management. The project shall submit to the customs department concerned a statement of such items endorsed, based on such approval, by the free zone management concerned for completing customs processing, inspection, reconciliation, collection of taxes and customs duties due and allowing exit of items.

Materials and wastes resulting from the activities of projects operating within the Free Zones may be admitted into the Country, whenever such admission is for the purpose of getting rid of or recycling such materials and wastes, in accordance with the safe ways

and means set forth under the Environment Law, and at the expense of the person concerned.

Article 104

GAFI's accruals payable by Free Zones projects may be collected in any foreign currency accepted by the Egyptian banks.

Article 105

Subject to the provisions of articles (41) and (44) of the aforementioned Investment Law, the prescribed fee shall be collected as follows:

I. In respect of Public Free Zones Projects:

- Storage projects shall, upon entry of goods consigned to the Free Zones for the account of such projects, be subject to a fee of two percent (2%) of the value, calculated based on CIF value or the Customs valuation of such goods, whichever amount is higher, and to a fee of two percent (2%) of the value of purchases in direct supply operations comprising goods purchase and sale;
- Manufacturing and assembly projects shall, upon commodity exit, be subject to a fee of one percent (1%) of such commodity, calculated based on the FOB value thereof, and to a fee of one percent (1%)

of the operating value of industrial processing or supplementary processes carried out on goods and materials being toll-manufactured within the Free Zones; and

- Projects, whose main activity does not require entry or exit of commodities, shall be subject to a fee of one percent (1%) of the total revenues generated thereby, without deduction of any charges in return for obtainment of such revenues, and to a fee of one percent (1%) of the value of commission in direct supply operations restricted to the collection of brokerage commission, provided that the fee set forth in this paragraph is collected biannually based on the statement of revenues provided by the project in respect of the relevant period;

II. In respect of Private Free Zones Projects:

- Manufacturing and assembly projects shall be subject to a fee of one percent (1%) of the total revenues generated thereby, upon exportation of commodities abroad, as evidenced by the customs document so indicating, and to a fee of one percent (1%) of the operating value of industrial processing or supplementary processes carried out on goods and materials being toll-manufactured within the Free Zones;

- Manufacturing and assembly projects shall be subject to a fee of two percent (2%) of the total revenues generated thereby, upon entry of commodities into the Country, as evidenced by the sales invoice;
- Storage projects shall be subject to a fee of two percent (2%) of the total revenues generated thereby upon exportation of commodities as evidenced by the sales invoice; and
- Projects, whose main activity does not require entry or exit of commodities, shall be subject to a fee of two percent (2%) of the total revenues generated thereby, without deduction of any charges in return for obtainment of such revenues, and to a fee of two percent (2%) of the value of commission in direct supply operations restricted to the collection of brokerage commission, provided that the fee set forth in this paragraph is collected biannually based on the statement of revenues provided by the project in respect of the relevant period.

The collected fees, set forth in Item (II) of this Article (105), shall be biannually distributed on a fifty-fifty basis between GAFI and the Ministry of Finance.

Direct transit goods consigned to zones having ports of their own shall be exempted from payment

of such fee, provided that the final destination of such goods is expressly stipulated in the documents of the consignment, and that the consignment is re-exported to another country.

In all cases, final settlement of the fee due shall be based upon the type of the activity of the project as evidenced by the financial statements thereof and the notes complementing the same that are certified by a chartered accountant, exception being made for the previously mentioned fees.

Article 106

Projects carrying on activity under the Free Zones System shall provide the Free Zone management concerned, the Ministry of Finance, and the Ministry of Investment and International Cooperation with a copy of the financial statements and the notes thereto approved by a chartered accountant within ninety (90) days following expiry of the fiscal year of the project.

The Free Zone management concerned shall have the right to inspect and audit the items of the financial statements and the notes thereto, and demand the project submit the analytical data necessary for review audit purposes.

Article 107

Free Zones projects shall, in return for the services provided by GAFI thereto, pay to GAFI a consideration. This consideration shall, in respect of industrial and assembly projects, be half per mille percent (0.0005%) of the issued capital of such projects, and shall, in respect of storage projects, services projects and projects licensed to carry on more than one activity, be one per mille percent (0.001%) of the issued capital of such projects, provided that the amount of the consideration does not exceed one hundred thousand Egyptian pounds (100,000), and that the consideration is paid with the freely convertible currency.

The service consideration shall be calculated for a full Gregorian year, except for the initial year, which shall be prorated to the period remaining from the date on which activity has been licensed to be carried on until the end of the Gregorian year.

Article 108

The Free Zone management concerned shall collect GAFI's accruals due on the project by deducting the same from the financial guarantee provided by the project, should the project fail to pay within fifteen (15) days from the date on which such project has been notified by virtue of a registered letter with an acknowledgement of receipt to pay.

In such case, the project shall complete the value of the guarantee within fifteen (15) days from the date on which the same has been notified to that effect by virtue of a registered letter with an acknowledgment of receipt. Should the value of the guarantee remain uncompleted, this matter shall be brought before the Free Zone BoD who shall decide thereon.

Article 109

An Investor shall provide a comprehensive insurance on all buildings, machinery and equipment against all accidents and risks arising out of engagement in a licensed activity, provided that the insurance policy is issued by one of the companies licensed to operate in the Arab Republic of Egypt.

In the event where an accident or a risk being insured against occurs, and the insured buildings and establishments have become jeopardizing assets and lives or the surrounding projects, the Free Zone BoD may issue a reasoned resolution obligating the project to remove such buildings and establishments. Investor or a representative thereof shall be notified, by virtue of a registered letter with an acknowledgment of receipt, of such resolution within one (1) week from the date on which such resolution has been passed. When necessary, the Free Zone management may shorten that time limit.

Investor shall, at Investor's own expense and within the time limit to be specified by the zone management, implement the resolution of removal. Should Investor fail to implement such resolution, the Zone BoD may suspend or cancel the project, depending on the gravity of threat such buildings and establishments pose if remained unremoved.

Article 110

Projects shall annually make an inventory of assets thereof, in the presence of the representatives of the Free Zone concerned and the bodies concerned representatives deemed by the zone management fit to attend the making of such inventory. The Free Zone management may conduct total or partial inventory of any item, whenever circumstances so require. In the event of any unaccounted shortage or excess, such shall be entered into a verbal process, which shall include in detail the item, quantity and weight, as well as the date of the inventory. The representative of the project, the representative of the Free Zone and the representative of body engaged by the zone management shall sign on the verbal process.

The project shall place the records and the books at the disposal of the zone management for inspection and reconciliation. In the event of unaccounted shortage or excess, the zone management shall notify the Customs

to collect the taxes, customs duties and fines prescribed by the Customs Law.

Article 111

Should a project be in violation of the provisions of the Investment Law, these Executive Regulations, the bylaws of the Free Zone, the license conditions or the decisions of the Free Zone, and fail to rectify the violation within the time limit specified by GAFI, GAFI may suspend the activity of such project for a certain period or revoke the license granted thereto, depending upon the gravity of the violation, the circumstances in which the violation has been committed and the extent of damage caused to the national economy.

Article 112

In the event of revocation of approval granted to the project, the Investor shall carry out the liquidation proceedings, and terminate the physical presence of activity in accordance with the controls set out by the bylaws of the Free Zone.

Article 113

A licensee shall, upon employing any person to work therefor in the Free Zone, enter into an employment contract of four duplicates; two for the two parties, a

duplicate to the Free Zone management and a duplicate to the zone labor office. In case the contract was entered into in a foreign language, an Arabic translation of the contract shall be attached to each of the two duplicates.

A licensee shall maintain the criminal record and a copy of the personal identity (national identity card or passport) and shall communicate with the Free Zone management to obtain an entry permit to the Free Zone for the worker.

A licensee shall provide social insurance to workers therefor. The appropriate social insurance office shall be notified of an application for insurance on a worker enclosing a duplicate of the employment contract, provided that the National Organization for Social Insurance is furnished with an annual statement listing the names of workers in the Free Zone projects, along with the wages, dates of employment and dates of end of service of such workers.

Article 114

The Labor Law provisions on the social and medical services necessary for workers protection during work shall apply to the workers of the Free Zones licensed establishments, without prejudice to any more favorable privileges accorded by the systems of such establishments. The Free Zones bylaws shall regulate

the affairs of the workers of such projects, and shall include, in particular, the following:

- a. Percentage of Egyptian workers which may not be less than eighty percent (80%) of the project workers;
- b. Minimum wages which may not be less than the minimum applicable wages outside the Free Zone within Egypt;
- c. Daily working hours and weekends, which may not exceed forty-eight (48) hours per week;
- d. Overtime working hours and accrued payments thereof; and
- e. Social and medical services provided by the projects for the workers and the precautions necessary for the protection of such workers during work.

Article 115

GAFI shall set up security and monitoring systems to realize the security and safety of individuals, projects, establishments, commodities and goods inside the Public Free Zones in a way as to maintain such zones and prevent crimes, and shall procure fire extinguishers and maintenance thereof.

Article 116

GAFI or the head of the Public Free Zone concerned, as the case may be, shall grant entry permits into the Free Zone to each of the following:

- 1- Employers or representatives thereof upon acceptance of the applications submitted by such employers or representatives; such permits shall be granted for a term similar to that specified in the license to operate;
- 2- Workers in projects and establishments licensed to carry on activity in the Free Zone as per the applications submitted by the employers; such permits shall be issued for period of one (1) year that may be renewed;
- 3- GAFI personnel whose job tasks require entry into the Free Zone; and
- 4- Persons who shall, when appropriate, temporally and irregularly enter the Free Zone in accordance with the rules to be issued by a resolution of GAFI.

Article 117

Entry or residence permits shall be cancelled:

- 1- If permit holder is sentenced in or attempts at a smuggling or theft felony or crime;

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- 2- If permit holder's service or employment at the project or establishment for which such permit holder works has been terminated; or
 - 3- If the permit holder's activity licensed to be carried on within the Free Zone has been terminated or suspended.

Article 118

The permit may be cancelled:

- 1- If permit holder assaults or resists any of the public authorities officers or judicial officers, or obstructs GAFI personnel from performing their duties; or
- 2- If permit holder violates the provisions of law, these Executive Regulations or any other regulations, decisions or instructions issued by GAFI.

Article 119

A person who desires to permanently carry on a profession or occupation in the Public Free Zone on his own shall submit an application to the CEO of the Free Zone in order to obtain the license.

The license shall be issued in consideration of a fee of five thousand Egyptian pounds (EGP 5,000) per year.

The licensee shall, within the sixty (60) days following the issuance of license, submit to GAFI the commercial registration number or professional practice license, as the case may be, and a copy of the tax card showing the new business activity within the zone. License shall be voided if the aforementioned items are not submitted on the set date.

Article 120

GAFI CEO may license the conversion of projects set up under the Public Free Zone System to the Internal Investment System in accordance with the conditions and procedures laid down by GAFI BoD, and particularly subject to that:

- 1- The project has operated under the Free Zone System for at least one (1) year;
- 2- In respect of projects established in the Public Free Zones, activity is carried on outside the geographic boundaries of the Free Zone; and
- 3- In respect of carrying on activity under the Free Zones System, the accruals of GAFI and other governmental bodies have been be paid.

Projects operating within the Private Free Zones shall be converted to the Internal Investment System in accordance with the two conditions (1) and (3) above,

together with the other conditions and procedures to be laid down by GAFI BoD in this regard and issued by a decree of the Council of Ministers upon a proposal of the Appropriate Minister.

Section V

Regulation of Investment Environment

Chapter I

Bodies in Charge of Investment Affairs

Article 121

GAFI BoD shall, upon the invitation of GAFI BoD Chairperson, convene at least once every month. GAFI BoD meeting may not be valid unless attended by at least two-thirds of members thereof. GAFI BoD may convene partially or fully using one of the modern means of technology (Conference Call/Video Conference Call), in which case, each member shall send opinion thereof on the adopted resolutions via e-mail, which shall be duly signed electronically, or any other means, within a period not exceeding forty-eight (48) hours from the date of convening. Should a member fail to send opinion thereof within the specified period, this shall be deemed an approval on such member's part to the form and content of the minutes of the respective meeting.

GAFI BoD may constitute from among the members thereof one or more committee(s) to be assigned a specific task.

GAFI BoD Chairperson may, when necessary, invite experts deemed thereby fit to attend meetings; however,

such experts may not have a counted vote in GAFI BoD resolutions.

GAFI BoD resolutions shall be passed by majority of votes of attending members. In case of a tie, GAFI BoD Chairperson shall have the casting vote. GAFI CEO shall implement GAFI BoD resolutions.

Article 122

GAFI BoD shall have a technical secretariat to be composed of a chairperson and a sufficient number of GAFI personnel; a decision on the selection and the financial remuneration of such chairperson and personnel shall be issued by GAFI BoD Chairperson upon a proposal of GAFI CEO.

The technical secretariat shall prepare the subject matters and the agenda for approval by GAFI BoD Chairperson, send invitations to members and invitees, as the case may be, and maintain for the purpose of recording GAFI BoD minutes of meeting and resolutions regular books to that effect.

Article 123

GAFI BoD Chairperson shall propose the agenda of the meeting for discussion and adoption of such resolutions as deemed fit by GAFI BoD.

GAFI BoD Chairperson may, at discretion thereof, propose to GAFI BoD any new business.

Without prejudice to the publicity of GAFI BoD resolutions, GAFI BoD discussions shall be confidential, and may not be disclosed except with the permission of GAFI BoD Chairperson or of the investigation and prosecution bodies. The technical secretariat shall provide a detailed summary of such discussions, the volume of votes and the resolution passed in that respect in minutes of meeting to be approved by the Appropriate Minister.

When necessary, the technical secretariat may, upon the approval of GAFI BoD Chairperson, send a brief, comprising justifications and evidences, on the matter in respect of which a resolution is required to be passed, to all GAFI BoD members using either of the following means: (delivery in person, fax or e-mail). GAFI BoD members shall provide opinions thereof in that respect using either of the aforementioned means, and in which case, GAFI BoD resolution shall be passed upon the approval of all members thereof, provided that GAFI BoD is informed of all actions taken in that respect during the first subsequent GAFI BoD meeting.

Article 124

Should a company or an establishment be in violation of the provisions of the Investment Law, GAFI CEO

or a representative thereof shall notify such company or establishment to rectify the violation within a period not exceeding fifteen (15) business days from the date of service of notice.

Should such company or establishment fail to rectify the violation within the specified time limit in the notice, GAFI CEO may, upon the approval of GAFI BoD, issue a decision suspending the activity of such company or establishment for a period not exceeding ninety (90) days. The decision effecting the suspension shall indicate all actions taken. Should such company or establishment continue to be in the same violation or commit other violations within one (1) year from the date of notice of the former violation, GAFI CEO may, upon the approval of GAFI BoD, take any of the following actions depending upon the gravity and the recurrence of violations:

- a. Suspension of the stipulated incentives and exemptions;
- b. Reduction of the term of the stipulated incentives and exemptions;
- c. Termination of the stipulated incentives and exemptions, including any implications to which such termination should give rise in respect of the approvals and licenses issued to such company or establishment; and
- d. Revocation of the license to operate.

In respect of violations jeopardizing the public health or safety, or the national security, GAFI CEO may, after having notified GAFI BoD, issue a decision suspending the activity of such company or establishment for period of ninety (90) days. Should such company or establishment continue to be in violation or commit another violation within one (1) year from the date of the former violation, GAFI CEO may revoke the license of such company or establishment.

Article 125

GAFI may assign the mission of implementing the plan thereof in respect of promotion of available investment opportunities domestically and abroad to companies specialized in the field of promotion. A company wishing to carry on this activity shall be a joint-stock company. The activity of such company shall be limited to the marketing and promotion of zones development and attraction of Investors.

Companies specialized in the aforementioned field and satisfying such financial and technical requirements to be issued by a GAFI BoD resolution as are necessary for engagement into a contract with such companies shall be listed in a record to be kept at GAFI.

Article 126

The companies shall submit an annual statement as of the fiscal year subsequent to production/activity commencement date. The annual statement shall include the following information:

- The volume of investments of the company;
- The financial statements;
- Number, positions and nationalities of employees and total wages thereof;
- The capital as evidenced by the latest budget, and the investment cost;
- The company main place of business and the site on which the activity is carried on;
- The type of incentives accorded to the company;
- Names of company partners, shareholders or owners;
- The commercial and tax registration number;
- A statement on the system adopted by the company in the field of social development outside the investment project; and
- The approved object and the object, which is accorded incentives.

Article (126 bis)²

In the application of the provision of Article (74) of the aforementioned Investment Law, the terms “Public Entities” and “Private Entities” shall have the following meanings:

Public Entities: means ministries, public bodies, governorates, and other public legal persons having jurisdiction to grant companies and establishments licenses required for incorporation and carrying on business or to supervise and oversee such companies and establishments in accordance with special laws or decrees, or international agreements or contracts, including, without limitation, Ministry of Petroleum and Mineral Resources (“MPMR”); Ministry of Electricity and Renewable Energy (“MERE”); Central Bank of Egypt (CBE); Financial Regulatory Authority (FRA); Egyptian Stock Exchange; Industrial Development Authority (IDA); and the authorities of the economic zones of special nature. Misr for Central Clearing, Depository and Registry (“MCDR”) shall be deemed a Public Entity.

Private Entities: means all companies that have been or will be duly incorporated in the Arab Republic of Egypt irrespective of the legal framework whereby such companies are governed, and all investment projects governed by the aforementioned Investment Law and in which foreigners hold any number of shares.

2 This article is added by the Prime Minister Decree No. 2731 of 2019

Article (126 bis. A)³

Without prejudice to the provisions of the Central Bank, Banking Sector and Money Law, Public Entities and Private Entities referred to in Article (126 bis) of these Executive Regulations shall, within the following time limits, provide GAFI with the information and data required to calculate the assets of direct and indirect foreign investments. In so doing, Public Entities and Private Entities shall fill up and send the forms and surveys to be set out by a decree of Prime Minister through the electronic system set up by GAFI for the calculation of foreign investment assets or through any other means, and during the following terms:

- I. In respect of Public Entities, quarterly periodic reports encompassing the available information and data in connection with the companies in which there is a foreign shareholding – be it by way of incorporation, change of capital or object, or change of company shareholders or BoD structure – shall be submitted within maximum thirty (30) days from the end of March, June, September, December per annum.

Quarterly periodic reports encompassing the information and data related to international agreements and contracts concluded with the foreign investors shall be submitted within

³ This article is added by the Prime Minister Decree No. 2731 of 2019

maximum forty-five (45) days from the end of March, June, September, December per annum.

- II. In respect of Private Entities, reports shall be submitted within maximum thirty (30) days from the date of incorporation, change of capital or object, or change of company shareholders or BoD structure.

Quarterly periodic reports shall be submitted within maximum forty-five (45) days as of every yearly quarter at the end of March, June, September, December per annum.

Annual periodic reports shall be submitted within the following four months as of the end of the fiscal year.

Chapter II

Subsequent Monitoring, Inspection and Governance Procedures

Article 127

GAFI shall follow up on the implementation of the provisions of the Investment Law and these Executive Regulations. GAFI may, within the scope functions thereof, investigate any shareholder, partner or other stakeholder complaint relating to the implementation of

the provisions of the Investment Law, and the Law on joint-stock companies, partnerships limited by shares and limited liability companies.

GAFI may, at discretion thereof, take any actions in respect of the violations revealed thereto, in accordance with the rules and procedures legally prescribed for GAFI.

GAFI CEO shall issue decisions relating to the streamlining and simplification of procedures to Investors and the replacement of books and papers with electronic means compatible with the technological development in such a way as to expedite provision of services to Investors in respect of all procedures falling within GAFI's scope of functions and including in particular:

1. Setting such controls and conditions that would streamline all procedures relating to the general meetings and the meetings of boards of directors of companies, and the ratification of minutes thereof, in terms of service provision time, the documents and other matters required for service provision and the electronic provision of service immediately after activation at GAFI;
2. Developing, standardizing and simplifying capital increase or decrease procedures, the financial valuation models as well as the process of validating the estimated values for such models,

without prejudice to the scope of functions legally prescribed for FRA; and

3. Setting controls that would ensure separation of the regulation of investment procedures from subsequent monitoring over companies.

Without prejudice to any of the conditions stipulated in the other laws, GAFI BoD shall set such controls and conditions that are relating to inspection procedures and subsequent monitoring over companies of any legal structure whatsoever.

Article 128

In addition to GAFI's monitoring role, GAFI shall set such rules that would ensure that the principles and rules of governance, liabilities, guarantees and rights accorded by the law to companies be applied.

Such rules, controls and systems ensuring that the aforementioned principles be applied shall be issued under a resolution of GAFI BoD.

Chapter III

Grievances

Article 129

One or more committee(s) ("Grievance Committee") shall hereby be formed to look into grievances against the administrative resolutions passed in accordance with the provisions of the Investment Law and these Executive Regulations by GAFI or administrative bodies having competence to grant the approvals, permits and licenses.

Grievance Committee shall be constituted comprising a Justice of an authority from among the Judiciary as chairperson, the selection of whom shall be determined by the board of such authority, a GAFI representative and an expert as members.

A record designated for the listing of various fields experts shall be created at GAFI. From among said experts, an expert shall be appointed as a Grievance Committee member, provided that said member is specialized in the field being the subject matter of the grievance. Laying down the required controls and conditions for listing these experts shall be under a resolution to be issued by GAFI BoD.

A decision on Grievance Committee formation and code of procedure shall be issued by the Appropriate Minister.

Article 130

Grievance shall be brought before the Grievance Committee within fifteen (15) days from the date of service of notice or knowledge of the decision being the subject matter of the grievance.

Grievance Committee shall convene at the headquarter of GAFI at least every fifteen (15) days. Should a Grievance Committee expert member excuse oneself from the Grievance Committee, the expert listed as next of the excused member in the record designated for that purpose shall be appointed by a decision of GAFI CEO.

Grievance Committee may communicate with the parties concerned and the appropriate administrative bodies to request clarifications, inquiries and documents deemed necessary by Grievance Committee to decide on the grievance. Grievance Committee may use the various experiences and specializations of GAFI and of other administrative bodies

Grievance Committee shall decide on the grievance within thirty (30) days from the closing date of hearings and submissions. Grievance Committee's resolution shall include the reasons behind issuing the same. Grievance Committee resolution shall be final and binding on all Appropriate Bodies. The technical secretariat of the Grievance Committee shall, by virtue of registered letter with an acknowledgment of receipt,

notify the parties concerned of the resolution thereof. The lapse of the aforementioned time limit without having decided on the grievance shall be deemed rejection of the grievance.

Article 131

Grievance Committee shall have a technical secretariat; a decision on formation of which shall be issued by the Appropriate Minister. The technical secretariat shall be comprised of a sufficient number of specialized and full-time employees. Delegation into such secretariat shall be permissible.

The technical secretariat shall receive grievances on the application form designated for that purpose, and shall, upon receiving such grievances, list them in a record designated for that purpose. The technical secretariat shall give the grievant a receipt indicating the listing date and number, and shall in particular:

- 1- Create a grievance file and present it to the Chairperson of the Grievance Committee immediately after receiving the grievance in order for the Chairperson to arrange a hearing for looking into the grievance;
- 2- Notify the grievant of the hearing date using any of the notification means stipulated in Article (7) of these Executive Regulations before the

- hearing date by sufficient time, in order for the grievant to be present, either in person or by a legal representative thereof, before the Grievance Committee;
- 3- Undertake the tasks of the secretarial work of the Grievance Committee and write up the minutes of hearings of the Grievance Committee;
 - 4- Undertake all administrative works relating the work of the Grievance Committee, and create a database of all grievances brought before the Grievance Committee and the resolutions passed thereon;
 - 5- Notify the person concerned with an endorsed copy of the resolution passed by the Grievance Committee on the grievance, and the grounds substantiating such resolution; and
 - 6- Carry out any other tasks assigned thereto by the Grievance Committee.

Article 132

A grievance shall include, in particular, the following data:

- 1- Grievant name, capacity and address;
- 2- The resolution being subject matter of grievance, the issuance date thereof, and the date of service of notice or knowledge;

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- 3- A brief on the subject matter of the grievance giving an account of the grounds substantiating such grievance;
 - 4- Documents evidencing the grievance;
 - 5- Payment receipt, to be specified by GAFI BoD, for the Grievance Committee services.

Article 133

GAFI shall provide an electronic schedule to list the grievances. Such schedule shall include the grievance date; subject matter; the resolution being the subject matter of grievance; grievant name and capacity thereof; and the hearing date on which the grievance is to be looked into and postponements thereto. This schedule shall be linked to GAFI's official website on the internet.



These Executive Regulation of the Investment
Law No. 72 of 2017 have been translated by
GAFI Translation Department