

Translation of

the Financing of
Medium, Small, and
Micro Enterprises
Law No. 141 of 2014

ترجمة قانون تمويل المشروعات
المتوسطة، الصغيرة ومتناهية
الصغر رقم ١٤١ لسنة ٢٠١٤

21 August 2025

**Law No. 141 of 2014 Concerning the Regulation of the Practice of Financing
Medium, Small, and Micro Enterprises**

In the name of the people President of the republic

Preamble

Having reviewed the Constitution;

And the Civil Code;

And the Commercial Code;

And the Stamp Duty Law issued by Law No. 111 of 1980;

And the Law on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies issued by Law No. 159 of 1981;

And the Anti-Money Laundering Law issued by Law No. 80 of 2002;

And the Law on Associations and Civil Institutions issued by Law No. 84 of 2002;

And the Law on the Central Bank, the Banking Sector and Currency issued by Law No. 88 of 2003;

And the Law on the Development of Small Enterprises issued by Law No. 141 of 2004;

And the Income Tax Law issued by Law No. 91 of 2005;

And the Law establishing the Economic Courts issued by Law No. 120 of 2008;

And Law No. 10 of 2009 regulating the supervision of non-banking financial markets and instruments;

And upon the approval of the Council of Ministers;

And based on the opinion of the State Council;

The following Law has been enacted:



Article (1):

Without prejudice to the provisions of the Law regulating the Central Bank and the Banking Sector, and the Law on the Development of Medium, Small, and Micro Enterprises issued by Law No. 152 of 2020, the provisions of this Law shall apply to the activity of financing medium, small, and micro enterprises.

The activity of financing medium, small, and micro enterprises shall be considered a non-banking financial instrument for the purposes of applying the provisions of Law No. 10 of 2009 regulating the supervision of non-banking financial markets and instruments.

No entity other than those stipulated in Article (3) of this Law may engage in the activity of financing medium, small, and micro enterprises.

Article (2):

For the purposes of applying this Law, the following terms and expressions shall have the meanings set forth opposite each of them:

Financing of Medium, Small, and Micro Enterprises: Any financing granted for economic, productive, service, or commercial purposes to medium, small, and micro enterprises as defined under the Law on the Development of Medium, Small, and Micro Enterprises, provided that the financing for a single micro enterprise shall not exceed two hundred thousand Egyptian pounds. The Board of Directors of the Authority may increase the maximum limit for micro-enterprise financing for a single project or a natural person by no more than ten percent (10%) annually, subject to economic conditions.

The Authority: The Financial Regulatory Authority (FRA).

The Company: A company licensed to finance any of the medium, small, or micro enterprises in accordance with the provisions of this Law.

Association or Civil Institution: An association or civil institution licensed to finance any of the medium, small, or micro enterprises in accordance with the provisions of this Law.

Intermediation in Granting or Collecting Financing: An activity carried out by a legal person, consisting of preparing and organizing the client's file for submission to the company, association, or civil institution to obtain financing, informing the client of financing risks, providing technical advice, or collecting and remitting financing installments to the financing entity.



Remunerated Guarantee: A contract under which a person guarantees the fulfillment of the obligations of a client of medium, small, or micro enterprise financing, undertaking to the company, association, or civil institution to discharge the obligation if the client fails to do so, in return for a fee.

Article (3):

Companies licensed under the provisions of this Law shall have the right to engage in the activity of financing medium, small, and micro enterprises. Associations and civil institutions whose purposes include providing financing to third parties under their statutes may engage in the activity of financing medium, small, and micro enterprises upon obtaining a license from the Authority to conduct such activity.

Associations and civil institutions may also establish or participate in the capital of companies engaged in financing medium, small, and micro enterprises.

The provisions of this Law shall not apply to the Medium, Small, and Micro Enterprise Development Agency or to banks subject to the supervision of the Central Bank.

Article (4):

The Authority shall have the sole competence to grant licenses for the practice of the activity to companies subject to the provisions of this Law.

Companies financing medium, small, and micro enterprises shall be deemed companies operating in the field of non-banking financial markets and instruments in accordance with the provisions of Law No. 10 of 2009.

In all cases, companies licensed to engage in the activity of financing medium, small, and micro enterprises shall be prohibited from accepting deposits or carrying out any activity other than that for which the license or approval has been granted.



Article (5):

Companies wishing to engage in the activity of financing medium, small, and micro enterprises must satisfy the following conditions:

- They must take the form of an Egyptian joint stock company.
- Their activities must be limited exclusively to the financing of medium, small, and micro enterprises.
- Their issued and paid-up capital shall not be less than the minimum amount determined by the Board of Directors of the Authority, provided that it shall not be less than twenty million Egyptian pounds for medium and small enterprise financing companies, and five million Egyptian pounds for micro enterprise financing companies.

Companies intending to engage in both activities (medium and small enterprise financing and micro enterprise financing) must meet the minimum issued and paid-up capital required by the Authority's Board of Directors for each activity as indicated herein.

- They must have the necessary technical capabilities, information systems, risk management, funds collection, monitoring of financing operations, and a customer complaint review system, all in accordance with the rules issued by decision of the Board of Directors of the Authority.
- The chairman, members of the board of directors, the managing director, and the managers responsible for financing and risk must possess appropriate expertise and good reputation, subject to the requirements set by the Board of Directors of the Authority.

Article: (6):

The company shall submit an application to the Authority for a license to engage in the activity of financing medium and small enterprises, or the activity of financing micro enterprises, or both, using the form prepared by the Authority for this purpose. The Board of Directors of the Authority shall determine the rules and procedures for licensing and its fees, provided that such fees shall not exceed one percent (1%) of the company's paid-up capital, to be settled through the payment methods approved by the Authority.

The Authority shall provide the applicant with a certificate of receipt of the submitted documents or a statement of any additional documents required.



The Authority shall decide on the license application in light of market needs for new financing companies. It may reject the application in the following cases:

- Failure to meet the conditions set forth in this Law or in the regulations issued in implementation thereof.
- Failure to meet the standards determined by the Authority's Board of Directors with respect to the experience and professional competence of the company's managers.
- A judgment of bankruptcy having been issued against any of the company's founders within the five years preceding the application date, unless rehabilitation has been granted.
- A final conviction having been issued within the five years preceding the application date against any of the company's founders, directors, or board members for a felony or misdemeanor involving dishonor or breach of trust, unless rehabilitation has been granted.

Article (7):

The Board of Directors of the Authority, in coordination with the Medium, Small, and Micro Enterprise Development Agency, shall set forth the rules and regulations governing the practice of financing medium and small enterprises, the practice of financing micro enterprises, or the practice of both activities, in addition to financial solvency standards applicable to companies according to their licensed activity, as well as rules for their supervision and oversight, particularly the following:

- Rules ensuring the proper conduct of the company's business and the protection of creditors and clients' rights.
- Regulations governing ownership of 50% or more of the company's issued share capital.
- Licensing conditions and requirements for those managing the company and those responsible for credit and financing.
- The maximum value of transactions with a single client.
- Limits and conditions on financing and other services that the company may provide to its employees.
- Rules for calculating provisions in light of credit, financing, and operational risks.



- Disclosure requirements and the manner of publishing information.
- Rules for advertising financing services and products and the consequences of non-compliance with related obligations.
- Regulations governing participation in the credit information system.
- Conditions and procedures for concluding group financing contracts with a number of clients jointly liable for repayment.
- Corporate governance rules binding upon the company.

In all cases, board members, executive managers, those responsible for credit and financing, and their relatives up to the second degree shall be prohibited from obtaining financing or any related services from the company.

Article (8):

The company shall obtain prior approval from the Authority for the activities, services, products, and instruments it intends to deal in, as well as the types of guarantees associated therewith. It must also disclose to clients, in every contract, the details of the financing services or products, financing costs, the prices of other services provided, the risks clients may be exposed to, and their current and future obligations, in accordance with disclosure rules issued by the Authority's Board of Directors.

The company may not open branches, merge with or into another entity, cease its activities, liquidate all or the majority of its assets, or transfer its credit portfolio except with the prior written approval of the Authority, in accordance with the conditions and procedures determined by the Authority's Board of Directors.

Each licensed company shall pay to the Authority supervision and oversight costs at the rate of half per thousand (0.05%) of the average financing portfolio balance granted to its clients, calculated and paid on a quarterly basis.



Article (9):

A licensed company shall prepare quarterly financial statements in accordance with Egyptian Accounting Standards and in compliance with the rules set by the Authority in this regard. These statements shall be audited in accordance with Egyptian Auditing Standards and the auditing manual issued by the Authority.

The company's accounts shall be audited by at least one auditor registered with the Authority in the register maintained for this purpose. The Board of Directors of the Authority shall set the conditions and rules for registration and removal of auditors in this register.

Article (10):

The following shall be considered deductible expenses when determining taxable net income in accordance with the provisions of the Income Tax Law:

- Interest expenses paid by the company on loans and other means of financing.
- Provisions allocated by the company for doubtful debts in accordance with the standards set by the Authority and as approved by the company's auditor.
- Debts resolved to be written off by the company's board of directors, based on the auditor's report, exceeding the aforementioned provisions, provided that serious recovery procedures have been pursued in accordance with the regulations and procedures set by the Authority's Board of Directors.

Loan balances and any other forms of financing granted by the company to its clients in accordance with the provisions of this Law shall be exempt from stamp duty and all other taxes and fees.

Article (11):

The Board of Directors of the Authority may, for the purpose of market stability or protecting the rights of those dealing with the company, or in cases where the company faces financial circumstances affecting its financial position, require the company to increase its paid-up capital, the funds allocated to its operations, or its solvency ratio, within a specified timeframe.



In the event of a violation by the company of the provisions of this Law or the regulations issued in implementation thereof, or if it loses a licensing condition, or engages in actions that may threaten market stability or the interests of its shareholders, members, or clients, the Board may impose one or more of the following measures:

- Issue a warning requiring the company to remedy the violation within a specified period and under specified conditions.
- Require the chairman of the company's board of directors to convene the board or the general assembly to review the violations and take necessary corrective action.
- Suspend the company from engaging in all or part of its licensed activities for a specified period, or prohibit it from dealing with new clients.
- Dissolve the company's board of directors and appoint a trustee to manage it until a new board is lawfully constituted.
- Issue a decision to merge the company into another company, subject to the consent of the absorbing company.
- Cancel the company's license to engage in all or part of its licensed activities.

The measures referred to in items (1) and (2) may be imposed by the Chairman of the Authority. The Chairman may also impose the measure set out in item (3) if the threat referred to is likely to cause irreparable harm, provided that such suspension shall not exceed one month or until the matter is referred to the Board of Directors of the Authority, whichever occurs first.

Article (12):

Within the Financial Regulatory Authority, an independent unit of a special nature shall be established for the supervision of financing activities of medium, small, and micro enterprises conducted by associations and civil institutions. This unit shall have a Board of Trustees composed of representatives of the relevant ministries and entities, the formation of which and the determination of the financial treatment of its members shall be decided by the Authority's Board of Directors. The unit shall assume the functions set forth in this Law.

The Board of Directors of the Authority shall issue the unit's statutes, financial and administrative regulations, personnel regulations, and organizational structure, without being bound by the systems and rules applicable to government, the public sector, or the public business sector.



Article (13):

The unit shall be responsible for regulating, supervising, and monitoring the financing of medium, small, and micro enterprises. For this purpose, it shall in particular:

- Establish the conditions for obtaining a license to engage in the financing of medium and small enterprises, the conditions for obtaining a license to engage in the financing of micro enterprises, and the conditions for associations and civil institutions to obtain such licenses.
- Establish the rules and standards governing the practice by associations and civil institutions of financing medium and small enterprises and managing the risks associated therewith, and the rules and standards for their practice of micro enterprise financing and risk management, or the rules and standards for the practice of both activities and the management of associated risks.
- Collect data and information on the activities carried out by associations and civil institutions in this field, prepare relevant studies, and issue reports and statistics.
- Monitor the performance of associations and civil institutions engaged in such activity and take necessary measures to ensure their compliance with the provisions of this Law and with the rules and standards set by the unit.
- Establish rules for inspection and supervision of associations and civil institutions in respect of their financing activities for medium, small, and micro enterprises.
- Submit monitoring reports to the Chairman of the Authority, including recommendations concerning associations and civil institutions that violate the provisions of this Law or fail to comply with the rules and standards for conducting the activity.
- Coordinate with the relevant entities to contribute to the development of financing activities for medium, small, and micro enterprises, to manage related risks, and to ensure alignment of the rules and regulations governing such activities between companies, associations, and civil institutions engaged in the activity.



Article 13 bis (1):

Without prejudice to cases requiring a judicial ruling, the Board of Directors of the Authority may, in the event that an association or civil institution licensed to engage in the activity of financing medium, small, and micro enterprises violates the provisions of this Law or the decisions issued in implementation thereof, or if it loses any of the licensing requirements, or engages in conduct that threatens the stability of the market or the interests of its members or clients, adopt one or more of the following measures:

- Issue a warning to the association or civil institution to remedy the violation within the period and subject to the conditions specified in the warning.
- Prohibit the exercise of all or part of the licensed activities for a specified period, or prohibit dealing with new clients.
- Revoke the license to engage in all or part of the licensed activities.

The Chairman of the Authority may take the measure set forth in item (1) of this Article, and the Chairman of the Board of Directors of the Authority may take any of the measures set forth in item (2) of this Article, if the aforementioned threat may result in irreparable harm, for a period not exceeding one month or until submission to the Board of Directors of the Authority, whichever occurs sooner.

Taking any of the above measures shall not preclude the association or civil institution from continuing to collect its receivables or transferring its portfolio to a bank or to an entity licensed by the Authority to engage in the financing of medium, small, and micro enterprises, in accordance with the applicable rules.

Article 13 bis (2):

Without prejudice to cases requiring a judicial ruling or order, the Board of Directors of the Authority may suspend any activity subject to the provisions of this Law if conducted without a license. The suspension order may include the closure of the premises where the activity is being carried out.



Article (13) Bis (3):

Companies, associations, and civil institutions licensed by the Authority to engage in the activity of financing medium and small enterprises may engage in other non-banking financial activities, subject to the laws governing such activities and in accordance with the controls established by the Board of Directors of the Authority.

Article (14):

All companies, associations, and civil institutions subject to the provisions of this Law shall provide the Authority, or the Unit as the case may be, with such reports, statistics, or information as may be requested in relation to the practice of financing medium, small, and micro enterprises.

Article (14) bis:

No person may engage in the activity of intermediation in granting or collecting financing, or in providing guarantees for consideration in financing medium, small, and micro enterprises, except after registration in the register prepared by the Authority for this purpose.

Banks and credit guarantee companies licensed under the Central Bank and Banking System Law No. 194 of 2020 shall be exempted.

The Board of Directors of the Authority shall establish the rules, conditions, and procedures for registration and deletion from the said register. Registration shall be free of charge.

The Board of Directors of the Authority shall also establish the conditions for practicing the activity recorded in this register, particularly as follows:

- For legal persons: compliance with the provisions of Article (14) of this Law.
 - For natural persons: execution of a contract with the client which shall include, at a minimum:
 - Clear specification of the obligation guaranteed under the guarantee contract.
 - All guarantees obtained by the guarantor pursuant to the guarantee contract.
 - The remuneration payable to the guarantor under the guarantee contract.
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Article (15):

Associations and civil institutions engaged in the activity of financing medium, small, and micro enterprises shall keep accounts and prepare separate financial statements for such activity in accordance with the standards and conditions set forth in Article (9) of this Law.

Article (16):

The board of directors of each licensed company, association, or civil institution engaged in the activity of financing medium, small, and micro enterprises shall determine the cost of financing it provides to its clients, without being bound by the limits provided in any other law.

Article (17):

Transactions carried out by companies, associations, and civil institutions engaged in the activity of financing medium, small, and micro enterprises with their clients shall be deemed commercial transactions, and the provisions of the Commercial Law shall apply thereto.

Article (18):

A union shall be established comprising entities operating in the field of financing medium, small, and micro enterprises, under the name "The Egyptian Union for Financing Medium, Small, and Micro Enterprises." Its statutes shall be issued by a decision of the Board of Directors of the Authority and shall include the proportions of representation of such entities in the Union's Board of Directors, the Union's resources, and in particular membership fees, annual subscriptions, and fees for training and research services.

The Union shall enjoy independent legal personality and shall be registered in a special register maintained by the Authority after payment of a fee of five thousand Egyptian pounds. The decision establishing the Union and its statutes shall be published in the *Egyptian Gazette* at the expense of the Union.

The Union shall be responsible for submitting recommendations on the development of medium, small, and micro enterprise financing activities, increasing awareness thereof, adopting initiatives supporting the activity, making recommendations concerning the legislation governing the work of its members, developing and training personnel in the field, and coordinating among members.



All entities engaged in the financing of medium, small, and micro enterprises as referred to in this Law shall be obliged to join the Union and to comply with its statutes.

The Union may impose administrative measures on its members as provided for in its statutes in case of violation thereof or of sound professional standards.

Article (19):

A committee, or more than one, shall be established by decision of the Prime Minister to consider grievances submitted by companies, associations, and civil institutions against administrative decisions issued in application of the provisions of this Law.

Each committee shall be chaired by one of the Vice-Presidents of the State Council and shall include as members two judges of the State Council selected by the President thereof, a representative of the Authority, and an expert appointed by the Prime Minister.

The time limit for lodging a grievance against a decision shall be fifteen (15) days from the date of notification of, or knowledge of, the decision. The procedures for reviewing and deciding upon grievances, as well as the fees payable therefor—provided that such fees shall not exceed ten thousand Egyptian pounds—shall be determined by decision of the Prime Minister.

The decision issued by the committee in respect of the grievance shall be final. No action for annulment of such administrative decisions shall be admissible before first filing a grievance and obtaining a decision thereon. Fees paid by the complainant shall be refunded in the event that the grievance is accepted or if a judgment is rendered annulling the decision.

Article (20):

Without prejudice to any more severe penalty provided for in any other law, imprisonment for a term of not less than six months and a fine of not less than two hundred thousand Egyptian pounds and not exceeding one million Egyptian pounds, or either of these two penalties, shall be imposed on any person who engages in any of the activities subject to the provisions of this Law without being duly licensed.



Article (20 bis):

Without prejudice to any more severe penalty provided for in any other law, a fine of not less than two hundred thousand Egyptian pounds and not exceeding one million Egyptian pounds shall be imposed on any person who commits any of the following acts:

- Engaging in the activity of financing medium, small, and micro enterprises in violation of the provisions of this Law.
- Intentionally providing false data or information to the Authority or the Unit in violation of the provisions of this Law and the decisions issued in implementation thereof.
- Intentionally including false information in disclosure bulletins, financial statements, or the reports annexed thereto required to be issued or published in accordance with the provisions of this Law and the decisions issued in implementation thereof.

Article (21):

A fine of not less than five thousand Egyptian pounds and not exceeding five hundred thousand Egyptian pounds shall be imposed on any person who commits any of the following acts:

- Violates any of the provisions of Articles (8), (13 bis), or (14) of this Law.
- Grants financing to any member of the company's board of directors or its employees in violation of the regulations issued in this respect.
- Intentionally violates the rules governing the practice of the activity issued by decision of the Board of Directors of the Authority.
- Intentionally includes false information in advertising to the public, through any means, regarding its financing products.



Article (21 bis):

Without prejudice to any more severe penalty provided for in any other law, imprisonment and a fine of not less than five thousand Egyptian pounds and not exceeding twice the outstanding amount of the financing under the financing contract, or either of these two penalties, shall be imposed on any person who, by fraud or deceit, obtains or attempts to obtain any of the following:

- Financing from any licensed entity engaged in the financing of medium, small, and micro enterprises under this Law.
- Evasion from fulfilling all or part of his financial obligations under the financing contract concluded pursuant to this Law, or where such evasion results from using the financing for purposes other than those for which it was granted.

The crimes provided for in this Article shall be excluded from the provisions referred to in the second paragraph of Article (24) of this Law.

Conciliation may be affected in respect of such crimes either before the Public Prosecution or the competent court, as the case may be, at any stage of the proceedings. Conciliation shall result in the extinction of the criminal case in respect of the offense for which conciliation was reached, and the Public Prosecution shall order the suspension of the execution of the penalty if conciliation takes place during execution, even if the judgment has become final.

Article (21) Bis (1):

Without prejudice to any more severe penalty provided for in any other law, imprisonment and a fine of not less than fifty thousand Egyptian pounds and not exceeding five hundred thousand Egyptian pounds, or either of these two penalties, shall be imposed on any person who engages in the activity of intermediation in granting or collecting financing, or in providing guarantees for consideration, in relation to financing medium, small, and micro enterprises, without being registered in the register established for this purpose.



Article (22):

The person responsible for the actual management of the company, association, or civil institution shall be subject to the penalties prescribed for acts committed in violation of the provisions of this Law or the decisions issued in implementation thereof, if it is established that he had knowledge thereof and that the offense occurred due to his breach of the duties of his office.

The company, association, or civil institution shall be jointly liable with him for payment of any financial penalties and compensation adjudged, if the offense was committed by one of its employees in its name and for its benefit.

Article (23):

Repealed by Law No. 201 of 2020.

Article (24):

Employees of the Authority who are designated by decision of the Minister of Justice shall have the capacity of judicial officers with respect to establishing violations of the provisions of this Law or the decisions issued in implementation thereof. For this purpose, they shall have the right to examine records, books, documents, and data at the premises of companies, associations, and civil institutions, and in any locations where such records may be found. Officials of the aforementioned entities shall provide such employees with the data, extracts, and copies of documents as they may request for this purpose.

The provisions of Law No. 10 of 2009 on the Regulation of Non-Banking Financial Markets and Instruments shall apply with respect to investigation procedures, the initiation of criminal proceedings for the crimes provided for in this Law, and reconciliation thereof.

Article (25):

This Law shall be published in the Official Gazette and shall enter into force on the day following the date of its publication.

