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A Complete Guide to

Establishing a Company in Egypt

Table of Content

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A Complete Guide to Establishing a Company in Egypt

I. Introduction

Egypt's legal and regulatory framework has developed through a combination of historical, constitutional and economic influences. Historically, Egyptian law was significantly influenced by Islamic Sharia, particularly from the 7th century onward. From the 19th century, with the development of the modern Egyptian State, the legal system evolved into a predominantly codified civil-law system, shaped principally by French and other continental European legal traditions. Today, the direct application of Sharia principles is primarily relevant to areas such as personal status and inheritance, while commercial, corporate and investment matters are principally governed by modern Egyptian legislation.

For investors and businesses, the Egyptian legal framework is based on a broad range of laws and regulations governing the establishment and operation of businesses. These include legislation relating to companies and investment, commercial transactions, taxation, labour and social insurance, intellectual property, competition, banking and finance, capital markets, and sector-specific activities. Understanding how these rules interact is essential for any investor considering entering or expanding within the Egyptian market.

The principal legislation governing the establishment and operation of companies is the Companies Law No. 159 of 1981, together with its amendments and Executive Regulations. The law provides for several forms of companies, including joint-stock companies, partnerships limited by shares, limited liability companies and one-person companies. Each structure has different requirements concerning ownership, capital, management, liability, governance and ongoing compliance.

The choice of legal form is therefore an important decision at the outset of any investment. A joint-stock company may be appropriate for businesses requiring a larger capital base or seeking to accommodate multiple shareholders, while a limited liability company may offer a suitable structure for investors seeking limited liability with a relatively flexible management framework. A one-person company may, in turn, provide an individual investor with the ability to conduct business through a separate legal entity. The appropriate structure will ultimately depend on the nature, scale and objectives of the proposed investment.

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Establishing a company is, however, only the first stage of operating a business in Egypt. Investors must also consider the permitted scope of the proposed activity, ownership requirements, capital structure, management arrangements, licensing and regulatory approvals, taxation, employment and social insurance obligations, and any requirements imposed by sector-specific authorities. These matters may vary depending on the nature of the business and can significantly affect the time, cost and regulatory requirements associated with establishing and operating a company.

The Investment Law No. 72 of 2017 complements the Companies Law by establishing a framework for investment in Egypt and providing various guarantees, incentives and mechanisms intended to facilitate investment and support investors. The General Authority for Investment and Free Zones (GAFI) plays a central role in implementing this framework and provides a range of incorporation and investment-related services. Depending on the nature of the business, investors may also be required to deal with authorities such as the Commercial Registry, the Egyptian Tax Authority, the National Authority for Social Insurance and other regulatory bodies.

Accordingly, entering the Egyptian market requires more than simply incorporating a company. Investors should consider the legal structure of the proposed business, the regulatory requirements applicable to its activities and the obligations that will arise throughout its operations. Decisions made at the incorporation stage may have a lasting impact on the company's ability to conduct its activities, obtain financing, expand, transfer ownership and remain compliant with Egyptian law.

This practical guide has been prepared to provide foreign and local investors with a clear overview of the principal legal and regulatory considerations involved in establishing and operating a business in Egypt.

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II. Investment in Egypt

Egypt offers investors a combination of strategic advantages, market opportunities, and government support measures that make it an attractive destination for establishing and expanding businesses. The country's investment appeal is primarily driven by its regional connectivity, trade access, investment incentives, and growing domestic market.

1. Strategic Location and Market Access:

Egypt's geographic position at the intersection of Africa, Europe, and the Middle East provides investors with access to major regional and international markets. The Suez Canal, together with Egypt's ports and transportation infrastructure, strengthens the country's role as a logistics and trade hub.

This strategic location allows businesses established in Egypt to serve not only the domestic market but also neighbouring markets in Africa, the Arab region, and Europe, making Egypt a suitable base for manufacturing, distribution, and export-oriented activities.

2. Trade Agreements and Export Opportunities:

Egypt benefits from a wide network of regional and international trade agreements that provide preferential access to various markets. These agreements support Egypt's position as an export platform by reducing trade barriers and facilitating access for businesses operating from Egypt.

Key agreements include the Common Market for Eastern and Southern Africa (COMESA), Pan Arab Free Trade Area (PAFTA), Agadir Agreement, Egypt–European Union Association Agreement, Qualified Industrial Zones (QIZ), African Continental Free Trade Area (AfCFTA), and Egypt–MERCOSUR Free Trade Agreement.

For investors, these agreements create opportunities to establish operations in Egypt and benefit from broader market access beyond the domestic economy.

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3. Investment Incentives and Business Facilitation:

Egypt has introduced a number of measures aimed at encouraging investment and simplifying business establishment procedures. Investment Law No. 72 of 2017 provides investors with guarantees and incentives for qualifying projects, depending on the sector, location, and nature of the investment.

In addition, Law No. 6 of 2025 introduced a simplified tax regime for small and medium-sized enterprises with an annual turnover not exceeding EGP 20 million. Eligible businesses may benefit from various tax and fee exemptions, simplified tax returns and accounting requirements, and reduced income tax rates ranging from 0.4% to 1.5% of annual turnover, provided they comply with the applicable electronic tax systems.

GAFI further supports investors through its one-stop-shop services, facilitating incorporation procedures and coordination with the relevant governmental authorities.

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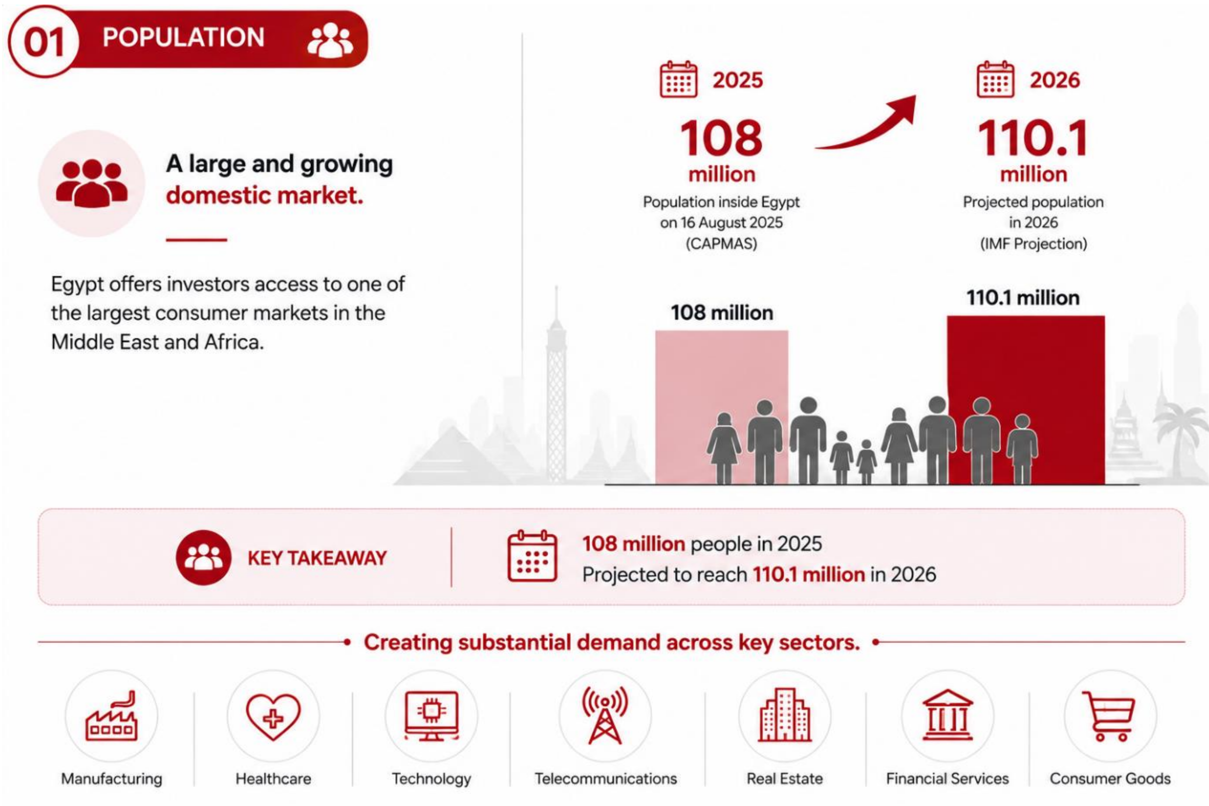
4. Large Market, Workforce, and Economic Opportunities:

Egypt offers investors access to one of the largest consumer markets in the Middle East and Africa. According to the Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt's population reached 108 million people inside the country on 16 August 2025, while the International Monetary Fund (IMF) projects the population at approximately 110.1 million in 2026. This large and growing population creates substantial demand across a wide range of sectors, including manufacturing, healthcare, technology, telecommunications, real estate, financial services, and consumer goods.



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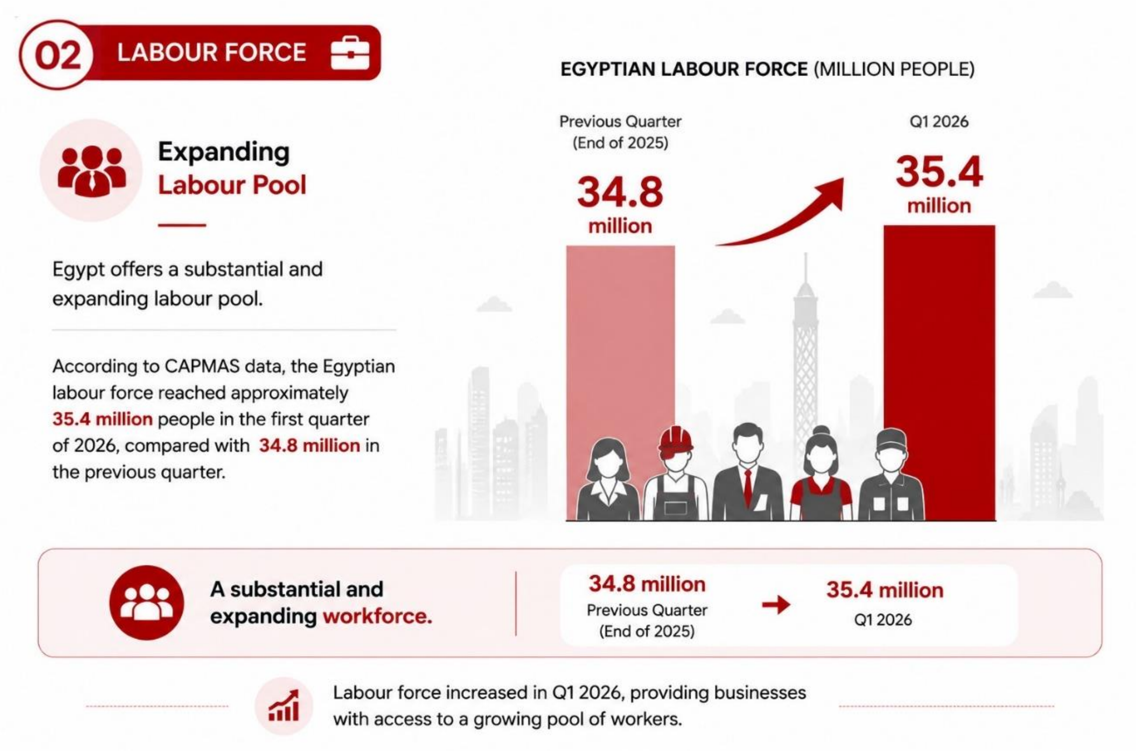
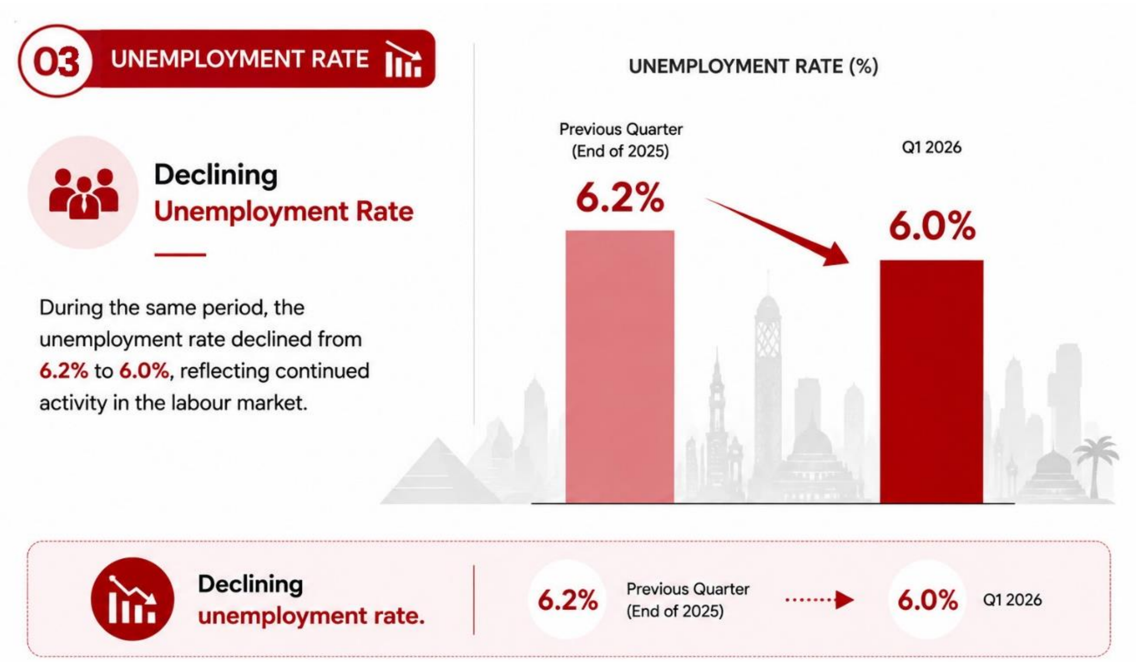
Egypt also offers a substantial and expanding labour pool. According to CAPMAS data, the Egyptian labour force reached approximately 35.4 million people in the first quarter of 2026, compared with 34.8 million in the previous quarter.



During the same period, the unemployment rate declined from 6.2% to 6.0%, reflecting continued activity in the labour market.



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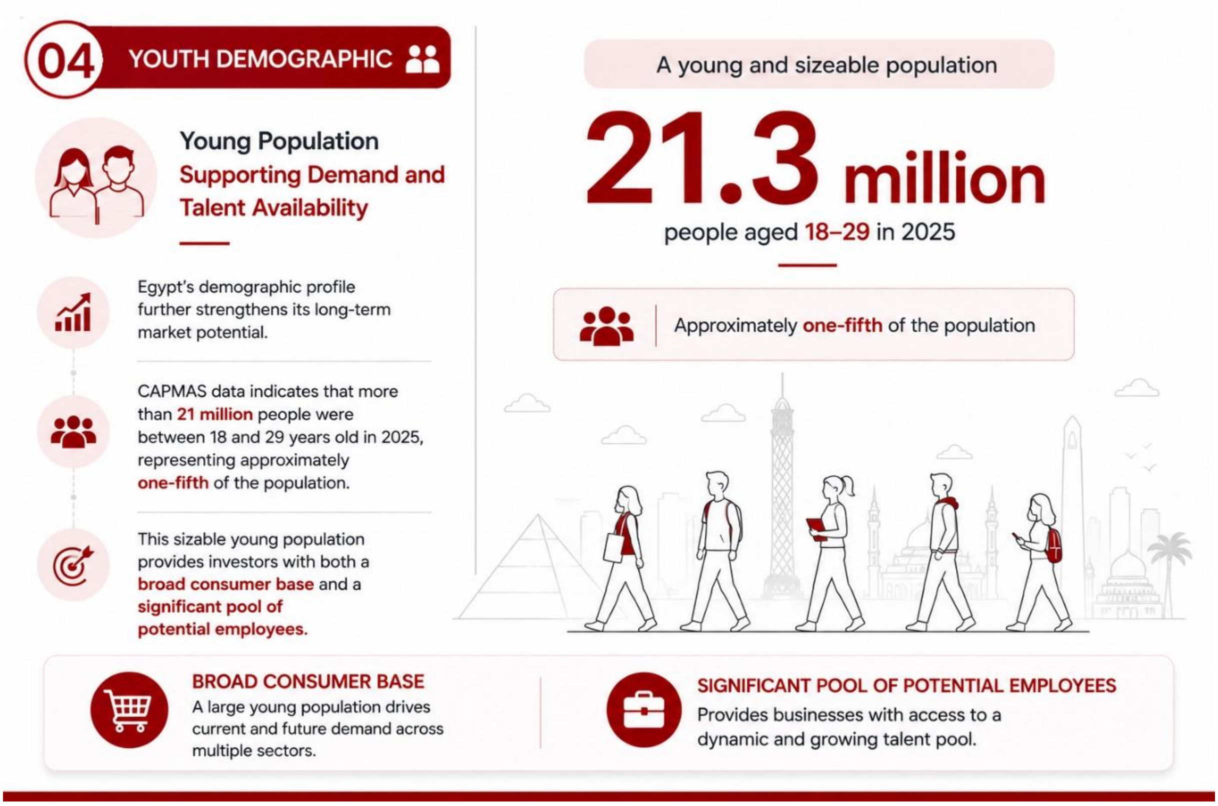
The country's demographic profile further strengthens its long-term market potential. CAPMAS data indicates that more than 21 million people were between 18 and 29 years old in 2025, representing approximately one-fifth of the population. This sizable young population provides investors with both a broad consumer base and a significant pool of potential employees.



Combined with competitive operating costs, ongoing infrastructure development, and economic reforms aimed at supporting private-sector investment, Egypt's large domestic market and workforce provide a strong platform for businesses seeking long-term growth and expansion into regional markets.

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III. Legal and Institutional Framework

The establishment and operation of companies in Egypt are governed by a comprehensive legal framework consisting of corporate, investment, commercial, tax, labour, and regulatory laws. These laws establish the requirements for incorporating companies, defining their legal structures, regulating their activities, and ensuring compliance with ongoing obligations.

3.1 Principal Legislation

1. Companies Law No. 159 of 1981:

Companies Law No. 159 of 1981, together with its Executive Regulations, represents the primary legislation governing the incorporation, management, and operation of companies in Egypt. The law establishes the legal framework for several forms of companies, including joint stock companies (JSC), limited liability companies (LLC), and one person companies (OPC).

The law regulates key corporate matters, including incorporation procedures, capital requirements, shareholder rights, management structures, corporate governance rules, financial reporting obligations, and dissolution procedures. Companies established under this law are generally incorporated through GAFI, which serves as the principal authority responsible for facilitating and supervising company establishment procedures.

In addition, the law provides the framework governing the relationship between shareholders, managers, and the company itself, ensuring proper corporate governance and transparency in the management of corporate affairs.

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2. Investment Law No. 72 of 2017 :

Investment Law No. 72 of 2017 provides the legal framework governing investment activities in Egypt and aims to promote domestic and foreign investment by introducing investment guarantees, incentives, and facilitation mechanisms.

The law provides investors with several protections, including equal treatment between Egyptian and foreign investors, guarantees against nationalization and confiscation, protection of investment projects, and the ability to transfer profits abroad in accordance with applicable regulations. It also establishes investment incentives for qualifying projects and regulates the role of GAFI as the primary investment facilitation authority.

3. Commercial Register Law No. 34 of 1976:

The Commercial Register Law regulates the registration of companies and commercial establishments in Egypt. Registration with the Commercial Register is a mandatory requirement for companies conducting commercial activities and serves as official evidence of the company's legal existence and registered information.

The Commercial Register includes essential company details, such as the company name, legal form, capital, managers, authorized representatives, and business activities. Any changes to such information must be reflected through the applicable amendment procedures.

4. Commercial Law No. 17 of 1999 :

The Egyptian Commercial Code regulates commercial activities, transactions, and obligations arising from business operations. It establishes rules applicable to merchants, commercial contracts, commercial practices, and other business-related matters.

The Commercial Code complements the Companies Law by providing general rules governing commercial relationships and transactions undertaken by companies.

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5. Civil Code No. 131 of 1948:

The Egyptian Civil Code provides the general legal principles applicable to contractual relationships, obligations, liability, and ownership rights. While companies are primarily regulated by specialized corporate legislation, the Civil Code remains applicable to matters not specifically addressed under company laws, particularly contractual arrangements and general legal obligations.

6. Income Tax Law No.91 of 2005:

The Egyptian Tax Law framework governs the tax obligations applicable to companies operating in Egypt, including corporate income tax, withholding tax, tax registration, filing requirements, and tax compliance procedures.

Companies are required to register with the Egyptian Tax Authority, maintain proper accounting records, submit required tax declarations, and comply with applicable tax payment obligations.

7. Value Added Tax (VAT) Law No.67 of 2016 :

The Value Added Tax Law No. 67 of 2016 regulates VAT registration, collection, and compliance obligations applicable to taxable goods and services in Egypt.

Companies conducting taxable activities may be required to register for VAT, issue compliant tax invoices, maintain VAT records, and submit periodic VAT returns.

8. Social Insurance Law No. 148 of 2019:

The Social Insurance Law No. 148 of 2019 establishes the legal framework governing social insurance obligations for employers and employees in Egypt.

Companies employing workers are required to register with the National Organization for Social Insurance (NOSI), register eligible employees, and comply with applicable contribution, reporting, and payment requirements.

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9. Labour Law No. 14 of 2025:

Labour Law No. 14 of 2025 establishes the current legal framework governing employment relationships in Egypt. The law regulates employer and employee rights and obligations, including employment contracts, wages, working conditions, occupational health and safety, termination procedures, and employee protections.

Companies operating in Egypt must ensure compliance with labour requirements as part of their ongoing operational obligations.

3.2 Regulatory Authorities

1. General Authority for Investment and Free Zones (GAFI):

GAFI is the principal authority responsible for investment facilitation and company establishment procedures in Egypt. It operates as a one-stop shop for incorporation services, coordinates with relevant governmental authorities, and supervises free zone investments.

2. Egyptian Tax Authority:

The Egyptian Tax Authority is responsible for tax registration, assessment, collection, and enforcement of tax obligations applicable to companies operating in Egypt.

3. National Organization for Social Insurance (NOSI):

NOSI administers the social insurance system in Egypt and is responsible for employer and employee registration, contribution collection, and compliance monitoring.

4. National Telecommunications Regulatory Authority (NTRA):

NTRA regulates telecommunications and information technology activities in Egypt and is responsible for issuing licenses and approvals required for certain telecom-related activities.

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5. Financial Regulatory Authority (FRA):

FRA supervises non-banking financial activities, including capital markets, insurance, leasing, factoring, and other financial services subject to regulatory oversight.

6. Central Bank of Egypt (CBE):

The Central Bank of Egypt regulates banking activities, monetary policy, foreign exchange matters, and financial institutions operating within the Egyptian banking sector.

7. General Organization for Export and Import Control (GOEIC):

GOEIC is responsible for regulating import and export controls, product registration, and compliance requirements applicable to goods entering or leaving the Egyptian market.

8. Misr for Central Clearing, Depository and Registry (MCDR):

MCDR plays an essential role in Egypt's capital markets by providing securities clearing, settlement, custody, and central depository services for listed securities and market participants.

3.3 Companies Law vs Investment Law

In Egypt, companies are generally established under either the Companies Law No. 159 of 1981 or the Investment Law No. 72 of 2017. While the Companies Law remains the principal legal framework governing the incorporation, management, shareholders, and corporate governance of companies, the Investment Law provides incentives, guarantees, and procedural facilitation for qualifying investment projects.

Accordingly, the Companies Law is typically used as the default incorporation framework, whereas the Investment Law becomes relevant where investors wish to benefit from the incentives and protections available to eligible projects.

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When is the Companies Law Sufficient?

The Companies Law is generally the appropriate framework for businesses seeking to establish a standard legal entity without benefiting from any special investment incentives or regulatory treatment. Most limited liability companies, joint stock companies, and other ordinary corporate structures are incorporated under this framework.

For many local and foreign investors, incorporation under the Companies Law is sufficient where the primary objective is simply to establish and operate a business under Egypt's ordinary corporate rules.

When Does the Investment Law Become Relevant?

The Investment Law is intended to encourage domestic and foreign investment by granting incentives, guarantees, and administrative facilitation to qualifying projects. It is particularly relevant where the proposed activity falls within one of the sectors or zones supported by the investment regime, or where the investor seeks additional protections and commercial advantages.

Projects established under the Investment Law may benefit from, among other things:

- Investment guarantees and protection against arbitrary administrative measures.
- The right to transfer profits and capital abroad, subject to applicable regulations.
- Tax and customs incentives available to qualifying projects.
- Simplified procedures through GAFI.
- Access to free zones and investment zones.

The Investment Law is particularly advantageous for industrial, export-oriented, infrastructure, energy, tourism, agricultural, and other strategic projects that qualify for investment incentives.

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Companies Law vs Investment Law		
Aspect	**Companies Law No. 159 of 1981**	**Investment Law No. 72 of 2017**
Primary purpose	Provides the general legal framework for establishing and operating companies in Egypt.	Promotes investment through incentives, guarantees, and administrative facilitation.
Application	Generally applicable to ordinary companies and corporate structures.	Applies to qualifying investment projects and activities.
Corporate structure	Governs incorporation, management, shareholders, and corporate governance.	Operates alongside the applicable corporate framework rather than replacing it.
Investment incentives	Generally, does not provide special investment incentives.	Provides access to available investment incentives for qualifying projects.
Investment guarantees	Provides the ordinary legal protections applicable to companies.	Provides additional investment guarantees and protections under the Investment Law.
Profit and capital transfers	Subject to the general applicable laws and regulations.	Provides guarantees concerning the transfer of profits and capital abroad, subject to applicable regulations.
Administrative procedures	Incorporation and corporate procedures follow the ordinary regulatory framework.	Provides simplified procedures and administrative facilitation, including through GAFI.
Special zones	Does not itself provide access to investment zones or free zones.	Provides a framework for projects established in investment and free zones.
Typical beneficiaries	Businesses seeking to establish and operate under the ordinary corporate regime.	Investors seeking incentives and protections for qualifying projects, particularly in supported sectors and zones.
Practical approach	Usually sufficient where no special investment incentives are required.	Particularly relevant where the project qualifies for and would benefit from investment incentives or special treatment.

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A Practical Rule of Thumb

In practice, the Companies Law and the Investment Law are not always mutually exclusive. The Companies Law provides the legal framework governing the company's existence and corporate structure, while the Investment Law may operate alongside it to grant additional incentives and protections to eligible projects.

Therefore, the key question is often not which law incorporates the company, but rather whether the company's activities qualify for investment-law treatment and whether the available incentives justify adopting that regime.

IV. Preliminary Investment and Structuring Considerations

Before establishing a business in Egypt, investors should consider whether any foreign ownership or nationality restrictions apply to the proposed activity and determine the legal structure most appropriate for the nature, ownership, funding requirements, and future plans of the business.

4.1 Foreign Ownership and Nationality Restrictions

4.1.1 General Rule

Egypt generally permits foreign investors to own up to 100% of the share capital of companies established in Egypt, subject to compliance with applicable laws and sector-specific licensing requirements.

As a general rule, Egyptian investment legislation adopts an open investment regime, and foreign ownership restrictions apply only where expressly imposed by law.

4.1.2 Restricted Activities

Certain business activities are subject to foreign ownership restrictions or nationality requirements under sector-specific legislation.

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Depending on the nature of the regulated activity, the applicable laws may:

- Require a minimum percentage of Egyptian ownership or participation;
- Restrict foreign ownership to a specified percentage; or
- Impose nationality requirements on shareholders, directors, managers, or key personnel.

Such restrictions commonly apply to activities including importation for trading purposes, commercial agency services, certain professional services, and other regulated sectors.

Foreign ownership of land and real estate is also restricted in designated strategic areas, including Sinai, border regions, and certain military or protected zones.

Accordingly, investors should verify the ownership, nationality, and licensing requirements applicable to the proposed activity before selecting the company's legal form or commencing the incorporation process.

4.2 Choosing the Appropriate Company Structure

Selecting the appropriate legal structure is one of the most important decisions when establishing a business in Egypt.

The choice depends not only on the size and objectives of the proposed venture, but also on the applicable legal framework, regulatory requirements, number of investors, funding needs, and future expansion plans.

4.2.1 Companies Law or Investment Law

One of the first questions investors should consider is whether their proposed investment will be established solely under the Companies Law or may also benefit from the Investment Law.

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In practice, this is not a choice between two separate legal regimes. Companies are incorporated under the Companies Law, which provides the legal framework governing their establishment, corporate structure, management, shareholders' rights, capital, governance, and dissolution.

The Investment Law complements this framework by offering qualifying investment projects additional guarantees, incentives, and administrative facilitation. Depending on the nature of the investment, eligible companies may benefit from investment guarantees, customs and tax incentives, simplified incorporation procedures, and access to investment services provided through GAFI.

Whether a project qualifies for these benefits depends on several factors, including the sector in which it operates, its location, the scale of the investment, and the statutory eligibility criteria prescribed by the Investment Law and its Executive Regulations. Industrial, tourism, agricultural, renewable energy, logistics, export-oriented, and other strategic projects are among the activities that may qualify for investment-law treatment.

Accordingly, investors should assess at an early stage whether their proposed project satisfies the conditions for benefiting from the Investment Law, particularly where the available incentives or guarantees may influence the project's commercial viability.

4.3 Key Considerations When Selecting a Business Structure

4.3.1 Nature of the Business

The proposed business activity is often the primary factor in determining the appropriate corporate structure.

Certain regulated sectors require a specific legal form. For example, banking, insurance, securities, financial services, and certain telecommunications activities may be required to operate through a Joint Stock Company.

Conversely, certain activities may not be carried out through a One Person Company where the law prohibits ownership by a single shareholder or imposes additional licensing requirements.

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Investors should also consider whether the proposed project qualifies for incentives, guarantees, customs facilitation, or other protections under the Investment Law.

4.3.2 Number of Investors

The number of shareholders or partners significantly affects the choice of entity.

A One Person Company may have only one founder, while Limited Liability Companies and Joint Stock Companies are suitable for ventures involving multiple investors.

Businesses expecting to admit future investors or strategic partners may benefit from selecting a more flexible structure from the outset.

4.3.3 Funding Needs

Businesses requiring substantial capital investment or intending to raise funds from third parties may prefer a Joint Stock Company, as this structure accommodates a larger shareholder base and facilitates the issuance and transfer of shares.

By contrast, Limited Liability Companies and One Person Companies are generally more suitable for closely held businesses with limited external financing requirements.

4.3.4 Regulatory Requirements

Different corporate forms are subject to different levels of regulatory oversight and compliance.

Joint Stock Companies, particularly those operating in regulated sectors, are generally subject to more extensive governance, reporting, auditing, and disclosure requirements.

Limited Liability Companies and One Person Companies generally offer simpler management structures and lower administrative and compliance requirements.

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4.3.5 Tax and Investment Considerations

The general corporate tax regime applies irrespective of the company's legal form.

However, qualifying projects governed by the Investment Law may benefit from tax incentives, customs facilities, investment guarantees, and other advantages, subject to satisfaction of the applicable statutory conditions.

4.3.6 Expansion Plans

The company's long-term objectives should also be considered.

Businesses intending to attract investors, establish subsidiaries, raise external financing, expand internationally, or undertake large-scale projects may find that a Joint Stock Company offers greater flexibility and scalability.

Smaller or closely held businesses with limited expansion expectations may prefer the simpler governance structure of a Limited Liability Company or One Person Company.

4.4 Which Structure Is Right for You?

Type of Business	Generally Recommended Structure
Start-ups and solo entrepreneurs	OPC or LLC
Family-owned businesses	LLC
Small and medium-sized enterprises	LLC
Technology and high-growth companies	LLC or JSC, depending on funding requirements
Businesses seeking venture capital or external investment	JSC
Banks, insurance companies, financial institutions, and certain regulated businesses	JSC
Multinational groups and large-scale projects	JSC, particularly where substantial investment or multiple shareholders are involved

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4.5 Practical Guideline

As a practical rule, investors should regard the Companies Law as the legal foundation governing every company established in Egypt. The Investment Law should be viewed as a complementary framework that may provide additional protections, incentives, and procedural advantages where the proposed investment satisfies the applicable statutory requirements.

Before selecting a legal structure, investors should therefore consider:

- Whether the proposed business activity is permitted and whether any foreign ownership or nationality restrictions apply;
- Whether the activity requires sector-specific licences or prior governmental approvals;
- Whether the project qualifies for incentives or guarantees under the investment law;
- The number and identity of the proposed shareholders or partners;
- The capital and financing requirements of the business;
- The anticipated governance and compliance obligations; and
- The company's long-term commercial objectives, including future investment, expansion, or restructuring plans.

Careful consideration of these factors at the planning stage will assist investors in selecting the most appropriate legal structure and regulatory framework for their business in Egypt.

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V. Available Business Structures and Market-Entry Vehicles

Pursuant to Companies Law No. 159 of 1981 and its Executive Regulations, investors may establish their business in Egypt through several legal forms, each of which offers different rules regarding ownership, management, liability, and regulatory requirements. The choice of legal structure will depend on the nature of the intended business, the number of investors, capital requirements, and operational objectives.

1. One Person Company (OPC)

1.1 Overview and Legal Nature

The OPC was introduced by Law No. 4 of 2018, which amended Companies Law No. 159 of 1981. It allows a single natural person or legal entity to establish and wholly own a company while benefiting from limited liability. OPCs are governed by Companies Law No. 159 of 1981 and its Executive Regulations.

An OPC is a limited liability company whose capital is wholly owned by one founder. It has a legal personality separate from that of its founder and acquires such personality upon registration in the Commercial Register.

The company must adopt a trade name derived from its corporate purpose or the name of its founder. The name must be accompanied by an indication that the company is a one-person limited liability company.

Contracts or transactions entered into by the founder on behalf of the company while it is under incorporation become binding upon the company following its establishment, provided that such acts were necessary for the incorporation process.

Where the founder is a public legal entity, the prior approval of the Prime Minister or the competent minister, as applicable, must be obtained.

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1.2 Founder Requirements

An OPC may be established by a single natural person or legal entity. Where the founder is a legal entity, the establishment of the OPC must fall within the legal entity's corporate purposes.

An OPC may not establish another one-person company.

1.3 Capital Requirements

Under Article 287 bis (2) of the Executive Regulations of Companies Law, the minimum capital of an OPC is EGP 1,000, and the capital must be fully paid upon incorporation. The capital must also be sufficient to achieve the company's stated objectives.

The capital may consist of cash contributions, in-kind contributions, or a combination of both, provided that the contributions are properly identified and valued in the company's constitutional documents. Unlike a JSC, the capital of an OPC is not divided into freely transferable shares.

An OPC may not issue securities, obtain financing through the issuance of negotiable securities, conduct a public subscription upon incorporation or capital increase, or engage in banking, insurance, savings, deposit-taking, or investment of funds on behalf of third parties.

1.4 Management Structure

An OPC may be managed either directly by its founder or by one or more managers appointed to oversee the company's day-to-day operations. The founder exercises the powers that would ordinarily be vested in the shareholders' meeting, including approving amendments to the company's constitutional documents, appointing and removing managers, approving increases or reductions of the company's capital, authorizing mergers, converting the company into another legal form, and resolving upon its dissolution and liquidation. Such decisions become effective against third parties only upon registration in the Commercial Register.

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Managers represent the company before the courts and third parties within the scope of the authority granted to them and are required to perform their duties with the care of a prudent person. Unless otherwise permitted by law, a manager may not manage another company carrying on the same business activity, enter into contracts with the company for the manager's own account or for the account of a third party, or engage in competing activities on behalf of third parties.

1.5 Founder's Liability

As a general rule, the founder's liability is limited to the capital allocated to the company. However, the founder may become personally liable for the company's obligations where the company is liquidated or its activities are terminated in bad faith before the expiry of its term or the achievement of its purpose, where the founder fails to maintain a clear separation between the founder's personal assets and those of the company, or where the founder enters into contracts or transactions on behalf of the company while it is under incorporation that are not necessary for its establishment.

The founder may enter into transactions with the company provided that such transactions are conducted on arm's-length terms, do not prejudice the company's interests, do not result in any commingling of the founder's assets with those of the company, reflect fair market value, and are not intended to avoid or evade the payment of taxes.

1.6 Restrictions on Activities and Financing

An OPC is subject to a number of statutory restrictions intended to preserve its nature as a closely held corporate vehicle. Accordingly, it may not establish another one-person company, raise capital through public subscription, divide its capital into freely transferable shares, issue negotiable securities, or obtain financing through the issuance of securities. In addition, an OPC may not carry on banking, insurance, deposit-taking, savings, or investment management activities on behalf of third parties unless expressly authorized under the applicable sector-specific legislation.

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1.7 Transfer of Ownership

Where the founder transfers the company's entire capital to another natural person or legal entity, the company's constitutional documents and Commercial Register entry must be amended within ninety days from the date of transfer. Where the transferee is a public legal entity, the prior approval of the Prime Minister or the competent minister, as applicable, must be obtained.

If the founder transfers only part of the company's capital to one or more persons, the company must regularize its legal status and convert into another appropriate legal form within ninety days.If the company fails to regularize its status within that period, it will be deemed to have entered into liquidation by operation of law. A transfer of ownership does not become effective against third parties until it has been registered in the Commercial Register.

1.8 Corporate Governance and Financial Reporting

OPCs are subject to the accounting, auditing, and financial reporting requirements applicable to Limited Liability Companies.

The company's financial statements must disclose:

- Debts owed by the company to the founder; and
- Debts owed by the founder to the company.

The financial statements must be deposited with the Commercial Register within the legally prescribed period.

The company must also maintain appropriate corporate and accounting records and comply with the applicable statutory audit and reporting requirements.

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1.9 Dissolution

An OPC may be dissolved either voluntarily by a resolution of its founder or in the circumstances prescribed by the Companies Law. These include where the company's accumulated losses reach one-half of its capital and the founder does not resolve to continue its activities, where the legal entity owning the company is dissolved, where the founder loses legal capacity or is placed under guardianship, or where the founder dies, unless the company passes to a single heir or the heirs regularize its legal status within six months from the date of death. An OPC will also be dissolved by operation of law where part of its capital is transferred to one or more persons and the company fails to convert into another legal form within ninety days from the date of the transfer.

The dissolution and liquidation of an OPC must be conducted in accordance with the provisions of Companies Law No. 159 of 1981 and its Executive Regulations.

2. Limited Liability Company (LLC)

2.1 Overview and Legal Nature

A Limited Liability Company ("LLC") is one of the most commonly used legal forms by both foreign and local investors in Egypt due to its flexible management structure, limited liability protection, and relatively straightforward incorporation procedures.

LLCs are governed by Companies Law No. 159 of 1981 and its Executive Regulations.

Pursuant to Article 4 of Companies Law No. 159 of 1981, an LLC is a company in which the liability of each partner is limited to the value of his or her contribution to the company's capital.

The company has a legal personality separate from that of its partners and may adopt a trade name derived from its corporate purpose or from the name of one or more partners.

The capital of an LLC is divided into quotas rather than shares. Such quotas are not represented by negotiable instruments and may not be offered to the public.

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2.2 Number of Partners

An LLC must have at least two and no more than fifty partners.

Partners may be natural persons or legal entities, and the number of partners must remain within the statutory limits throughout the company's existence.

If the number of partners falls below or exceeds the legally permitted limits, the company must regularize its position in accordance with the requirements of the Companies Law.

2.3 Capital Requirements

LLC is not subject to a statutory minimum capital under companies law, however, Article 116 stipulates that capital is determined by the partners in the company's incorporation documents and is divided into equal quotas. In practice, the minimum capital required for an LLC is EGP 1,000, or its equivalent in a foreign currency.

The capital may consist of cash contributions, in-kind contributions, or a combination of both. Each quota represents an equal portion of the company's capital, and the quotas are not represented by negotiable instruments or offered for public subscription. The quotas are also indivisible, and where a quota is jointly owned, the company may suspend the exercise of the rights attached to that quota until the co-owners designate one person to represent them before the company.

Unless otherwise provided in the company's incorporation documents, quotas share equally in the company's profits and liquidation surplus. Transfers of quotas remain subject to the requirements and restrictions prescribed under Companies Law and the company's constitutional documents.

2.4 Management Structure

An LLC is managed by one or more managers, who may be appointed from among the partners or from third parties in accordance with the Articles of Association. Where more than one manager is appointed, the partners may establish a board of managers and determine its composition, powers, and decision-making procedures.

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The managers are responsible for the day-to-day management of the company and represent it before courts and third parties within the scope of the authority granted to them. Although the Articles of Association may impose limitations on their powers, such restrictions are effective against third parties only where the applicable legal requirements for registration and publication have been satisfied.

2.5 Partners' Liability

An LLC has a legal personality separate from that of its partners. Accordingly, each partner's liability is generally limited to the value of the quota contributed to the company's capital, and the company's obligations are borne by the company itself. This limited liability protection remains subject to the statutory exceptions applicable under Egyptian law, including cases involving fraud, abuse of the company's legal personality, or other circumstances giving rise to personal liability.

2.6 Restrictions on Activities and Financing

As a privately held company, an LLC may not raise capital through public subscription, offer its quotas to the public, issue negotiable shares, bonds, or other securities, list its quotas on a stock exchange, or obtain public financing through the issuance of securities. In addition, an LLC may not carry on banking, insurance, deposit-taking, savings, or investment management activities on behalf of third parties unless expressly permitted under the applicable sector-specific legislation. Any regulated business activity may only be undertaken after obtaining the licences and approvals required by the competent authorities and satisfying the applicable legal-form, ownership, capital, and governance requirements.

2.7 Transfer of Quotas

Quotas in an LLC are not freely transferable to third parties. A partner intending to transfer all or part of its quotas must comply with the procedures prescribed by the Companies Law and the Articles of Association, including notifying the company and the remaining partners of the proposed transfer.

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The existing partners enjoy a statutory pre-emption right to acquire the offered quotas on the same terms and conditions within the period prescribed by law. If that right is not exercised, the transferring partner may complete the transfer to the proposed transferee.

A transfer of quotas becomes effective against the company and third parties only after it has been recorded in the register of partners and the applicable registration procedures have been completed.

2.8 Corporate Governance and Financial Reporting

An LLC must maintain a register of partners at its registered office recording the identity of the partners, the quotas held by each partner, and any changes affecting ownership of the company's capital. Where the company has more than ten partners, it must appoint a supervisory board consisting of at least three partners to oversee the company's management in accordance with the Companies Law and the Articles of Association.

The company is also required to maintain proper accounting books and corporate records, prepare annual financial statements, and comply with the statutory audit, filing, reporting, and disclosure requirements applicable under Egyptian law.

2.9 Dissolution

An LLC may be dissolved voluntarily by a resolution of the partners or upon the occurrence of any of the grounds prescribed by the Companies Law or the Articles of Association. Where the company's losses reach one-half of its capital, the managers must refer the matter to the partners to determine whether the company should continue its activities or be dissolved. If the losses reach three-quarters of the company's capital, partners holding at least one-quarter of the capital may request the company's dissolution in accordance with the Companies Law.

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An LLC may also be dissolved upon the expiry of its term, the achievement or impossibility of its corporate purpose, the issuance of a final court judgment ordering its dissolution, or any other statutory ground. Upon dissolution, the company enters into liquidation and retains its legal personality solely to the extent necessary to complete the liquidation process in accordance with the Companies Law and its Executive Regulations.

3. Joint Stock Company (JSC)

3.1 Overview and Legal Nature

A JSC is generally the preferred corporate vehicle for large-scale investments and projects requiring substantial capital, multiple shareholders, or access to public financing.

It is commonly used for industrial, financial, and commercial activities and is the corporate form required for certain regulated activities, including securities trading and telecommunications activities requiring a public company structure.

JSCs are governed by Companies Law No. 159 of 1981 and its Executive Regulations.

A JSC is a company whose capital is divided into shares of equal value. Each shareholder's liability is limited to the value of the shares subscribed for by that shareholder.

The company has a legal personality separate and independent from that of its shareholders.

A JSC must adopt a trade name derived from its corporate purpose, although the name may include the name or surname of one or more founders.

The designation "Egyptian Joint Stock Company" must appear on the company's contracts, correspondence, invoices, publications, and advertisements.

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3.2 Founders and Shareholders

A JSC must be incorporated by at least three founders.

The founders may be natural persons or legal entities and must possess the legal capacity required to establish a company of this nature.

The company must maintain at least the statutory minimum number of shareholders throughout its existence.

If the number of shareholders falls below the statutory minimum, the company must regularize its position within six months. If it fails to do so, the company may be dissolved by operation of law.

3.3 Capital Requirements

The capital of a JSC is divided into shares of equal nominal value. Under Article 6 of the Executive Regulations of Companies Law, the minimum issued capital depends on whether the company offers its shares for public subscription. For a JSC that does not offer its shares through public subscription, the issued capital must be at least EGP 250,000, while a JSC offering its shares through public subscription must have issued capital of at least EGP 500,000. In both cases, at least 25% of the issued capital must be paid in cash upon incorporation.

		Minimum Issued Capital	Minimum Paid-Up Capital upon Incorporation
01	JSC not offering its shares through public subscription	EGP 250,000	25% of the issued capital
02	JSC offering its shares through public subscription	EGP 500,000	25% of the issued capital
03	JSC carrying out securities trading, underwriting, or participation in the establishment or capitalization of other companies	EGP 5,000,000	25% of the issued capital

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The company’s capital may consist of cash contributions, in-kind contributions, or a combination of both, subject to the applicable requirements for the valuation and contribution of in-kind assets. In addition, certain regulated activities may be subject to higher minimum capital requirements under sector-specific laws and regulations.

3.4 Subscription and In-Kind Contributions

The issued capital of a JSC may be subscribed privately by the founders and identified investors or through a public offering, depending on the company's funding objectives and the applicable legal requirements. For a subscription to be valid, the entire issued capital must be subscribed, the subscription must be unconditional and binding, and at least 25% of the value of the cash shares must be paid upon subscription. In-kind contributions must be fully contributed to the company and are subject to the valuation procedures prescribed by the Companies Law.

A public offering is deemed to occur where shares are offered to an unspecified group of persons or where the number of subscribers exceeds one hundred. Where the company's capital includes in-kind contributions, the founders must submit a preliminary valuation to GAFI for review. The valuation is examined by a specialized committee, whose report must be approved by the constituent assembly. Shareholders contributing in-kind assets may not vote on the resolution approving the valuation of their own contributions.

3.5 Constitutional Documents and Constituent Assembly

The incorporation of a JSC requires the execution of a Memorandum and Articles of Association in the prescribed form. These constitutional documents set out the company's principal corporate information, including its name, objects, issued capital, share structure, management arrangements, and registered office.

Following completion of the subscription process, the founders must convene the constituent assembly within the period prescribed by law. The constituent assembly is responsible for approving the constitutional documents, ratifying the valuation of any in-kind contributions, approving the founders' report on incorporation expenses, appointing the first Board of Directors, and appointing the company's statutory auditor.

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Meetings of the constituent assembly are subject to the quorum requirements prescribed by the Companies Law.

3.6 Management Structure

A JSC is managed by a Board of Directors appointed in accordance with the Companies Law and the company's Articles of Association. The first Board is appointed by the constituent assembly upon incorporation. The Board may appoint a Chairperson from among its members and may also appoint a Chief Executive Officer, Managing Director, or General Manager to oversee the company's day-to-day operations.

The Board is responsible for the overall management of the company and represents it before courts and third parties within the limits of its statutory powers and any restrictions contained in the Articles of Association. Its members are required to act in the best interests of the company and to comply with the duties and responsibilities imposed by the Companies Law.

3.7 Transfer of Shares and Shareholders' Agreements

The shares of a JSC are generally transferable, subject to the provisions of the Companies Law, the Capital Market Law where applicable, and the company's Articles of Association. Certain categories of shares, including founders' shares and shares issued in consideration of in-kind contributions, are subject to statutory transfer restrictions during the periods prescribed by law.

Shareholders may also enter into shareholders' agreements regulating matters such as governance, voting arrangements, transfer restrictions, exit mechanisms, and other rights and obligations between them. Such agreements are generally binding only upon the parties thereto unless they are incorporated into the company's constitutional documents or otherwise approved in accordance with the Companies Law.

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3.8 Corporate Governance, Reporting, and Regulatory Requirements

A JSC must maintain proper corporate books, statutory registers, accounting records, and minutes of shareholders' and Board meetings. The company is also required to prepare annual financial statements in accordance with Egyptian accounting standards, appoint one or more statutory auditors, and comply with the audit, filing, disclosure, and reporting obligations prescribed by the Companies Law and its Executive Regulations.

Companies operating in regulated sectors or undertaking public offerings remain subject to the supervision of the competent regulatory authorities, including the Financial Regulatory Authority where applicable, and must comply with any additional capital, governance, licensing, disclosure, or reporting requirements applicable to their business activities.

3.9 Dissolution

A JSC may be dissolved voluntarily by a resolution of its shareholders or upon the occurrence of any of the grounds prescribed by the Companies Law or the company's Articles of Association. These include the expiry of the company's term, the achievement or impossibility of achieving its corporate purpose, the issuance of a final court judgment ordering its dissolution, or any other statutory ground. A JSC may also be dissolved where the number of shareholders falls below the statutory minimum and is not restored within the period prescribed by law.

Upon dissolution, the company enters into liquidation and retains its legal personality only to the extent necessary to complete the liquidation process in accordance with the Companies Law and its Executive Regulations.

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VI. Sector-Specific Licensing and Regulatory Requirements

Certain business activities in Egypt are subject to sector-specific licensing and regulatory supervision. The following sections summarise the principal licensing authorities and regulatory requirements applicable to selected regulated sectors.

1. Companies Carrying on Import and Export Activities

A. Regulatory Authority and General Requirements

Companies intending to engage in import or export activities in Egypt are subject to the regulatory oversight of the General Organization for Export and Import Control (GOEIC). Depending on the nature of their business, companies may be required to register in the Importers Register, the Exporters Register, or both before commencing trading activities.

Registration is available only to companies that satisfy the applicable legal requirements relating to their corporate structure, ownership, management, and business activities.

B. Importers Register

Companies importing goods for commercial purposes must obtain registration in the Importers Register maintained by GOEIC before commencing import operations.

To qualify for registration, a company must generally be incorporated under Egyptian law, maintain its principal place of business in Egypt, be registered with the Commercial Register, and include import activities within its corporate objects. It must also satisfy the applicable ownership, capital, management, and licensing requirements prescribed by law, including the appointment of an Egyptian import manager where required.

C. Exporters Register

Companies intending to export goods from Egypt must obtain registration in the Exporters Register maintained by GOEIC.

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Applicants must generally be registered with the Commercial Register, include export activities within their corporate objects, satisfy the applicable capital requirements, and appoint a qualified export manager in accordance with the relevant legislation. Registration applications must be supported by the corporate and regulatory documentation prescribed by GOEIC.

D. Ongoing Compliance

Following registration, companies must continue to satisfy the applicable regulatory requirements throughout their operations. This includes maintaining the conditions upon which registration was granted, notifying GOEIC of material changes to their registered information within the prescribed time limits, and completing any required renewals or updates in accordance with the applicable legislation.

2. Call Centers, BPO, and VoIP Activities

A. NTRA Licensing and Registration

Call center and business process outsourcing (BPO) activities in Egypt may be subject to the supervision of the National Telecommunications Regulatory Authority (NTRA), depending on the nature of the services provided and the telecommunications technologies used.

The applicable regulatory requirements depend primarily on the company's business model. Companies providing call center or customer support services to third-party clients are generally required to obtain an NTRA Call Center Licence. By contrast, companies operating call centers exclusively to support their own business and customers are generally required to register with the NTRA as Private Call Center Operators.

The applicable licence or registration determines the scope of the activities that may be carried out, the communication technologies that may be used, the applicable regulatory fees, and the operator's ongoing compliance obligations.

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B. VoIP and Telecommunications Approvals

Companies intending to use Voice over Internet Protocol (VoIP), managed telecommunications services, or other regulated communications technologies may be required to obtain additional approvals from the NTRA before commencing operations.

The unauthorized provision or use of regulated telecommunications services may give rise to administrative, civil, or criminal liability under Telecommunications Regulation Law No. 10 of 2003. Investors should therefore confirm the licensing requirements applicable to their proposed operations before launching any telecommunications-enabled services.

C. Corporate and Registration Requirements

Where an NTRA telecommunications licence is required, a Joint Stock Company is generally the preferred corporate vehicle due to its governance framework and regulatory suitability. Before applying for the relevant licence or registration, the company must complete its incorporation and the principal post-incorporation registrations, including registration with GAFI, the Commercial Register, and the Egyptian Tax Authority.

The appropriate legal form and licensing requirements should always be assessed in light of the specific services, technologies, and business model proposed by the investor.

D. Ongoing Compliance and Regulatory Supervision

Licensed and registered operators remain subject to the ongoing supervision of the NTRA and must comply with the applicable telecommunications legislation, licence conditions, technical standards, cybersecurity and data protection requirements, and record-keeping obligations. Failure to comply with these requirements may result in administrative sanctions, suspension or revocation of the relevant licence or registration, and other penalties prescribed by law.

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3. Insurance and Non-Banking Financial Activities

Insurance and other non-banking financial activities in Egypt are regulated by the Financial Regulatory Authority (FRA). Companies intending to carry out insurance brokerage, reinsurance brokerage, financial leasing, factoring, consumer finance, microfinance, capital market activities, or other regulated financial services must obtain the appropriate licence from the FRA before commencing operations.

The applicable capital, ownership, governance, and operational requirements vary depending on the regulated activity. The requirements outlined below relate primarily to insurance and reinsurance brokerage companies.

A. FRA Licensing

No company may undertake regulated insurance or non-banking financial activity without first obtaining the appropriate licence from the FRA. The licensing process generally requires the submission of the company's incorporation and constitutional documents, evidence that the applicable capital requirements have been satisfied, details of its ownership structure, a business plan, and the governance and operational policies required for the proposed activity. Licensed companies must continue to satisfy the conditions upon which the licence was granted throughout their operations.

B. Ownership and Shareholding Requirements

Insurance brokerage and reinsurance brokerage companies are subject to specific ownership and shareholder qualification requirements prescribed by the FRA. Financial institutions are generally required to hold at least 25% of the company's share capital, and at least one shareholder must possess relevant experience in the insurance or financial services sector. Changes to the company's ownership or shareholding structure must comply with the applicable FRA requirements and, where required, obtain the Authority's prior approval or be notified to the FRA in accordance with the applicable regulations.

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C. Corporate Governance and Management

Licensed insurance brokerage companies must maintain an appropriate governance framework and management structure. The Board of Directors must include at least two members with relevant insurance experience, one serving as the Executive Managing Director and the other as an independent director. Directors are subject to restrictions intended to avoid conflicts of interest and may not simultaneously serve on the board of another insurance brokerage company or an insurance company operating in Egypt. Material changes affecting the Board of Directors, executive management, or shareholder structure must be reported to the FRA.

D. Organisational and Operational Requirements

Licensed companies must maintain an organisational structure appropriate to the nature and scale of their business and ensure that each operational function is adequately staffed by suitably qualified personnel. In particular, insurance brokerage companies are required to maintain licensed insurance brokers and establish appropriate operational, customer service, information technology, finance, and administrative functions capable of supporting their licensed activities.

Applicants are also generally required to submit a comprehensive business plan describing the proposed activities, target market, marketing strategy, financial projections, operational model, and expansion plans. Depending on the nature of the proposed business, the FRA may require the establishment of additional branches within a prescribed period and the inclusion of specific operational or market development objectives.

E. Ongoing Compliance and FRA Supervision

Licensed entities remain subject to the ongoing supervision of the FRA and must continue to comply with the conditions of their licences, applicable ownership requirements, corporate governance standards, reporting and disclosure obligations, record-keeping requirements, and any additional regulatory directions issued by the Authority. Failure to maintain these requirements may result in regulatory action, including corrective measures, suspension of licensed activities, or revocation of the licence.

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4. Tourism and Hospitality Activities

Businesses operating in Egypt's tourism and hospitality sector are subject to a specialised licensing regime administered primarily by the Ministry of Tourism and Antiquities. Depending on the nature and location of the proposed activity, additional approvals may also be required from other governmental authorities, including the Civil Protection Authority, health authorities, environmental authorities, local administrative authorities, and security authorities. No tourism or hospitality business may commence operations before obtaining the licences and approvals applicable to its particular activity.

A. Tourism Companies

Tourism companies are regulated under Law No. 38 of 1977 Regulating Tourism Companies and must obtain an operating licence from the Ministry of Tourism and Antiquities before commencing business. As a general rule, the company must be incorporated under Egyptian law, its corporate objects must be limited to the licensed tourism activities, and it must maintain a registered office in Egypt. The company is also required to appoint an Egyptian national as its general manager and obtain any security approvals required for activities conducted in border areas, military zones, or other restricted locations.

Foreign tourism companies may establish branches in Egypt on the basis of reciprocity, provided they satisfy the applicable capital, financial guarantee, licensing, and other statutory requirements. Following licensing, tourism companies remain subject to the Ministry's ongoing supervision and must comply with the applicable reporting, employee registration, licence renewal, and operational requirements.

B. Hotels and Tourist Establishments

Hotels, resorts, serviced apartments, holiday homes, and other tourist establishments are regulated under Law No. 8 of 2022 on Hotels and Tourist Establishments and must obtain the necessary operating licences before commencing business. Depending on the nature of the establishment, the licensing process may require preliminary project approval, an operating licence, classification or star-rating approval, and Civil Protection and health approvals before operations begin.

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Once licensed, operators remain subject to continuing regulatory oversight relating to health and safety standards, service quality, maintenance of the premises, employment of foreign personnel where applicable, pricing requirements where prescribed by law, and periodic inspections carried out by the competent authorities.

C. Holiday Homes

Holiday homes offered for short-term tourist accommodation must obtain a tourism operating permit from the Ministry of Tourism and Antiquities before receiving guests. Generally, the property must be located within a designated tourism area or an approved residential development, obtain a Tourism Suitability Certificate, comply with the applicable health and safety requirements, and complete registration with the Egyptian Tax Authority.

Operators are also required to notify the Ministry electronically before commencing operations, pay the applicable taxes, fees, and inspection charges, and renew the Tourism Suitability Certificate annually. A holiday home may not be marketed or operated for tourism purposes unless the required permit remains valid.

D. Specialised Tourism Activities

Certain specialised tourism activities require additional licences and approvals from the Ministry of Tourism and Antiquities and, where applicable, other competent authorities. These activities include diving and marine centres, tourist transportation services, hotel management companies, tourist shops, religious tourism operators, and desert safari and adventure tourism businesses.

The applicable licensing requirements vary depending on the activity and may include conditions relating to premises, specialised equipment, qualified personnel, transportation, insurance coverage, safety measures, and security approvals.

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E. Ongoing Compliance

Licensed tourism and hospitality businesses remain subject to continuous supervision by the Ministry of Tourism and Antiquities and other competent authorities. They must maintain the conditions upon which their licences or permits were granted, renew licences and classification certificates when required, comply with operational, health, safety, and environmental standards, register employees in accordance with applicable laws, notify the competent authorities of material corporate or operational changes, pay the prescribed regulatory fees and taxes, and cooperate with inspections and regulatory requests.

Failure to comply with the applicable licensing or operational requirements may result in administrative measures, including financial penalties, suspension of activities, downgrading of the establishment's classification, or revocation of the relevant licence or permit.

5. Healthcare and Pharmaceutical Activities

Healthcare and pharmaceutical activities in Egypt are subject to extensive regulation due to their direct impact on public health and safety. Depending on the nature of the proposed business, investors may be required to obtain licences and approvals from the Ministry of Health and Population (MOHP), the Egyptian Drug Authority (EDA), and other competent authorities before commencing operations. Activities involving healthcare services or the manufacture, importation, storage, distribution, or sale of pharmaceuticals, medical devices, and other healthcare products are subject to sector-specific licensing requirements, technical standards, and ongoing regulatory supervision.

A. Regulatory Framework and Competent Authorities

The regulatory framework depends on the nature of the products or services offered. Healthcare establishments, including hospitals, clinics, laboratories, and specialised medical facilities, are generally regulated by the MOHP. Businesses involved in pharmaceuticals, biological products, cosmetics, food supplements, veterinary products, medical devices, and medical supplies are generally regulated by the EDA.

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Depending on the nature, location, and scope of the proposed business, additional approvals may also be required from other competent governmental authorities.

B. Healthcare Establishments

Hospitals, clinics, medical laboratories, radiology centres, and other healthcare establishments must obtain the necessary operating licences from the MOHP before commencing operations. The licensing process generally includes a review of the proposed premises, medical equipment, staffing arrangements, compliance with applicable health and safety standards, and adherence to the relevant healthcare legislation. Certain specialised medical services may also require additional licences or approvals before they may be provided.

C. Pharmaceutical and Medical Products

Businesses engaged in the manufacture, importation, storage, distribution, or marketing of pharmaceuticals and other regulated healthcare products are subject to the supervision of the EDA. Regulated products include pharmaceutical products, biological products, cosmetics, food supplements, veterinary products, medical devices, and medical supplies.

Depending on the nature of the activity, the company may be required to obtain an establishment licence, register the relevant products or medical devices, obtain manufacturing or importation approvals, satisfy the applicable technical and quality standards, and comply with pharmacovigilance and product safety requirements. No regulated product may be placed on the Egyptian market until all applicable licensing, approval, and registration procedures have been completed.

D. Professional Licensing and Technical Personnel

Healthcare professionals practising in Egypt must hold the licences and professional registrations required under the applicable legislation. This requirement applies to physicians, dentists, pharmacists, nurses, and other regulated healthcare professionals.

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Healthcare establishments are responsible for ensuring that their professional staff satisfy the applicable qualification, licensing, registration, and continuing professional requirements. Companies engaged in pharmaceutical or medical product activities may also be required to appoint qualified technical personnel in accordance with the requirements applicable to their establishments and licensed activities.

E. Manufacturing, Importation, Storage, and Distribution

Companies involved in the manufacture, importation, storage, or distribution of pharmaceuticals and medical devices must comply with the licensing and technical requirements prescribed by the EDA. Depending on the activity, this may include obtaining the necessary establishment and operational licences, securing manufacturing or importation approvals, maintaining qualified technical personnel, and complying with Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), and Good Storage Practice (GSP).

Companies are also required to maintain product traceability records and permit inspections by the competent authorities. These standards must be observed throughout the manufacture, importation, storage, transportation, and distribution of regulated products.

F. Ongoing Compliance

Healthcare and pharmaceutical businesses remain subject to continuous regulatory supervision after commencing operations. Their ongoing obligations include maintaining and renewing licences and registrations, reporting adverse events, complying with pharmacovigilance requirements, notifying the competent authorities of material corporate or operational changes, maintaining product quality and safety standards, preserving technical and traceability records, cooperating with regulatory inspections, complying with advertising, marketing, and labelling requirements, and ensuring that professional and technical personnel continue to satisfy the applicable licensing and qualification requirements.

Failure to comply with the applicable licensing, technical, or operational requirements may result in regulatory action, including suspension of activities, withdrawal of product registrations, or revocation of the relevant licences.

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6. Manufacturing and Industrial Projects

Manufacturing and industrial activities in Egypt are regulated primarily by the Industrial Development Authority (IDA). Depending on the nature, location, and risk classification of the proposed project, investors may be required to obtain an industrial operating licence, environmental approvals, Civil Protection approvals, and other sector-specific permits before commencing operations.

A. Industrial Licensing

Industrial establishments must obtain an Operating Licence from the IDA before commencing their activities. Depending on the nature and risk classification of the proposed industrial activity, the licence is issued under either the Prior Approval System or the Notification System, each of which is subject to its own procedural, documentary, and technical requirements.

Under the Prior Approval System, investors must obtain the required approvals and demonstrate compliance with the applicable technical requirements before the Operating Licence is issued. Under the Notification System, an establishment may obtain the licence upon submitting the prescribed notification and supporting documents, provided that any outstanding requirements are completed within the statutory time limits.

B. Environmental and Civil Protection Approvals

Environmental compliance is a fundamental requirement for the licensing of industrial projects. Under the Prior Approval System, investors are generally required to obtain environmental approval or submit an environmental impact assessment before the Operating Licence is issued. Under the Notification System, investors may rely on an existing environmental approval or submit an environmental screening study in accordance with the IDA's requirements.

Environmental approval may also be required when new industrial activities are introduced, existing activities are modified, or material changes are made that could affect the environmental impact of the project.

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Industrial facilities must also comply with the applicable Civil Protection requirements. Under the Prior Approval System, Civil Protection approval is generally required before the Operating Licence is issued. Under the Notification System, the facility may complete the Civil Protection procedures after obtaining the Operating Licence, provided that the applicable requirements are satisfied within the statutory grace period prescribed by the IDA.

Failure to satisfy the applicable environmental or Civil Protection requirements may result in the suspension or cancellation of the Operating Licence.

C. Modification of Licensed Activities

Material modifications to a licensed industrial project generally require the prior approval of the IDA. Such modifications may include the addition or removal of industrial activities, changes to the nature of production, amendments to production capacity or motive power, changes to the approved industrial use, or significant alterations to the premises or technical specifications of the project.

Depending on the proposed modification, the company may also be required to obtain additional environmental or Civil Protection approvals, amend its land allocation or handover documents, and update its Operating Licence or Industrial Register. The required approvals should be obtained before implementing any material changes.

D. Accredited Technical Offices

The IDA authorises accredited technical offices to assist investors with industrial licensing and technical compliance procedures. These offices may review technical documentation, inspect industrial facilities, verify compliance with the applicable licensing requirements, and issue technical compliance certificates in support of licence applications. Their reports and certificates may be submitted to the IDA as evidence that the establishment satisfies the applicable technical and operational standards.

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E. Golden Licence

Strategic or nationally significant industrial projects may qualify for a Golden Licence issued under the Investment Law. The Golden Licence provides a unified approval mechanism covering the establishment, operation, and management of qualifying investment projects.

Eligibility depends on the nature, location, scale, and strategic importance of the proposed investment and the conditions prescribed under the applicable investment legislation.

F. Ongoing Compliance

Following commencement of operations, industrial establishments must continue to comply with the conditions of their Operating Licence and Industrial Register, together with the applicable environmental, Civil Protection, occupational health and safety, technical, and production requirements.

Industrial establishments are required to renew licences and approvals where necessary, maintain the prescribed technical and operational records, notify the IDA of material changes affecting the licensed activity, and cooperate with inspections conducted by the competent authorities. Where violations are identified, the establishment may be required to implement corrective measures within a specified period. Failure to maintain the applicable licensing and regulatory requirements may result in administrative sanctions, suspension of operations, cancellation of the Operating Licence, or removal from the Industrial Register.

7. Educational Institutions

The education sector in Egypt is subject to a comprehensive regulatory framework. Investors seeking to establish private schools or other educational institutions must obtain the necessary licences and approvals from the Ministry of Education and Technical Education (MOETE) and other competent authorities before commencing operations. Educational institutions must also comply with the applicable requirements relating to premises, curricula, staffing, tuition fees, accreditation, quality assurance, and ongoing regulatory supervision.

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A. Establishment and Licensing

The establishment and operation of private schools are governed by Education Law No. 139 of 1981, its Executive Regulations, and the relevant ministerial decrees. No educational institution may commence operations before obtaining the licences and approvals required by the competent authorities. Applications are generally submitted to the Educational Directorate having jurisdiction over the proposed location of the institution.

International schools and institutions offering foreign curricula, international certificates, or foreign educational systems are subject to additional approval requirements imposed by the MOETE. Institutions must continue to satisfy the conditions upon which their licences were granted throughout the period of their operations.

B. Premises and Educational Buildings

Before educational activities may commence, the proposed premises must obtain the approvals required from the General Authority for Educational Buildings and any other competent authorities. The approval process generally assesses compliance with the applicable planning, construction, infrastructure, safety, capacity, and educational-use requirements.

Educational buildings and facilities must satisfy the prescribed technical standards relating to classrooms, administrative offices, sanitation facilities, accessibility, safety systems, and maximum student capacity. Material expansions, relocations, or alterations to the approved premises generally require prior approval.

C. Curricula and Educational Content

Educational institutions may implement only curricula, educational programmes, and certification systems approved by the competent authorities. Prior approval is generally required before introducing or materially modifying a foreign curriculum, international certification system, academic programme, or other educational programme subject to regulatory approval.

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Textbooks, teaching materials, and other educational content may also be subject to technical review and approval. Institutions must ensure that their curricula remain consistent with the educational, cultural, and regulatory requirements applicable in Egypt.

D. Staffing and Operational Requirements

Educational institutions must appoint qualified teaching, administrative, and supervisory personnel in accordance with the requirements applicable to the level and type of education provided. Schools are responsible for ensuring that their staff possess the required academic qualifications, professional experience, registrations, and approvals.

Institutions must also comply with the applicable requirements governing student records, class sizes, academic calendars, examinations, reporting obligations, school administration, and the provision of educational services. International schools may be subject to additional requirements relating to foreign teachers, academic leadership, and the administration of foreign curricula.

E. Tuition Fees and Financial Compliance

Private schools must comply with the regulatory framework governing tuition fees and other educational charges. Tuition fees and any permitted increases are subject to the applicable statutory limitations and approval requirements. Fees are generally collected in Egyptian pounds, and institutions must disclose their approved fee schedules in accordance with the applicable regulations.

Schools may not impose unapproved fees or charges and must maintain appropriate financial and administrative records while complying with the reporting obligations imposed by the MOETE and the competent Educational Directorate.

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F. Accreditation and Ongoing Compliance

Educational institutions may be required to obtain and periodically renew accreditation from the National Authority for Quality Assurance and Accreditation of Education (NAQAAE). Accreditation evaluates compliance with the applicable standards relating to institutional governance, educational quality, academic performance, administration, staffing, facilities, and continuous improvement.

Educational institutions remain subject to ongoing supervision by the MOETE, the competent Educational Directorate, and other relevant authorities. They must maintain their licences and approvals, cooperate with inspections, comply with educational and operational standards, and notify the competent authorities of material changes affecting their activities. Failure to comply with the applicable licensing, accreditation, or operational requirements may result in corrective measures, financial penalties, suspension of activities, or revocation of the operating licence.

VII. Documents Required for Incorporation

The documents required to incorporate a company in Egypt vary depending on the legal form of the company, whether the founders or shareholders are natural persons or legal entities, whether they are Egyptian or foreign, and whether they act personally or through authorised representatives. Additional documents may also be required depending on the proposed business activity, ownership structure, and the requirements of GAFI or other competent authorities.

A. Individual Shareholders

Individual shareholders must provide a copy of a valid national identification card or passport. Where a shareholder acts through an attorney-in-fact, an original power of attorney must also be submitted. The power of attorney should expressly authorise the representative to incorporate the company, execute the constitutional documents, appear before GAFI and other competent authorities, and complete all incorporation and registration procedures on the shareholder's behalf.

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Foreign individual shareholders may also be required to provide proof of address, personal information declarations, or any additional documentation requested by GAFI or the competent authorities.

B. Corporate Shareholders

Where a shareholder is a legal entity, the incorporation documents generally include a recent commercial register extract or certificate of incorporation, together with the company's articles of association or other constitutional documents. Where the incorporation is completed through an authorised representative, an original power of attorney authorising the representative to act before GAFI and other competent authorities must also be submitted. Depending on the jurisdiction of incorporation and the proposed business activity, GAFI may request additional corporate authorisations or supporting documentation.

In addition, companies incorporated in Egypt are required to identify and maintain accurate information regarding their Ultimate Beneficial Owners (UBOs) as part of the applicable anti-money laundering and corporate transparency framework. The UBO is the natural person who ultimately owns or exercises effective control over the company, whether through direct or indirect ownership, voting rights, contractual arrangements, or other means.

Where the shareholder is itself a legal entity, the ownership structure should generally be traced through the relevant corporate entities until the natural person or persons who ultimately own or exercise effective control are identified. UBO information may be required during incorporation and in connection with corporate bank account opening, licensing, and AML/KYC procedures. Such information may include the UBO's full name, nationality, date of birth, identification or passport details, residential address, ownership or control interest, and the basis on which control is exercised.

Companies should ensure that their UBO information remains accurate and up to date and should update the relevant information following changes in ownership, voting rights, management, or control. Banks and other regulated institutions may also request updated UBO information as part of their ongoing customer due diligence procedures.

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Failure to provide or maintain the required information may result in delays in incorporation, banking, licensing, or other regulatory procedures and may, where applicable, give rise to regulatory or administrative consequences.

C. Legalisation Requirements

Documents issued outside Egypt must generally be notarised and legalised in the country of issuance and subsequently authenticated by the relevant Egyptian embassy or consulate, unless an applicable treaty or international convention provides otherwise.

Documents prepared in a language other than Arabic must generally be accompanied by an Arabic translation prepared by a certified translator before submission to GAFI or any other competent Egyptian authority.

D. Security Clearance for Foreign Shareholders and Managers

Foreign shareholders, managers, and directors may be subject to security clearance by the competent Egyptian authorities as part of the incorporation and registration process. In certain cases, the incorporation procedures may proceed while the security review remains pending. However, the completion of the company's registration or the commencement of certain regulated activities may remain conditional upon obtaining the required security clearance.

The scope and duration of the security review vary depending on factors such as the nationality of the foreign investor or manager, the nature of the proposed business activity, and any sector-specific regulatory considerations.

Security clearance in Egypt is not expressly determined by reference to a publicly published blacklist. However, Egypt maintains an AML/CFT framework aligned with international standards, including the FATF Recommendations, through its domestic legislation and its membership in MENAFATF.

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While FATF and MENAFATF classifications are not, in themselves, determinative of the security clearance process, the classification of a jurisdiction on the FATF black or grey lists may be taken into account by the competent authorities as part of their overall assessment of the foreign shareholder or manager and the applicable security risks.

VIII. Step-by-Step Incorporation Process

The incorporation of a company in Egypt is primarily completed through GAFI. The precise procedure varies depending on the selected legal form, the identity of the founders, the proposed capital structure, and the nature of the company's activities.

The incorporation process generally includes the following stages.

Step 1: Selecting the Company Type and Legal Framework

The founders must first determine the legal form most appropriate for the proposed business.

The selection should take into account the nature of the activity, the number and identity of the investors, capital and financing requirements, the preferred management structure, limitations of liability, future expansion plans, and any sector-specific regulatory requirements.

The founders should also determine whether the company will be incorporated under Companies Law No. 159 of 1981 or whether the investment project qualifies for the guarantees and incentives available under Investment Law No. 72 of 2017.

Step 2: Reserving the Company Name

Before submitting the incorporation application, the founders must obtain a non-confusion certificate confirming that the proposed company name is distinguishable from the names of existing entities registered in Egypt.

The certificate reserves the proposed name for the applicable validity period and forms part of the incorporation file submitted to GAFI.

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The selected name must also comply with the requirements applicable to the company's legal form and must not be misleading, unlawful, or inconsistent with its corporate purpose.

Step 3: Preparing the Incorporation Documents and Registered Address

The founders must prepare the constitutional and supporting documents required for incorporation, including:

- Powers of attorney authorizing representatives to complete the incorporation procedures;
- Identification documents relating to the founders, managers, and directors; and
- Evidence of the company's registered office address in Egypt.

The registered address is a mandatory requirement for the incorporation application and will appear on the company's commercial register and tax records.

Step 4: Obtaining Prior Sectoral Approvals

Certain regulated activities require prior approvals from the competent authorities before incorporation may proceed. Such approvals may be necessary for activities in sectors including banking, insurance, financial services, healthcare, education, tourism, telecommunications, and industry.

Step 5: Opening a Bank Account and Depositing Capital

Where the selected legal form or the applicable sector-specific legislation requires paid-up capital, the founders must open a temporary bank account in the name of the company under incorporation and deposit the required amount. The bank issues a certificate confirming the deposited capital, which forms part of the incorporation file submitted to GAFI.

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Step 6: Submission and Review by GAFI

The complete incorporation file is submitted to GAFI together with the constitutional documents, supporting documents, bank certificate where required, and any applicable sectoral approvals.

GAFI reviews the file to verify compliance with the Companies Law, the Investment Law, the selected legal form, and any sector-specific legislation applicable to the proposed activity.

GAFI may request amendments, clarifications, or additional documents where the submitted file does not satisfy the applicable requirements.

Step 7: Payment of Fees and Execution of Documents

Once the incorporation file has been approved, the founders must pay the applicable governmental, registration, publication, authentication, and incorporation fees.

Following payment, the founders or their duly authorized representatives execute and authenticate the company's incorporation documents before GAFI or the other competent authorities. Where a founder is a corporate entity, the person signing on its behalf must act under the authority granted by the relevant corporate resolution and power of attorney.

Step 8: Issuance of Corporate Documents

Upon completion of the incorporation process, GAFI issues the company's incorporation documents, including its Articles of Association, Commercial Register extract, Tax Card, and any other incorporation documents applicable to the selected legal form. Publication in the Investment Gazette is also completed where required.

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Step 9: Tax and Post-Incorporation Registrations

Following incorporation, the company must complete its registration with the Egyptian Tax Authority and obtain its tax registration certificate or tax card. Where the company carries out activities subject to value-added tax or reaches the applicable registration threshold, it must also complete VAT registration and obtain the relevant certificate.

IX. Commencement of Operations and Core Registrations

Following incorporation, a company must complete the principal banking, tax, and institutional registrations required to commence operations in Egypt. Depending on its activities, the company may also need to obtain sector-specific licences and operational approvals before conducting business.

1. Opening a Corporate Bank Account

Following incorporation, companies generally open a permanent corporate bank account in Egypt to receive payments, settle business expenses, pay employees and governmental dues, and conduct their ordinary commercial transactions. The application is submitted by the company's legal representative, manager, director, or other duly authorized signatory whose authority is reflected in the Commercial Register or the company's constitutional documents.

Although the documentary requirements vary between banks, applicants are generally required to submit the company's Commercial Register, Tax Card, Articles of Association and any amendments thereto, the certificate of incorporation (where applicable), identification documents of the authorized signatories, proof of the company's registered address where requested, specimen signatures, completed account-opening forms, and the Ultimate Beneficial Owner (UBO) and Know Your Customer (KYC) documentation required under the applicable anti-money laundering regulations. Once the bank has completed its due diligence and verified the submitted documentation, the corporate bank account is activated and may be used for the company's banking and commercial transactions.

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2. Tax Compliance

Companies carrying on business in Egypt must register with the Egyptian Tax Authority ("ETA") and comply with the tax obligations applicable to their activities, which may include corporate income tax, payroll tax, withholding tax, value-added tax (VAT), and any other applicable taxes or duties. Corporate income tax returns must generally be filed electronically within four months following the end of the company's financial year, while VAT-registered businesses are generally required to submit monthly VAT returns within the prescribed statutory deadlines.

Companies are also required to maintain proper accounting books and records, preserve the documentation supporting their income and expenses, and notify the ETA of any material changes to their registered information, including changes to the company's address, management, ownership, or business activities.

3. Electronic Invoicing and Electronic Receipts

Companies are required to register on the Egyptian Tax Authority's electronic systems and comply with the applicable electronic invoicing requirements. This generally involves registering on the electronic invoicing platform, obtaining an electronic signature certificate from an accredited provider, and acquiring the electronic token or other technical tools necessary to issue and authenticate electronic invoices. Invoices issued through the prescribed electronic system are recognized by the Egyptian Tax Authority for tax purposes and may be used to support deductible costs and expenses.

Companies dealing with governmental entities are required to comply fully with the electronic invoicing regime and may not rely on paper invoices for transactions falling within its scope. Businesses engaged in retail or other consumer-facing activities may also be required to register under the electronic receipt system, depending on the nature and scale of their operations. Failure to comply with the applicable tax filing, electronic invoicing, electronic receipt, and reporting requirements may result in financial penalties and other administrative sanctions.

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4. Employment and Workforce Compliance

A. Social Insurance Registration

Companies operating in Egypt are required to register with the National Organization for Social Insurance ("NOSI") in accordance with Social Insurance and Pensions Law No. 148 of 2019. Upon commencing business operations, the employer must open a social insurance file with the competent social insurance office and obtain an establishment insurance number. Employers are also required to register each employee with NOSI upon the commencement of employment, maintain accurate insurance records throughout the employment relationship, and notify the competent authority of any changes relating to employee appointments, resignations, salaries, or the employer's registered information.

Social insurance contributions are mandatory and are calculated on the employee's insurable wage. The employer is responsible for deducting the employee's contribution and remitting both the employer's and employee's shares to NOSI on a monthly basis.

Contributor	Contribution Rate
Employee	11%
Employer	18.75%
Total	**29.75%**

As of 2026, contributions are calculated within the statutory insurable wage thresholds, which range from EGP 2,700 to EGP 16,700 per month. Failure to comply with the applicable registration, reporting, and contribution requirements may result in financial penalties and other sanctions under the Social Insurance Law.

B. Employment Contracts

Employers must conclude written employment contracts with all employees in accordance with Labour Law No. 14 of 2025. The contract must be prepared in Arabic in four original counterparts, with one copy retained by each of the employer and employee and the remaining copies submitted to the competent social insurance office and the relevant administrative authority.

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Where the employee is a foreign national who does not speak Arabic, the contract may also be prepared in the employee's language; however, the Arabic version prevails in the event of any inconsistency.

The contract should set out the essential terms of employment, including the commencement date, the parties' details, the employee's position, the nature of the work, remuneration, and any agreed benefits. Employers must also issue a receipt for any original documents or certificates deposited by the employee.

C. Payroll and Tax Compliance

Employers are required to maintain accurate payroll records, calculate employee entitlements, deduct payroll taxes where applicable, and comply with the reporting and payment obligations imposed under the applicable tax legislation. Payroll records should accurately reflect salaries, allowances, bonuses, deductions, social insurance contributions, leave payments, and other employment-related entitlements.

D. Workplace Policies and Internal Regulations

Employers with ten or more employees are required to prepare internal work regulations governing the organization of work, including rules on promotions, transfers, remuneration, disciplinary offences, and sanctions. The regulations must be prepared within 60 days from commencing operations, reaching the statutory employee threshold, or the entry into force of the Labour Law, as applicable, and submitted to the competent administrative authority for approval after consultation with the relevant labour union, where applicable.

Once approved, or deemed approved under the Labour Law, the regulations must be displayed prominently at the workplace and its branches.

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E. Employee Records

Employers are required to maintain a personnel file, in paper or electronic form, for each employee. The file should include the employment contract, identification documents, social insurance registration, medical examination records, payroll information, leave records, disciplinary actions, performance evaluations, and any other documents relating to the employment relationship. Access to the file should be restricted to persons authorized by law, and it must be made available to the competent administrative authority or labour court upon request. Employers are required to retain the file for at least five years following the termination of employment, or until the final resolution of any related legal proceedings.

F. Foreign Employees

Foreign nationals may not commence employment in Egypt without obtaining the required work permit and residence authorisation, unless an applicable exemption applies. Under Article 8 of Investment Law, foreign workers may generally constitute up to 10% of the total workforce of an investment project, with this percentage permitted to increase to 20% where suitably qualified Egyptian workers are not available. Certain strategic projects may also be exempted from these limits, subject to the applicable requirements.

For companies subject to Companies Law, Article 174 further provides that Egyptian employees working in Egypt must constitute at least 90% of the company’s total workforce, and the wages paid to Egyptian employees must constitute at least 80% of the company’s total wage bill.

In addition, Minister of Labour Decree No. 279 of 2025 regulates the issuance, renewal, and cancellation of foreign work permits and sets out the applicable requirements for employing foreign nationals, including qualifications, experience, and applicable exemptions. Employers must ensure that foreign employees maintain valid work permits and residence authorisation throughout their employment and comply with the applicable renewal and notification requirements.

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G. Ongoing Employment Compliance

Throughout the employment relationship, employers must comply with the requirements of the Labour Law relating to working hours, overtime, leave entitlements, occupational health and safety, termination procedures, end-of-service benefits, payroll administration, social insurance, and record-keeping. The competent labour authorities may conduct inspections to verify compliance with the applicable employment legislation.

5. Financial Reporting and Governmental Filings

5.1 Reporting Obligations

Following incorporation, companies are subject to ongoing reporting obligations before various governmental authorities. In addition to annual tax filings, companies must comply with the reporting requirements imposed by GAFI under Companies Law, Investment Law, and their implementing regulations.

Companies are generally required to:

- Prepare annual financial statements and submit a copy to GAFI following their approval by the General Assembly, together with the prescribed annual data form containing information on the company's workforce, investments, branches, and corporate structure

- Submit quarterly financial reports to GAFI, subject to any exemptions applicable to small and micro enterprises; and

- Submit direct investment reports in accordance with Prime Minister Decree No. 2732 of 2019, including:

    - Event-driven notifications within 30 days of any change affecting the company's capital, business activities, shareholding structure, or board composition;

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- Quarterly reports within 45 days after the end of each calendar quarter; and
- Annual reports within three months after the end of the financial year.

5.2 Corporate Governance

Where applicable, companies must hold Annual General Meetings, maintain statutory corporate records, update the Commercial Register to reflect corporate changes, maintain accurate UBO information, and renew any sector-specific licences and approvals.

Failure to comply with applicable filing and reporting obligations may result in administrative penalties, delays in governmental procedures, and other regulatory consequences.

6. Ultimate Beneficial Owner (UBO) Requirements

Companies incorporated in Egypt must identify and maintain accurate information regarding their UBOs as part of Egypt's anti-money laundering and corporate transparency framework. A UBO is the natural person who ultimately owns or exercises effective control over a company through direct or indirect ownership, voting rights, contractual arrangements, or other means.

6.1 Identification and Disclosure

Companies should identify every individual who ultimately exercises ownership or control over the company. This generally includes persons who:

- Directly or indirectly own or control a significant ownership interest;
- Exercise effective control over the company's management or strategic decisions; or
- Have the power to appoint or remove directors or otherwise exercise dominant influence.

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Where ownership is held through one or more legal entities, the ownership chain should be traced until the ultimate natural person is identified.

UBO information is generally required during incorporation, when opening corporate bank accounts, applying for certain licences, and for AML and Know Your Customer (KYC) procedures. Companies should maintain accurate and up-to-date records and provide such information to the competent authorities upon request.

The information generally includes:

- Full name;
- Nationality;
- Date of birth;
- National id or passport details;
- Residential address;
- Nature and percentage of ownership or control; and
- The manner in which control is exercised.

6.2 Ongoing Compliance

Companies should update their UBO information whenever there is a change in ownership, voting rights, management, or control. Banks and other regulated institutions may periodically request updated UBO information as part of their ongoing due diligence procedures.

Failure to maintain accurate beneficial ownership information or comply with applicable disclosure requirements may result in regulatory action, delays in licensing or banking procedures, or other administrative sanctions.

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X. Corporate Governance and Ongoing Compliance

Companies established in Egypt are subject to ongoing corporate governance and compliance obligations under the applicable company laws and regulations. These obligations vary depending on the company's legal form but generally include maintaining statutory records, holding corporate meetings, preparing annual financial statements, appointing auditors where required, and reporting material corporate changes to the competent authorities.

1. Shareholders' Meetings

The Companies Law distinguishes between the Ordinary General Meeting (OGM) and the Extraordinary General Meeting (EGM). Shareholders may attend meetings in person or by written proxy, subject to the Companies Law and the company's Articles of Association. General meetings are generally convened by the Board of Directors or managers and may also be called in other circumstances prescribed by law, including upon the request of the statutory auditor or qualifying shareholders.

OGM is responsible for the company's ordinary business and recurring corporate matters. It must be held annually within the statutory period following the end of the financial year to approve, among other matters, the annual financial statements, the Board of Directors' report, the appointment or reappointment of the statutory auditor, dividends, the election or removal of directors, and the discharge of the Board from liability. Unless the Articles of Association provide otherwise, the meeting is valid if shareholders representing at least 25% of the share capital are present or represented, and resolutions are adopted by an absolute majority of the votes represented.

EGM considers matters that fundamentally affect the company, including amendments to the Articles of Association, increases or reductions of capital, mergers, demergers, changes to the company's objects, extension or early dissolution, and other significant restructuring decisions. As a general rule, the meeting is valid if shareholders representing at least 50% of the share capital are present or represented. If the required quorum is not met, a second meeting may be convened in accordance with the Companies Law. Resolutions generally require the approval of at least two-thirds of the shares represented, while certain fundamental resolutions require a three-quarters majority.

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2. Board of Directors

A Joint Stock Company is managed by a Board of Directors comprising at least three members, generally elected by the shareholders for a term of three years, unless otherwise provided for the first board appointed by the founders. The Board is responsible for the overall management of the company, establishing its strategic direction, overseeing its operations, and ensuring compliance with the Companies Law and the Articles of Association.

The Board elects a chairperson from among its members and may appoint a Vice-Chairperson, Managing Director, or Chief Executive Officer to oversee the company's executive management. Board meetings are generally valid upon the attendance of the majority of the directors, and minutes of all meetings must be maintained as part of the company's statutory records.

Board members owe fiduciary duties to the company and must act in its best interests, disclose conflicts of interest, refrain from participating in decisions in which they have a personal interest, and comply with the statutory restrictions relating to related-party transactions, competing businesses, and confidential information.

3. Statutory Auditor and Financial Reporting

Joint Stock Companies, Limited Liability Companies, and One Person Companies are generally required to appoint a statutory auditor licensed to practise in Egypt. The auditor is responsible for examining the company's financial statements and issuing an independent audit report in accordance with the Companies Law and the applicable accounting standards.

Companies must prepare annual financial statements and file them with the Commercial Register within 15 days of their preparation. These statements are available for inspection in accordance with the applicable law.

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XI. Corporate Changes and Restructuring

Companies may undertake various corporate restructuring transactions to accommodate operational, financial, or strategic objectives. The Companies Law regulates, among other matters, capital increases and reductions, transfers of shares or quotas, mergers, demergers, and amendments to a company's constitutional documents. The applicable procedures and approval requirements vary depending on the company's legal form.

1. Capital Increases

A company's issued capital may be increased in accordance with the Companies Law and its constitutional documents.

For Joint Stock Companies, the Board of Directors may generally increase the issued capital within the limits of the authorized capital, provided the existing issued capital has been fully paid, unless a statutory exception applies. Companies listed on the Egyptian Exchange may increase their issued capital only pursuant to a resolution of the Ordinary General Meeting.

New shares must generally be subscribed within three years from the resolution approving the capital increase. Existing shareholders enjoy statutory pre-emption rights to subscribe for cash increases in proportion to their existing shareholding, unless the Extraordinary General Meeting resolves, for justified reasons and in accordance with the Companies Law, to waive those rights. Shareholders must be notified of the increase, including the subscription period, amount of the increase, subscription procedures, and the rights attaching to the new shares.

For Limited Liability Companies, any capital increase generally requires the approval of the partners in accordance with the Memorandum or Articles of Association and an amendment to the company's constitutional documents.

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2. Transfers of Shares and Quotas

The transfer of ownership interests is governed by the Companies Law, the Capital Market Law (where applicable), and the company's constitutional documents.

As a general rule, shares in a Joint Stock Company are freely transferable. However, founders' shares and shares issued in consideration of in-kind contributions are subject to statutory lock-up restrictions and may not be transferred until the publication of the company's financial statements for two complete financial years following incorporation, except where otherwise permitted by law. Shares issued through public subscription are also subject to the listing, trading, and disclosure requirements applicable under the Capital Market Law and the Egyptian Exchange regulations.

Quotas in a Limited Liability Company are not freely transferable to third parties. A partner wishing to transfer quotas must notify the company and the remaining partners in accordance with the Companies Law and the company's constitutional documents. The remaining partners have a statutory pre-emption right to acquire the offered quotas on the same terms and conditions within the prescribed period. If that right is not exercised, the transfer may proceed on the notified terms.

A transfer of LLC quotas becomes effective against the company and third parties only after it has been recorded in the register of partners and the applicable registration requirements have been completed. Likewise, transfers of JSC shares must comply with all applicable legal, regulatory, registration, notification, and approval requirements.

Companies should ensure that all transfers of shares or quotas are properly documented and reflected in the relevant corporate records to ensure their validity and enforceability.

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XII. Dissolution and Liquidation

A company may be dissolved upon the occurrence of any ground prescribed by law or its constitutional documents. Common grounds include the expiry of the company's term, the achievement or impossibility of its corporate purpose, a shareholders' or partners' resolution, or a court judgment ordering dissolution.

1. Effect of Dissolution

Following dissolution, the company enters into liquidation, except where its existence terminates as a result of a merger or demerger. During the liquidation period, the company retains its legal personality only to the extent necessary to complete the liquidation process, including collecting receivables, settling liabilities, and distributing any remaining assets to its shareholders or partners.

Throughout the liquidation period, the company must add the words "under liquidation" to its name and may continue to operate only to the extent necessary to complete the liquidation procedures.

2. Liquidation Process

The shareholders or partners appoint one or more liquidators and determine their remuneration. Where the company is dissolved by court order, the court appoints the liquidator and determines the method of liquidation.

The liquidator is responsible for preserving the company's assets, collecting receivables, settling liabilities, selling the company's property where necessary, and representing the company before courts and arbitral tribunals.

The appointment of the liquidator and the liquidation arrangements must be registered with the Commercial Register and published in the Companies Gazette.

Upon completion of the liquidation, the liquidator must prepare the final accounts for approval by the shareholders or partners. The completion of the liquidation must then be registered with the Commercial Register, following which the company's registration is cancelled.

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The company's books and records must be retained for ten years following deregistration, unless the shareholders or partners designate another place of custody.

3. Liability of the Liquidator

The liquidator is liable to the company for any mismanagement committed during the liquidation process and may be required to compensate the company, its shareholders or partners, or third parties for losses resulting from errors or misconduct.

Claims between shareholders or partners, and claims by third parties against shareholders or partners, become time-barred five years after completion and registration of the liquidation.

Claims against the liquidator are generally time-barred three years from the date of the wrongful act or from the date it became known. Where the conduct involves fraud or deceit, claims may be brought within fifteen years from the completion of the liquidation.

XIII. Regulatory Oversight, Inspection, and Penalties

Companies established in Egypt remain subject to the supervision of GAFI and other competent authorities to ensure compliance with the Companies Law No. 159 of 1981, its Executive Regulations, and other applicable legislation.

1. Regulatory Oversight and Shareholders' Rights

GAFI supervises compliance with the Companies Law and its Executive Regulations. Certain GAFI officials and other designated public officers may be granted judicial enforcement powers by ministerial decision in coordination with the Minister of Justice.

Authorized officials may inspect a company's books, records, and supporting documents, and directors and managers must provide all requested information, extracts, and copies.

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GAFI may also investigate complaints submitted by shareholders and other interested parties concerning alleged violations of the Companies Law or its Executive Regulations.

Representatives of the competent administrative authority may attend shareholders' meetings to record the proceedings and submit written observations, but they may not participate in discussions or vote.

Companies subject to the Companies Law must also submit annual approved financial statements and the prescribed disclosure forms to GAFI.

Shareholders are entitled to inspect company records and obtain copies or extracts in accordance with the Executive Regulations. Interested parties may also request access from GAFI to company records, minutes, reports, and other documents maintained by the authority, unless disclosure would prejudice the company, another entity, or the public interest.

Shareholders or partners holding at least 10% of the company's capital may obtain information relating to transactions between the company and related parties. Where the company refuses disclosure, they may apply to GAFI, whose decision is binding on the company.

2. Inspection of Companies

The competent administrative authority, as well as shareholders holding at least 20% of the capital in banks or 10% of the capital in other Joint Stock Companies, may request an official inspection where there are serious indications that directors or statutory auditors have committed substantial violations of their legal duties.

The request must be supported by evidence and submitted to the competent minister, who may appoint a committee, including a representative of the Central Auditing Organization, to investigate the matter.

The committee may inspect the company's books, records, operations, and, where necessary, documents held by affiliated companies, and may appoint one or more experts to assist with the inspection. Directors, employees, and auditors must cooperate fully and provide all requested documents and information.

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Following completion of the inspection, the committee submits its report. Where the allegations are unfounded, the committee may order publication of the report and require the requesting shareholders to bear the related costs. Where violations are established, the committee may order corrective measures, convene the General Assembly, and recommend the removal of directors or auditors or the commencement of liability proceedings.

3. Appeals Against Administrative Decisions

Administrative decisions issued by GAFI under the Companies Law may be challenged before the competent grievance committee.

Appeals must generally be submitted within 15 days from the date on which the interested party is notified of, or becomes aware of, the contested decision. The committee may request documents and explanations, consult technical experts, and seek assistance from public authorities.

The committee must issue its decision within 60 days, and its decision is final and binding upon GAFI.

4. Nullity of Corporate Acts

Without prejudice to any claim for damages, any transaction, act, or corporate resolution adopted in violation of the mandatory provisions of the Companies Law may be declared null and void, provided that the rights of bona fide third parties remain protected.

Where the defect is capable of remedy, the competent court may grant a period not exceeding six months to rectify it.

Claims for nullity must generally be brought within three years from the date the interested party became aware of the impugned act or decision. Where the violation results from fraud or deceit, the limitation period is fifteen years.

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5. Penalties

Violations of the Companies Law may result in civil, administrative, and criminal liability.

Depending on the nature of the violation, penalties may include fines ranging from EGP 2,000 to EGP 10,000, imprisonment in certain cases, and the doubling of fines for repeated violations or failure to remedy the breach. The Companies Law also permits the settlement of certain offences in accordance with the procedures prescribed therein.

Conclusion

Establishing and operating a business in Egypt requires more than completing the formal incorporation process. Investors must carefully consider the appropriate legal structure, ownership and capital arrangements, the nature of the proposed activities, applicable licensing requirements, tax and employment obligations, and any sector-specific regulatory requirements.

As outlined throughout this guide, Egypt offers a diverse range of corporate structures and investment opportunities within a legal framework that generally permits foreign investment and provides various guarantees, incentives and protections for qualifying projects. However, the requirements applicable to a particular investment may vary considerably depending on its activity, sector, location, ownership structure and scale of operations.

Effective planning from the outset is therefore essential. Selecting the appropriate corporate vehicle, identifying the necessary approvals and licences, and establishing sound governance and compliance arrangements can help minimise regulatory risks and ensure a smoother commencement of operations. These decisions should also be aligned with the investor's long-term objectives, including future financing, expansion, restructuring, admission of new investors or exit.

It is equally important to recognise that incorporation marks the beginning, rather than the end, of a company's legal and regulatory obligations. Companies operating in Egypt are subject to ongoing corporate, tax, employment, accounting, reporting and sector-specific requirements, with GAFI and other competent authorities exercising oversight within their respective areas of jurisdiction.

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Maintaining accurate corporate records, valid licences and registrations, and effective compliance procedures is therefore essential to the continued operation of the business.

Egypt's large domestic market, strategic geographic location and access to regional and international markets continue to create significant opportunities for both local and foreign investors. With an appropriate legal structure, thorough preparation and effective ongoing compliance, investors can establish a strong foundation for sustainable operations and long-term growth.

This guide provides a general overview of the principal legal and regulatory considerations relevant to establishing and operating a company in Egypt. Since the requirements applicable to each investment depend on its specific circumstances, investors should undertake a case-by-case assessment of the relevant legal, regulatory and commercial considerations and seek appropriate professional advice before proceeding.

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