



Country Fact Sheet

Egypt



General country information	
Form of government	Republic
Administrative organisation	Cabinet
Area (in km ²)	About 990,000 km ²
Population	About 79 million (2009)
Official language	Arabic
Capital	Cairo
Number of inhabitants in capital city	About 16 million (2009)

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Legal Forms

Legal Form in English	Legal Form in local language	Description	Remarks
Private	خاصة	Under this form, several legal types can be registered: (sole proprietorship), (limited partnership), (partnership)	The principal forms of companies under the Corporate Law No. 159 of 1981 are: the joint stock company and the limited liability company. These two forms of companies are the preferred form of incorporation for foreign investors.
Private Free Zone	خاصة - منطقة حرة	Same as case 1 applies	
Private Inv. Law	خاصة - قانون استثمار	The Investment Law was created to provide tax free incentives to local and foreign investors. To date these incentives are almost cancelled, whereas the law is mainly used by foreign investors as it includes the guarantee against political risks of nationalisations, etc. This law allows to adopt all types of legal forms, i.e. in addition to the above 3 ones, it can as well have the 3 forms of shareholding companies, i.e. (joint stock), (limited liability), (partnership by shares).	Investors interested in establishing businesses in Egypt are subject to four laws: Corporate Law No. 159 of 1981; Investment Law No. 8 of 1997; New Communities Law No. 59 of 1979; and the Desert Land Law No. 143 of 1981. All companies established in Egypt are governed by the Corporate Law No. 159 of 1981 and the Commercial Law of 1883. Foreign companies may receive incentives and guarantees granted by other laws provided that they will be working in one of the fields prescribed therein.
Private Inv. Law/Free Zone	خاصة - قانون استثمار / منطقة حرة	Same as the above case applies, whereas this form is limited to very few cases, i.e. special individual permissions to create a private free zone, generally limited now to one company only, and given on the basis of the strategic value of the investment to the country.	

Legal Form in English	Legal Form in local language	Description	Remarks
Private Law 159	خاصة - قانون 159	This law also known as Company Law hosts all shareholding companies forms, i.e., joint stock, limited liability, partnership by shares.	Investment Law No. 8 of 1997 specifies those fields in which a company may receive the incentives and guarantees. These fields include: reclamation and cultivation of barren and desert lands; animal, poultry and fish production; industry and mining; hotels, motels, boarding houses, tourist villages, tourist travel and transport; transport of goods in cooling vans, cold stores for preservation of agricultural products, industrial products, food stuffs, containers stations and grain silos; aviation transportation and the services directly connected therewith; overseas maritime transport; all service for jiggling and exploration operations, transport and delivery of gas; housing projects, the units of which are leased wholly empty for non-administrative housing purposes; the infrastructure comprising drinking water, drainage water, electricity, roads and communications; hospitals and medical treatment centres which offer 10 percent of their capacity free of charge; financial leasing; guaranteeing subscription to securities; risk capital; production of computer software systems; and projects funded by the social funds for development.
Foreign	أجنبية	They can have 2 legal forms: branch or representative office	

Legal Form in English	Legal Form in local language	Description	Remarks
Public	عامّة	All public companies are in form of joint stock, and are al 100% state owned	Joint stock companies working under the umbrella of the Investment Law No. 8 of 1997 may be wholly controlled by a foreigner. Also, limited liability companies may be 100 percent foreign owned provided that at least one of the general managers is an Egyptian.
N.G.O.	أهلية - غير هادفة للربح		
Special Decree	مرسوم جمهوري		
Association	رابطة - اتحاد		

Legal Form in English	Legal Form in local language	Description	Remarks
Branch	فرع	Branches are subject to the system of dividend distribution to workers as mentioned in Law No. 159 of 1981. They are subject to exemption from taxation for a period of ten years if they exercise their activities in new urban communities and employ a certain percentage of Egyptian nationals as specified in the Companies Law. Representative offices are prohibited from the exercise of any trading activity. Approval of the foundation of such offices may take as long as eight weeks. Foreign companies or establishments may not establish scientific, technical, consultative or other service offices, unless these companies or establishments have an appointed commercial agent in Egypt, according to the provisions of the Commercial Agents Law No. 120 of 1982. Such companies, establishments or offices may not exercise any trade representation (agency) activities or middleman works, except through a commercial agent and middleman register provided for the purpose at the Ministry of Economy and Foreign Trade.	
Cooperative	تعاونيات		
Individual Ent.	كيان فردي		
Institution	مؤسسة		

Legal Form in English	Legal Form in local language	Description	Remarks
Joint Operating Co.	تشغيل مشترك	A contractual or unincorporated joint venture is formed when two parties, one of whom is Egyptian, join with one another in a venture for their mutual benefit. If the parties choose not to set up a company for the venture's purposes, the legal aspects of their cooperation will be dictated by the contractual relationship between them. This form of business association is particularly popular in natural resources development projects. It is notable that contractual joint ventures are often treated as partnerships for taxation purposes. The parties to the joint venture may include all the terms and conditions contained in the joint venture agreement in their articles and statutes. The parties may add to these forms any additional clauses provided that such additions shall not violate the public order.	

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Joint Stock	مساهمة	<p>The joint stock company (JSC) is a company the capital of which is divided into shares of equal value; the liability of the shareholder is confined to the value of the shares to which he subscribes, and he is not liable for the debts of the company except within the limit of those shares. The JSC must have at least three founders. The founders are jointly responsible for the obligations they undertake. When the company is established in accordance with the Investment Law, founders may be foreigners. Each share may not be less than £E 5 and may not exceed £E 1000. The capital of the JSC is divided into nominal shares of equal values. At least 49 percent of the shares of JSCs should be put to public subscription at the time of their foundation or at the time of increase of their capital. Such subscription should be restricted to Egyptians for a period of one month, unless the Egyptians already own the 49 percent of shares. If this percentage has not been satisfied after being put to public subscription, the company may be founded without the total or partial completion of this percentage. In companies that put their shares to public subscription, the issued capital shall not be less than £E 500,000. The founders cannot subscribe less than £E 250,000 in the issued capital or, 10</p>	

		<p>percent from the authorized capital, whichever is the highest amount. In companies that do not put shares to public subscription, the issued capital may not be less than £E 250,000. A quarter of this amount must be paid at the company's foundation, and the remaining amount should be paid within ten years. The shares in the JSC are characterized as follows: (1) negotiable shares and in kind shares; (2) capital shares and enjoyment shares; (3) common shares and preference shares.</p>	
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Legal Form in English	Legal Form in local language	Description	Remarks
Ltd. Liability	مسؤولية محدودة	<p>The limited liability company (LLC) is a company in which the number of shareholders does not exceed fifty. Each shareholder is only responsible within the limit of his portion of the shares. The foundation of the company, the increase of its capital or borrowing to its account is not permissible through public subscription. The LLC is not allowed to issue negotiable shares or bonds. The transfer of the shareholders' portions shall be subject to recovery from the other shareholders, in compliance with special conditions laid down by law. The company may adopt a particular name, which may be derived from its purpose and may include the name of one or more of its partners. Features of the LLC are: the limited liability of each shareholder; a minimum of two shareholders; prohibition on public subscription; issuance of negotiable shares or bonds; restrictions for the assignment of shareholders' portions; transfer of the portions due to the death of a shareholder. The capital of the company may not be less than £E 50,000, divided into equal shares of not less than £E 100 each, to be paid in full. There is no maximum for the portion's value, although there is for the shares' value. The shares of an LLC are indivisible; representations of the shares by negotiable bonds are not allowed, and every share will have a vote even if it is otherwise prescribed in the statutes.</p>	

Legal Form in English	Legal Form in local language	Description	Remarks
Ltd. Partnership	توصية بسيطة	In a simple limited partnership, there are two types of partners. General partners are liable for partnership debts to the extent of their entire personal wealth, and limited partners are liable to the extent of their investment in the partnership. Establishment requirements are similar to those governing general partnerships.	
Partnership	تضامن	Two or more persons (individuals or legal entities) may form a general partnership. Such a business association is governed by the terms of the partnership contract as well as by civil and commercial laws. The partnership contract must be notarized and registered with the Ministry of Finance. Unless otherwise specified in the contract, all partners have equal rights, liabilities and powers, and they are jointly and severally liable for the debts of the partnership to the extent of their entire wealth.	
Partnership by Shares	تضامن بالأسهم	In a partnership limited by shares at least one partner must assume unlimited liability for the debts of the partnership. The liability of the other partners is restricted to their respective capital contributions represented by negotiable shares. Partnerships limited by shares are subject to most provisions which apply to joint stock companies, apart from capital participation requirements and certain matters concerning the board of directors.	

Legal Form in English	Legal Form in local language	Description	Remarks
Rep. Office	مكتب تمثيل	Egypt's foreign trade system (importation and exportation) is based upon commercial agency and representation. Special registries for commercial agents, importers and exporters are arranged by laws and decrees, including Law 120 of August 5, 1982 and its executive regulations, concerning agents and distributors, and Law 121 of 1982, and its executive regulations, concerning importers. According to Law 120, only Egyptian legal entities, individuals born of Egyptian fathers and long-standing naturalized Egyptians may represent foreign principals in importing goods into Egypt. Commercial agents and mediators must be approved by and registered with the Ministry of Foreign Trade. Corporate and partnership representatives must be 100 percent Egyptian owned and managed. If the partner is a juridical person, it must be an Egyptian entity, the majority of whose capital is owned by Egyptians. In case of naturalized Egyptians, ten years must have passed since acquiring Egyptian nationality. Yet, in compliance with the Egyptian government's efforts to attract foreign investment, an important exemption has been provided for investment projects, enabling them to import their requirements and export their products directly.	
Scientific Office	مكتب علمي	Mainly created to allow foreign pharmaceutical firms to promote their products, but have no right to trade.	

Number of companies

Main Legal Form	Total number of companies	Thereof active companies	Remarks
Association	505	According to the Statistics Institute CAPMAS data, there is a total of 4.6 million entities registered, of which 2.6 million are considered in activity	The total number of Egyptian companies (according to Social Insurance Authority 2007) is 1.8 million companies.
Branch	2'042		
Cooperative	24		
Individual Ent.	16'217		The total number of companies in 2006 (according to CAPMAS) is 2.6 million companies
Institution	19		
Joint Operation	2		The companies with a number of employees ranging between 6 to 100 employees are 45,784 companies.
Joint Stock	9'800		
Ltd. Liability	1'827		
Ltd. Partnership	6'135		
Partnership	7'857		
Partnership by shares	0		
Rep. Office	299		
Scientific Office	3		
All legal forms	The above figures are a breakdown of Coface Egypt proprietary database of 55000 companies, as there is no comprehensive breakdown of companies by legal form in Egypt to date.		

Trade Register

Company Register	Companies Register Bulletin	Unique Identifiers	Access
It was centralized until a few years ago, when the government turned to a decentralized system; meaning each governorate has its own trade register system. Moreover, the Ministry of Trade and Industry to whom the Commercial Registry reports, have decided to install new CR offices in the main Chambers of Commerce, whereas the total CR offices are now 72. Moreover the Commercial Registry agency is now integrated in the new ITDA Internal Trade Development Agency created to revamp the local trade sector.	http://www.egypt.gov.eg/english/	. An important project is presently underway, to create a national unique identifier for companies.	To date, there is no access to the trade register on line, whereas the Ministry is preparing a reshuffle of the CR law, to allow the agency to publish and/or make available company data. The access to CR data is done today on the basis of individual requests, for which the CR no needs to be known in advance..
	www.business.gov.eg		
	www.gafinet.org		

Land Register

Land Register	Information Available	Unique Identifiers	Access
Centralized	http://www.egypt.gov.eg/english/	.The government is presently sponsoring a national program of creating both an agricultural land register and a housing register, as the existing registries were based on a registration tied to the name of the person and not the property itself. This plan includes a full digitisation and access on line, to be operative by 2015 in average.	Not operative to date.
	www.business.gov.eg		
	www.ida.gov.eg		
	http://www.ad.gov.eg/About%20MSAD/Programs/Establishing%20and%20Integrating%20National%20DataBases/The%20National%20Real%20Estate%20Title%20Registration%20Project/		

Registration Office (B2C)

Registration Office for Individuals	Information Available	Unique Identifiers	Access
It is handled by the Ministry of Interior Civil Status and Record Authority, where Egyptians register in form of the issuance of their ID card. Each governorate and each main city have several offices, but the system database is centralized. Registration costs are 15egp and 75egp for urgent requests.			
Foreigner's registration requires a permit to be delivered by the Ministry of Manpower, unless as students; in such case the University, to which they relate, secures their registration.	This data is not published.	Yes, applied nationally since 2 to 3 years.	see column "Information Available"

Other Registration Offices

Name of the Registration Office	Information Available	Unique Identifiers	Access
There are specialized activity registration offices, but which are in the process of being merged with the Commercial Registry Agency, as any company must first register at the CR before being listed in these registries which are : Agents register, Importers register, Exporters register, Industrial register.	Their data is not published	Yes	See column "Information Available"

Annual Accounts

Criteria for disclosure	Deadline	Measure of non-disclosure	Company Size	Access
Only companies listed on the Stock Exchange have by law to publish their data in newspapers at least the financial yearly statements. The joint stock companies must send their yearly statements to the Company Department of the Investment Authority, but this latter data is not accessible. For all other entities they have to present their balance sheets or at least their tax declaration yearly at the date at which they are to close their accounts. For detailed data, following are some useful sources:	Disclosure is yearly. Deadline is according to each company fiscal year, but generally December 31st or June 30th.	For the listed companies yes there is a daily fine and the risk to be delisted. For all other companies, the fine is tied to delay in paying corporate or income tax. View following sites for further data.	There is no differentiation; however the Ministry of Finance is preparing a simplified Tax declaration for SMEs, as they often don't produce balance sheets.	There is no public access to companies financial statements in Egypt
<p>Cairo and Alexandria Stock Exchange (CASE)</p> <p>For companies working in the financial sector and listed companies, refer to www.cma.gov.eg</p> <p>http://www.incometax.gov.eg/</p> <p>http://www.incometax.gov.eg/</p> <p>http://www.salestax.gov.eg/</p>				

Solvency Data

Public Available Solvency Data	Remarks
Not available	<p>The liquidation of companies is regulated by the Companies Law (Law No. 159). In case of loss of half the capital of the company, the directors are required to submit to the General Assembly an order for dissolution of the Company. The issuance of such an order requires the majority of the shareholders' votes necessary to modify the company's articles of incorporation.</p> <p>In addition, a court order for dissolution of the company may be demanded by shareholders in possession of a quarter of the capital if the loss attains three-quarters of the capital and by any interested party if the loss entails the decrease of the capital below the minimum share capital.</p> <p>After its dissolution, a company is considered to be in a state of liquidation. The General Assembly will nominate one or more liquidators and fix their remuneration. In case a court order is issued ordering the dissolution, the court shall indicate the mode of liquidation and will nominate the liquidator and fix his remuneration.</p> <p>The company organs will remain standing during the period of liquidation, but their powers will be confined to the affairs which are not in the competence of the liquidator.</p> <p>The liquidator shall fulfil all the duties requisite for the liquidation, including: paying the company's debts, selling the company's assets and representing the company in court. The liquidator shall execute all that is needed for the conservation of the funds and rights of the company. He should also take all actions necessary to obtain all the company's rights from others. The liquidator is not allowed to establish new business unless such business is requisite for previous affairs.</p> <p>The company is bound by every disposal that is necessary for liquidation and that the liquidator fulfils under its name even if it surpasses the restrictions included in the authority of the liquidator and unless those who contracted with the liquidator are ill-intentioned.</p>