



Investment Law No. 72 of 2017



Investment Law

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DISCLAIMER

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

A table of contents and a list of abbreviations has been added to this English translation. Additional Roman numbering (i, ii, iii...etc.) has been inserted within long paragraphs. Figures mentioned in the original Arabic have been translated and written in both letters and numbers.

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

Law No. 72 of 2017
Promulgating the Investment Law

In the Name of the People,

The President of the Republic,

The People's Assembly has sanctioned the following Law and it is hereby promulgated:

Article I

Investment in the Arab Republic of Egypt shall be governed by the provisions of the attached law.

The provisions of said Attached Law shall apply to domestic and foreign investment of any volume whatsoever. Investment shall be carried out in accordance with the provisions of the Law by either Internal Investment, Investment Zones, Technological Zones or Free Zones Systems.

Article II

The provisions of the Attached Law may not prejudice any privileges and tax exemptions, as well as other guarantees and incentives granted to existing companies and establishments at the time at which the Law comes into force. Said companies and establishments shall continue to

exercise the privileges, exemptions, guarantees and incentives, until expiry of the terms thereof, as per the legislations and conventions from which such are derived.

The provisions of the Attached Law may not prejudice the provisions of Law No. 7 of 1991 on the State's Private-domain Property, Law on Economic Zones of Special Nature enacted by Law No. 83 of 2002, Law No. 14 of 2012 on the Integrated Development in Sinai Peninsula and Law on Streamlining Industrial Establishments Licensing enacted by Law No. 15 of 2017.

The provisions of the Attached Law may not prejudice the substantive conditions, laid down in any other laws, on the granting of approvals, permits and licenses.

Article III

Whenever used in any other laws and decrees, the term “Law of Investment Guarantees and Incentives” shall hereby be replaced with the term “Investment Law”.

Article IV

Joint-stock companies governed by the provisions of the Law shall be exempt from the application of Law No. 113 of 1958 on Recruitment into Joint-stock Companies and Public Institutions.

Joint-stock companies may not be subject to the provisions of Law No. 73 of 1973 on Laying down Conditions and Procedures for Election of Workers' Representatives to the

Boards of Directors of Public Sector Units, Joint-stock Companies, Associations and Private Institutions; the articles of association of the same shall set out how personnel shall be involved in the management thereof.

Article V

Disputes arising out of application of the provisions of the Law and the Attached Law may not be subject to the provisions of Law No. 7 of 2000 on the Formation of Conciliation Committees for Some Disputes in which Ministries and Public Juridical Persons Take Part.

Article VI

All grievances and claims, reviewed by the existing Investment Disputes Resolution Committee and Investment Contracts Dispute Settlement Committee, shall hereby be referred to the two committees stipulated in Articles 85 and 88 of the Attached Law, immediately after formation thereof, without the need for any other action.

Article VII

Workers, addressed by the provision of the third paragraph of Article (20) of Investment Law enacted by Law No. 230 of 1989, shall continue to exercise the same terms and conditions stipulated thereunder. The present provisions may not prejudice the profits distribution regulation applicable to existing companies at the time at which the Law comes into force, should that be more favorable to such existing companies.

Article VIII

Law of Investment Guarantees and Incentives enacted by Law No. 8 of 1997 shall hereby be repealed. Any provision contrary to the provisions of the Law and the Attached Law shall hereby be repealed.

Article IX

The Prime Minister shall, upon a proposal of the Appropriate Minister and following the approval of the Council of Ministers, issue the executive regulations implementing the Attached Law (the “Executive Regulations”), within ninety (90) days from the date on which the Law comes into force. Until issuance of said Executive Regulations, all effective regulations and decrees shall continue to be in force, exception being made for the provisions inconsistent with the Law.

Article X

The Law shall be promulgated in the Official Gazette, shall come into force from the following day to the date of publication thereof, shall bear the official Seal of the State and shall be implemented as a State law.

The Presidency of the Republic

On Ramadan 5, 1438 A.H. [May 31, 2017 A.D]

Abdel Fattah Al-Sisi

Investment Law

Part I: General Provisions

Chapter 1 Definitions

Article 1

In the application of the provisions of this Law, the following terms and expressions shall have the meanings hereby assigned to them:

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|---------------------------|---|
| Investment | Use of money to set up, expand, develop, fund, own, or manage an Investment Project in a manner that contributes to the comprehensive and sustainable development of the State. |
| Investor | A natural or legal person, whether Egyptian or foreign, regardless of the legal system he is subject to, who invests within the Arab Republic of Egypt in accordance with the provisions of this Law. |
| Investment Project | Engaging in investment activities in the following sectors; industry, agriculture, trade, education, health, transport, tourism, housing, construction and building, sports, electricity, energy, natural resources, water, communications, and technology. |

The Minister concerned with investment affairs may, in coordination with the Competent Ministry or Ministries, add other sectors pursuant to the national economic plan. The Executive Regulation of this Law shall indicate the conditions and scope of practicing such activities.

Special Incentives

The incentives provided for in Article (11) of this Law.

Funds

All assets utilized in the Investment Project, regardless of their type, which have a tangible value, whether in-cash, in-kind, or moral, and include specifically:

Immovable and movable funds, as well as any other principal or accessory rights in rem.

Stocks and shares of companies' incorporation, and nongovernmental bonds.

Intellectual property rights and moral rights used for the establishment or the expansion of projects, such as patents , trademarks and trade names registered in any of the World Intellectual Property Organization's Member States or in accordance with the international registration rules prescribed in the

	relevant applicable international agreements.
	The privileges or contracts granted under the laws on public utility obligations, similar laws, and all other similar rights granted pursuant to the Law.
Supreme Council	The Supreme Council for Investment
Competent Minister	The Minister concerned with the Investment affairs.
Competent Ministry	The Ministry concerned with the Investment Affairs.
Authority	The General Authority for Investment and Free Zones (GAFI).
Inland Investment	One of the investment regimes under which an Investment project is, established, or operated in accordance with the provisions of this Law, in zones other than the Free Zones.
Free Zone	A part of the State Territory located within its borders and governed by its administrative authority, and where the dealings are conducted in accordance with special customs and tax provisions.
Investment Zone	A geographic area with a defined size and borders, allocated to conduct one or more specialized investment activity, and other complementing activities, the

development and infrastructure of which is to be conducted by the Developer of such zone.

Developer

A legal person licensed to establish, manage, or develop an Investment Zone in accordance with the provisions of this Law.

Competent Authorities

The Administrative Authorities or Public Utility Companies concerned with the issuance of approvals, permits, or licenses.

Investor Service Centre

An administrative unit established within the Authority, or a branch thereof, to ensure applying a system to streamline and facilitate the procedures of obtaining all approvals, permits, and licenses required from the Investor for his Investment Project within the legal periods prescribed in this Law, and to provide data and information required for this purpose.

Competent Authority's Representative

The Official delegated by the Competent Administrative Authorities or assigned by Public Utility Companies to work in the Investor Service Centre in the Authority or any of its branches, and to whom the authority of issuing approvals, permits, and licenses is granted under the provisions of this Law, pursuant to

the technical conditions set forth in the regulating laws and the Investment Procedure Manual issued by the Authority, as well as all powers granted to the Competent Authority with regards to allocating real-estate properties and issuing of approvals, permits, and licenses required to streamline and ease the investor's business and help promote and develop investment.

Competent, Authority The Minister, Governor, Chairman of the Board of Directors or the Board of Directors of the Authority or Department, or the Chairman of the Board or the Board of Directors of a Public Utility Company, as the case may be.

Approval Offices Offices licensed by the Authority to grant approvals, permits, and licenses, to examine the procedures and documentation related to the Investment Projects and to issue certificates of approval.

Chapter 2

Investment Goals and Principles

Article 2

Investment in the Arab Republic of Egypt aims to promote national economic growth rates and domestic production rates, create job opportunities, encourage exportation and increase competitiveness, in a way that would contribute to achieving comprehensive and sustainable development.

From this perspective, all Appropriate Bodies of the State shall strive to attract and foster the local and foreign investments.

Investment shall be governed by the following principles:

1. Investment opportunities shall be equal and so shall be opportunities, notwithstanding the volume and location of Investment Project, without any discrimination based on gender;
2. The State shall support start-ups and boost entrepreneurship, micro, small and medium enterprises (“SMEs”) to empower the youth and small investors;
3. Due consideration shall be given to all socially relevant aspects, and to the protection of environment and public health;
4. Freedom of competition, ban on monopolistic trade practices and protection of consumers shall be maintained;

5. Principles of governance, transparency and prudent management shall be observed, and conflict of interest shall be eliminated;
6. Bringing stability to the investment policies shall be sought;
7. Investors' transactions shall be expediently effected, and Investors shall be smoothly dealt with in such a way that would serve their lawful interests; and
8. The State is entitled to maintain national security and public interest.

The aforementioned investment principles shall apply to Investor and the State, all within their scope of functions respectively.

Part II

Investment Guarantees and Incentives

Chapter 1

Investment Guarantees

Article 3

All investments established within the Arab Republic of Egypt shall be accorded fair and equitable treatment.

The State shall guarantee that the foreign investor receives the same treatment accorded to the national investor.

In application of the principle of reciprocity, foreign investors may, as an exception subject to a resolution of the Council of Ministers, receive a preferential treatment.

Invested Assets may neither be subject to any arbitrary measures nor discriminatory decisions.

The State shall grant non-Egyptian Investors residence in the Arab Republic of Egypt throughout the term of the Investment Project, without prejudice to the provisions of the laws regulating this respect and the stipulations of the Executive Regulations of this Law.

The State shall honor and enforce the contracts entered into thereby. Investment Project, set up on a basis of fraud,

fraudulent misrepresentation or corruption, may not enjoy the protection, guarantees, privileges or exemptions stipulated under the provisions of this Law; proof of the foregoing shall be produced by a res judicata judgment – delivered by the judicial authority of competent jurisdiction – or by an arbitration award.

In application of the provisions of this Law, all decisions on Investment Project affairs shall be reasoned decisions. Service of notice of such decisions on the parties concerned shall be carried out in the manner set forth in the Executive Regulations of this Law.

Article 4

Investment Projects may not be nationalized.

Assets of Investment Project may not be expropriated unless for public utility and in return for a just compensation to be paid in advance without delay. The value of the compensation shall amount to the fair economic value of the expropriated assets on the preceding day to the issuance of the expropriation decision. Such compensation shall be freely transferrable.

Subject to the situations specified in law, Investment Project may not be sequestrated through administrative procedures, unless warranted by a final court judgment, nor may it be subject to attachment, unless warranted by a court order or judgment.

Assets of Investment Project may neither be seized nor confiscated nor frozen, save when warranted by virtue of a court order or final judgment, with the exception of tax debts and social insurance subscriptions due to the State; such debts and subscriptions may be collected by all kinds of seizure, without prejudice to the contracts entered into by the State or public juridical persons with Investor.

Any administrative body may not issue general regulatory resolutions that add financial or procedural burdens in respect of the setup or operation of the projects governed by this Law, nor may it impose or amend the fees or consideration for services prescribed for the projects, except after having obtained the opinion of the board of directors of GAFI ("GAFI BoD") and upon the approval of both the Council of Ministers and SCI.

Article 5

An administrative body may not revoke or suspend the licenses issued for Investment Project, nor may it reclaim the real property allocated for same, unless it has served a notice on Investor comprising the violations with which Investor is charged, has heard Investor's evidence and has given Investor an adequate grace period to rectify the violations.

In all cases, GAFI's opinion shall be obtained before taking any of the actions referred to in the aforementioned paragraph. GAFI shall give its opinion within seven (7)

days from the date on which GAFI receives a request to that effect satisfying all prescribed legal procedures.

Investor may file a grievance against the aforementioned actions before the committee stated in Article (83) of this Law.

The Executive Regulations of this Law shall regulate the rules and controls governing the application of the provisions of this Article.

Article 6

Investor shall have the right to set up, launch and expand Investment Project, and shall fund same from abroad without any restrictions and with foreign currencies. Investor shall have the right to own, manage, use and dispose of Investment Project, to make profits from Investment Project, to transfer such profits abroad, to liquidate Investment Project and to transfer, whether in whole or in part, the proceeds of such liquidation abroad, without prejudice to the rights of third parties.

The State shall permit all cash transfers in respect of foreign investment to be freely and promptly transferrable to and from the State using a freely convertible currency. The State shall permit conversion of local currency into a freely usable currency without delay.

In case of liquidation, the appropriate administrative bodies

shall, within maximum one hundred and twenty (120) days from the date on which the liquidator has filed an application of liquidation enclosing the required documentation, serve on GAFI and the company under liquidation a notice comprising a statement of liabilities of such company. The expiry of this period without notification of such liabilities shall be deemed a discharge on the part of the company under liquidation from said liabilities, without prejudice to the criminal and disciplinary liability of the person responsible for issuing a false statement or the person responsible for the lapse of the aforementioned time limit without replying to the application.

This shall be carried out as specified in the Executive Regulations of this Law.

Article 7

Without prejudice to the provisions of the laws, regulations and decrees regulating importation, Investment Project governed by the provisions of this Law shall have the right to import, whether directly or through third parties, the necessary raw materials, production requirements, machinery, spare parts and means of transportation – compatible with nature of business of Investment Project – for the setup, expansion or operation of Investment Project, without the need to be registered in the Register of Importers.

Investment Project shall have the right to export its products, whether directly or through an intermediary, without a license and without the need to be registered in the Register of Exporters.

An Investment Project, importing or exporting, whether directly or through third parties, in compliance with the provisions of this Article, shall serve on GAFI a quarterly report comprising the imported or the exported quantities and types, as the case may be.

Article 8

An Investment Project shall have the right to employ foreign workers up to ten percent (10%) of the total number of Investment Project workers. Subject to the rules and controls laid down by the Executive Regulations of this Law, this percentage may be increased up to twenty percent (20%), should employment of national workers having the required qualifications be not possible.

For some strategic projects with special significance as listed by a resolution of the SCI, exceptions from the aforementioned percentages may be made, conditional on providing training to the national labor.

Foreign workers in Investment Project shall have the right to transfer their financial dues, in whole or in part, abroad.

Chapter (2)

Investment Incentives

I. General Incentives

Article 9

All Investment Projects governed by the provisions of this Law shall enjoy the general incentives stipulated in this chapter, exception being made for Investment Projects set up under the Free Zone System.

Article 10

Articles of incorporation and association of companies and establishments, along with credit facility and pledge contracts pertaining to the business thereof, shall be exempt from stamp duty as well as notarization and publicity fees for a period of five (5) years from the date on which such articles and contracts are entered in the Commercial Register.

Contracts of registration of lands required for formation of companies and establishments shall be exempt from the aforementioned duty and fees.

The provisions, on the collection of a uniform customs duty at two percent (2%) of the value of all imported machinery, equipment and devices required for formation of companies or establishments, as stipulated in Article (4) of Law on the

Regulation of Customs Exemptions enacted by Law No. 186 of 1986, shall apply to the companies and the establishments governed by the provisions of this Law.

This uniform customs duty shall apply to all machinery, equipment and devices imported by companies and establishments, operating on public utility projects, and required for the formation or completion thereof.

Without prejudice to the provisions of temporary release stipulated in the Customs Law enacted by Law No. 66 of 1963, Investment Projects of industrial nature, governed by the provisions of this Law, may import casts, molds and other similar production requirements, subject to no customs fees; however, such imported items shall be for the purpose of temporary use in manufacturing the products of said Investment Projects, and shall be repatriated thereafter.

Said temporary release and repatriation shall be effected by virtue of the arrival documents, provided the documents of admission and reshipment are entered in ad hoc registers at GAFI designated for that purpose; this shall be in coordination with the Ministry of Finance.

II. Special Incentives

Article 11

Projects set up, after the coming into force of this Law, in accordance with the investment map shall be granted an

investment incentive, in the form of a discount off the taxable net profits, as follows:

1. A fifty-percent (50%) discount off the investment costs of Sector (A):

This sector comprises the geographic areas designated as most in need of development, based on the investment map, the data and statistics issued by the Central Agency for Public Mobilization and Statistics (“CAPMS”) and the distribution of investment activities in such areas as specified by the Executive Regulations of this Law.

2. A thirty-percent (30%) discount off the investment costs of Sector (B):

This sector covers the remaining geographic areas of the Republic, as per the distribution of investment activities, in respect of the following projects:

- Labor-intensive projects, subject to the controls prescribed in the Executive Regulations of this Law;
- SMEs;
- Projects depending on or producing new and renewable energy;
- National and strategic projects to be listed under a resolution of the SCI;
- Tourism projects to be listed under a resolution of the SCI;

- Electricity generation and distribution projects to be listed under a decree of the Prime Minister, based on a joint proposal of the Appropriate Minister, the minister concerned with electricity affairs and Minister of Finance;
- Projects exporting products thereof outside the geographic territory of the Arab Republic of Egypt;
- Automotive manufacturing and the supplying industries thereof;
- Wood, furniture, printing, packaging and chemical industries;
- Antibiotics, tumor drugs and cosmetics industries;
- Food, agricultural crops and agricultural waste recycling industries; and
- Engineering, metallurgical, textile and leather industries.

Pursuant to the provisions of the Income Tax Law enacted by Law No. 91 of 2005, an investment incentive may not, in all cases, exceed eighty percent (80%) of the capital paid up until the date on which engagement in the activity starts.

The discount period may not exceed seven (7) years from the date on which engagement in the activity starts.

The Prime Minister shall, upon a mutual proposal of the Appropriate Minister, Minister of Finance and the minister

concerned, issue a decree determining the distribution of investment activities sub-sectors under the aforementioned Sectors (A) and (B).

The Executive Regulations of this Law shall indicate the concept of investment cost, the geographic territory of Sectors (A) and (B) and the terms and conditions to the granting of Special Incentives. Investment activities sub-sectors listed in the aforementioned decree of the Prime Minister shall be included in the Executive Regulations, immediately after the issuance of the decree.

Upon a resolution of the SCI, new activities enjoying Special Incentives may be added.

Article 12¹

An Investment Project shall, in order for it to enjoy the Special Incentives stipulated in Article (11) of this Law, satisfy the following conditions:

1. A new company or establishment shall be incorporated to launch such Investment Project;
2. Said new company or establishment shall be incorporated within a period not exceeding three (3) years from the Executive Regulations enforcement date; upon a resolution of the Council of Ministers and pursuant to a proposal of the Appropriate Minister, such period may be renewed for once only;

¹ The last paragraph is added by The Law No. 141 of 2019.

3. Said new company or establishment shall keep regular accounts; should such company or establishment be operating in more than one zone, it may benefit from the percentage prescribed for each zone respectively, provided it keeps separate accounts for each zone respectively; and
4. Neither shareholders nor partners nor owners of establishments have offered, contributed or used any of the tangible assets of a company or an establishment, existing since the date on which the provisions of this Law come into force, in setting up, incorporating or launching an Investment Project enjoying the incentives accorded by this Law, nor have they liquidated such company or establishment, within the time period specified in Item 2 of this Article (12), for the purpose of setting up a new Investment Project enjoying the incentives of this Law; violation of this condition nullifies said incentives, and accordingly such company or establishment shall pay all taxes due.

Expansions of existing Investment Projects may enjoy the incentives stipulated in Articles (11) and (13) of this Law. Expansions in the context of this Article shall have the meaning of increasing the capital used by adding new Assets that lead to the increase of production energy of the Investment Project. All this shall be as per rules and conditions set by a resolution of the Council of Ministries.

III. Additional Incentives

Article 13

Without prejudice to the incentives, privileges and exemptions stipulated in this chapter, projects specified in Article (11) of this Law may, upon a resolution of the Council of Ministers, be granted additional incentives as follows:

1. Permission to establish special customs ports of entry for Investment Project importations or exportations, in agreement with Minister of Finance;
2. Upon Investment Project becoming operational, payment, whether in whole or in part, by the State for the expenses incurred by Investor in course of providing utilities to the premises of Investment Project;
3. Payment by the State for a part of the expenses incurred in course of providing personnel technical training;
4. Refund at fifty percent (50%) of the value of the land allocated for the industrial projects, should production start within two (2) years from the date on which the land was handed over; and
5. Allocation of lands free of charge to some strategic activities in accordance with the legally prescribed rules in this respect.

Non-tax incentives may, when necessary, be created, subject to a resolution of the Council of Ministers based on a proposal of the Appropriate Minister.

The Executive Regulations shall lay down the rules, terms and conditions to the granting of the additional incentives prescribed in this Article (13).

Article 14

GAFI CEO or the representative thereof, shall have competence to confer on companies and establishments governed by the provisions of this Law a certificate of exercise of the incentives stipulated in Articles (10), (11) and (13) of this Law.

Such certificate shall be final and self-executing, without the need to obtain approval from any other entity; all entities shall act accordingly and shall comply with the data stated in such certificate.

Chapter (3)

Social Responsibility of Investor

Article 15

In realizing the goals of inclusive and sustainable development, Investor may allocate a percentage of the annual profits thereof for adoption of a social development system, apart from the Investment Project of Investor, through participation in any or all of the following:

1. Take necessary measures to safeguard and improve the environment;
2. Provide services or programs in the fields of healthcare, social care or culture care, or in any other field of development;
3. Support technical education, or fund research, studies and awareness campaigns aiming at developing and improving production, in agreement with one of the universities or scientific research institutions; and
4. Conduct training and scientific research.

Sums of money, of no more than ten percent (10%) of Investor's annual profits, paid thereby in any of the fields listed in the previous paragraph shall be deemed from among the deductible cost and expense stipulated under Item 8 of Article (23) of the Income Tax Law enacted by Law No. 91 of 2005.

In coordination with the ministries concerned, the Appropriate Minister may create a list of the best Investment Projects carrying on social development activities, whether by geographic area or sector or by any other criteria, and announce the same to the public.

In all cases, it is prohibited to involve projects, programs or services, provided within the framework of the social responsibility system, in pursuing political, party-related or religious causes, or to provide projects, programs or services entailing discrimination among the nationals.

The Executive Regulations of this Law shall set out the required rules and controls on the implementation of the social responsibility system.

Part III

Investment Systems

Chapter (1)

Internal Investment System

General Provisions

I. Investment Plan and Policies

Article 16

The Appropriate Ministry shall propose the investment plan. Said plan shall include provisions that put the investment policies into practice, and set the priorities of the targeted Investment Projects in compliance with the State's general policy, the economic and social development plan as well as the applicable investment systems. Said plan shall be caused to be approved from the SCI.

II. Investment Map

Article 17

The investment plan shall include provisions that formulate an investment map specifying the types, systems, geographic areas and sectors of investment. Said plan shall

list the real property owned by the State or other public juridical persons and intended for investment, as well as the acts and the manner of disposition of such real property under each investment system.

GAFI shall draft the investment map in full coordination and cooperation with all State agencies concerned.

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

Article 18

Upon obtaining the investment services, the procedures and periods stipulated in this Law shall be applicable, without prejudice to the applicability of any laws or procedures that enable Investor to obtain the approvals, permits or licenses by easier procedures or within less periods than those stipulated in this Law and the Executive Regulations thereof.

Article 19

GAFI shall, within ninety (90) days from the date on which this Law comes into force, and upon coordination with the Appropriate Bodies, issue a guidebook comprising the conditions, the procedures and the fixed dates for the allocation of real property, and issuance of approvals,

permits and licenses in respect of Investment activities governed by the provisions of this Law. This guidebook shall be made available on the website and in the publications of GAFI and the other bodies.

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

The other bodies shall, within no more than sixty (60) days from the date on which this Law comes into force, provide GAFI with all data, documentation and application forms required to prepare this guidebook.

The Executive Regulations of this Law shall lay down the necessary restrictions in this regard.

Article 20

Upon a resolution of the Council of Ministers, companies incorporated to launch strategic or national projects – contributing to the achievement of development – or partnership projects between the private sector and the State, the public sector or the public business sector, in the fields of public utilities and infrastructure, new or renewable energy, roads, transportation or ports , may be granted one approval on the setup, operation and management of such projects, including the building licenses of such project and the allocation of the real property required therefor. Such approval may accord one or more of the incentives set forth in this Law to the project.

The Executive Regulations of this Law shall lay down the conditions and procedures for obtaining such approval.

III. Investor Service Center

Article 21

In order to simplify and streamline investment procedures, an administrative unit entitled "Investor Service Center" (the "ISC") shall hereby be created at GAFI and branches thereof.

ISC shall provide the following services: (i) company incorporation; (ii) establishment of company branches; (iii) ratification of minutes of meeting of boards of directors and of general meetings; (iv) capital increase; (v) change of business activity; (vi) liquidation proceedings; and (vii) other matters in connection with companies.

ISC shall receive Investor's application forms for obtaining approvals and permits, for allocation of real property and for obtaining licenses required for the set up or management of Investment Project. ISC shall, within the time limits prescribed in this Law, decide on such application forms in accordance with the relevant laws and regulations.

ISC services shall be provided gradually and as soon as possible in an automated and computerized manner in

accordance with the stipulations of the Executive Regulations via networking and other required technical means.

ISC shall, as per the regulating laws, include the Appropriate Bodies Representatives, who shall be under GAFI's supervision during their presence at ISC, and shall comply with the rules and controls laid down by GAFI BoD on the regulation of the work of ISC.

As an exception from the provisions of any other law, the power to issue approvals, permits and licenses in accordance with the technical requirements stipulated in the laws regulating such power and in the investment procedures guidebook issued by GAFI shall hereby become vested in the Appropriate Bodies Representatives. All powers vested in the Appropriate Authority – in the fields of allocation of real property and issuance of required approvals, permits and licenses for the business of Investor and Investment in accordance with the provisions of this Law – shall become vested in the Appropriate Bodies Representatives.

GAFI BoD shall determine the government bodies and the public utility corporations of which ISC shall consist. GAFI CEO shall, in coordination with the aforementioned entities, set the number of operating and standby duty personnel required to represent such entities at ISC, as well as the job grades qualifying such personnel to perform their

job duties at ISC. The Executive Regulations shall set out the criteria of selection and delegation of such personnel to ISC.

In cases other than providing the certificates of approval stipulated in the following articles, the Appropriate Bodies Representatives at ISC and the officials of the administrative bodies shall, within two (2) business days from the date on which incomplete applications for obtaining approvals, permits or licenses have been submitted thereto, request completion of such documentation; otherwise, such applications shall be deemed complete. Upon the lapse of such period, any additional documentation may not be requested from Investor.

In all cases, Investor shall have the right to satisfy all technical and other conditions and procedures required for Investment, either from the Approval Offices, or from the Appropriate Bodies directly or the Appropriate Bodies Representatives at ISC.

IV. Accreditation Offices

Article 22

An Investment applicant or a representative thereof may apply to the Approval Offices, licensed by GAFI to assess the documentation for obtaining approvals, permits and

licenses required for the setup, operation and expansion of Investment Project; the Approval Offices shall determine the applicant's extent of compliance with the technical and financial requirements, and other procedures stipulated under the provisions of this Law, and the laws regulating the granting of such approvals, permits and licenses.

In course of carrying out their work duties, the Approval Offices shall comply with the rules of professional responsibility specified by the Executive Regulations, and, in particular, the following rules:

- Comply with the provisions of the relevant laws and decrees;
- Exert due diligence in the assessment, statement of compliance and approval process;
- Avoid any conflict of interests; and
- Maintain confidentiality and privacy of any information in connection with the applicants for approvals, permits and licenses.

The Approval Offices may operate either individually or in collaboration with a group of specialized approval offices.

The Executive Regulations of this Law shall lay down the legal structure of the Approval Offices.

A license to operate shall be granted to the Approval Offices which are sufficiently experienced to carry on the approval activity in accordance with the conditions, rules

and procedures specified by the Executive Regulations of this Law; this includes the Approval Office's obligation to maintain an annual insurance policy against risks and damage arising out of the Approval Office activity, and the criteria for determining the consideration for the services rendered by the Approval Office.

An ad hoc register listing all licensed Approval Offices shall be created at GAFI; which register shall be furnished to the appropriate administrative bodies.

An Approval Office license to operate shall be in consideration of a fee not exceeding twenty thousand Egyptian pounds (EGP 20,000); the categories of such consideration shall be determined by the Executive Regulations. The license to operate shall be renewed on an annual basis. The same prescribed fees for the license to operate shall apply to the renewal of such license.

The Approval Offices shall, at their own liability, issue for Investor a certificate of approval, valid for one (1) year, comprising a statement of compliance that indicates to what extent Investment Project has satisfied all or part of the conditions set therefor under the laws and regulations regulating the issuance of approvals, permits and licenses. The Approval Offices shall furnish a copy of said certificate to the Appropriate Body in the manner laid down by the Executive Regulations of this Law. Certificates provided after the lapse of one (1) year from their issuance date shall be disregarded.

The certificate of approval shall be acceptable to the Appropriate Body, the representative thereof at ISC and other administrative bodies. However, this may not prevent the Appropriate Body or the representative thereof from raising a reasoned objection against said certificate; which objection, if any, shall be made within maximum ten (10) business days from the date on which said certificate has been submitted. Lapse of such period, without a reply, shall be deemed an acceptance to Investor's application, which acceptance shall be issued by an approval of GAFI CEO in the manner stipulated in Article (25) of this Law.

In application of the provisions of the Penal Code, said certificate shall be deemed an official document.

Without prejudice to the civil or criminal liability, as the case may be, issuing a false certificate or a certificate in violation of the rules stipulated in Article (25) of this Law shall result in the insurance value becoming payable to the beneficiaries therefrom and in the crossing out of the Approval Office issuing the false or the violating certificate from the ad hoc register at GAFI for a period not exceeding three (3) years upon a resolution of GAFI BoD. In case of recurrence of such violation, such Approval Office shall be crossed out permanently.

All this shall be as stipulated by the Executive Regulations of this Law.

Article 23

Investor shall pay GAFI all fees and other sums prescribed under laws for the accounts of the bodies providing Investment services.

GAFI shall be entitled to a consideration for the actual services provided thereby to Investor. GAFI BoD shall pass a resolution specifying the categories of such consideration as well as the rules, conditions and procedures regulating the collection thereof.

Article 24

Subject to the time limits fixed for deciding on any application closing a certificate issued by the Approval Office, the Appropriate Bodies shall assess Investment application forms submitted through the ISC, and shall verify the extent of compliance with the conditions required for acceptance of such application forms as set out in this Law. Deciding on application forms shall be within maximum sixty (60) days from the date on which an application form, along with complete documentation thereof, have been submitted. Should such period lapse while a decision was not made by the Appropriate Bodies, it shall be deemed an acceptance to Investor's application form, which acceptance shall be issued by an approval of GAFI CEO in the manner stipulated in Article (25) of this Law.

In all cases, Investment applicant shall be notified – within seven (7) days from the date on which the period stated in the first paragraph of this Article has lapsed, by virtue of a registered letter with an acknowledgment of receipt – of the decision made on Investor's application form, whether such decision is an approval or a rejection.

A party concerned may raise grievances, before the committee stated in Article (83) of this Law, against said rejection decision.

Article 25

GAFI CEO shall issue the approvals stipulated in Articles (22) and (24) of this Law, using the two application forms designated for that purpose, in the manner set out by the Executive Regulations of this Law.

Article 26

Within the framework of the national economic development of the State, or for the purposes of finalizing the investment map, GAFI may grant required approvals, permits or licenses for carrying on activity on the lands intended for Investment before such lands have been allocated to Investors, and in which case fees and other charges payable to the Appropriate Bodies in consideration of said approvals, permits or licenses shall be collected from Investor upon completion of the land allocation

procedures. The Appropriate Bodies shall streamline the granting procedures of such approvals, permits or licenses in accordance with the procedures and time limits specified by the Executive Regulations of this Law.

Article 27

Personnel implementing the provisions of this Law within all Appropriate Bodies in relevance shall observe the goals, principles, procedures and time limits stipulated in this Law and the Executive Regulations thereof.

Streamlining procedures to Investors and carrying out Investors' lawful interests expediently shall be key indicators for measuring the performance of such personnel and shall be from among the methods of defining the professional responsibility of such personnel.

Chapter (2)

Investment Zones Investment System

Article 28

Subject to a decree of the Prime Minister, upon GAFI BoD recommendation and a proposal of both the Appropriate Minister and the minister concerned, Investment Zones specialized in various fields of investment may be established, including logistic, agricultural and industrial zones; said decree shall include the location, coordinates, the nature of the activities carried on in such zones, the period during which all required procedures for establishment of such zones will have been effected, in addition to any general provisions pertaining to the carrying on of the activities.

Developer, in charge of an Investment Zone, shall carry out the required procedures for the establishment of the zone in accordance with the implementation schedules specified in the license granted thereto; otherwise, the license shall be deemed as if not issued in the first place.

Upon a decree of the Prime Minister or a delegate authorized thereby, a licensee may, subject to GAFI BoD approval, be granted an extension of time in light of the justifications presented thereby.

The provisions of Parts (I) and (II) of this Law shall apply to any projects operating within Investment Zones,

exception being made for the provisions inconsistent with the nature of the work within the Investment Zone System.

The rules of temporary release and drawback stipulated in laws, regulations and decrees regulating this respect shall apply to any projects operating within Investment Zones.

Subject to a decree of the Prime Minister upon a proposal of the Appropriate Minister, other activities may be added.

Article 29

Each Investment Zone shall have a board of directors ("Investment Zone BoD") to be formed, under a decision of the Appropriate Minister in agreement with the minister concerned, based on each zone type and field of specialization.

Investment Zone BoD shall have competence to (i) develop an action plan for the respective zone thereof, along with the required rules and regulations for engagement in activity; (ii) have such action plan approved by GAFI BoD; and (iii) approve the establishment of Investment Projects within the boundaries of the respective zone thereof. Investment Zone BoD shall provide GAFI with quarterly reports as specified by the Executive Regulations, and shall submit the minutes of meetings thereof for approval from GAFI.

Investment Zone BoD may license private sector companies to develop and manage the respective zone thereof, or to promote engagement into investment therein.

Investment Zone BoD members shall submit a declaration of all Assets thereof; such declaration shall, on an annual basis, be furnished and audited by an independent entity, in order to verify whether there is a violation, or an actual or potential conflict of interests; this shall be reported to the SCI through the Appropriate Minister.

Article 30

An Investment Zone shall have an executive office comprised of GAFI personnel who shall be assigned to this role upon a decision of GAFI CEO approved by the Appropriate Minister. Such office shall implement Investment Zone BoD resolutions concerning the required approvals, permits and licenses, monitor implementation thereof and issue building licenses to Investment Projects within the boundaries of the respective Investment Zone.

Investor shall pay to GAFI a consideration, for each actual service rendered by the executive office, of no more than one per mille percent (0.001%) of the investment costs in return for all provided services; this shall be as specified by the Executive Regulations of this Law.

Article 31

Investment Zone BoD chairperson shall, along with the scope of functions assigned thereto, have competence to grant license to operate to any Investment Project within the boundaries of Investment Zone.

A license to operate shall include a statement of the objects for which such license has been granted and the effective term of such license. The license may not be waived, in whole or in part, except with the approval of Investment Zone BoD. Rejection to grant or waive such license shall be effected by virtue of a reasoned decision. A party concerned may raise grievance against such decision before the committee stated in Article (83) of this Law.

When dealing with various State agencies in course of obtaining services, facilitations, privileges and exemptions for Investment Project, a license to operate shall suffice, without any need for registration in the Industrial Register, unless otherwise requested by Investor; for inventory purposes, a copy of the license shall be furnished to the Appropriate Body. Any other administrative body may not take any actions within Investment Zones or Investment Projects operating therein unless with GAFI approval.

A licensee may not enjoy guarantees, incentives and privileges stipulated in this Law except within the objects specified in the license.

Chapter (3)

Technological Zones Investment System

Article 32

The Prime Minister may, upon GAFI BoD recommendation and a proposal of the minister concerned with communications and information technology affairs, license the establishment of technological zones ("Technological Zones"), specialized in communications and information technology industry including any industrial activities thereof, electronics design and development, data centers, outsourcing activities, software development, technological education and other associated or ancillary activities; this shall be as laid down by the Executive Regulations of this Law.

Subject to a decree of the Prime Minister upon a mutual proposal of the Appropriate Minister and the minister concerned with communications and information technology affairs, other activities may be added.

Subject to the conditions and procedures set out by the Executive Regulations, all tools, equipment and machinery required by all types of Investment Projects to carry on a licensed activity within Technological Zones may not be subject to customs duties and fees.

Investment Projects set up within Technological Zones shall enjoy the Special Incentives stipulated in Article (11)

of this Law, based on the sector within which such projects fall.

Each Technological Zone shall have a board of directors ("Technological Zone BoD") to be formed under a decision of the minister concerned with communications and information technology affairs in agreement with the Appropriate Minister. Technological Zone BoD shall have competence to set the necessary rules and criteria for the carrying on of an activity, and to approve of setting up Investment Projects within the boundaries of the respective zone thereof.

Technological Zone BoD members shall submit a declaration of all Assets thereof; such declaration shall, on an annual basis, be furnished and audited by an independent entity, in order to verify whether there is a violation, or an actual or potential conflict of interests; this shall be reported to the SCI through the Appropriate Minister.

The provisions of Parts (I) and (II) of this Law shall apply to Investment falling within the Technological Zone system, exception being made for the provisions inconsistent with the nature of the work within this system.

The Executive Regulations of this Law shall lay down the rules and requirements for operation within Technological Zones, and the management approach of such zones.

Chapter (4)

Free Zones Investment System

Article 33

Establishing a Free Zone that includes an entire city shall be by a law.

Upon a proposal of the Appropriate Minister following GAFI BoD approval, the Council of Ministers may establish Public Free Zones in order to launch licensed Investment Projects, which aim mainly at exportation abroad, notwithstanding the legal structure of such projects. A resolution whereby a Free Zone is established shall include a statement specifying the location and boundaries of the respective zone.

Management of a Public Free Zone shall be assumed by a board of directors ("Public Free Zone BoD") to be formed and chaired under a decision of GAFI CEO approved by the Appropriate Minister. Public Free Zone BoD members shall submit a declaration of all Assets thereof; such declaration shall, on an annual basis, be furnished and audited by an independent entity, in order to verify whether there is a violation, or an actual or potential conflict of interests; this shall be reported to the SCI through the Appropriate Minister.

Public Free Zone BoD shall have particular competence to propose rules and regulations required for management of

the Free Zone; have such rules and regulations approved by GAFI BoD; and implement the provisions of this Law, the Executive Regulations thereof and the resolutions passed by GAFI.

Upon a proposal of the Appropriate Minister, the Council of Ministers may approve of the establishment of private free zones ("Private Free Zones"), each to be confined to one or more projects carrying on similar activities, whenever the nature of such zones so requires. The Executive Regulations shall regulate all operation terms and conditions within Private Free Zones in a manner that would ensure proper functioning and governance of such zones.

Article 34

Without prejudice to the provisions of Law No. 133 of 2010 on Oil Refining Projects Licensing to Operate within the Free Zone System, and subject to the legal structures of the companies licensed to set up projects within the Free Zone Investment System on the date on which this Law comes into force, it shall not be permissible to grant license to set up, within the Free Zone Investment System, any project operating in the field of oil processing; fertilizer industries; iron and steel; natural gas processing, liquidation and transportation; energy-intensive industries to be listed under a resolution of the Supreme Council of Energy; liquor and alcohol industries; guns, ammunitions and explosives

industries; and other industries associated with the national security.

Article 35

Without prejudice to the first paragraph of Article (10) of this Law, all projects investing within the Free Zone Investment System shall fall within customs and tax control in accordance with the rules to be issued under a resolution of GAFI BoD in coordination with the Egyptian Customs Authority and Tax Authority.

Free Zone BoD shall notify the bodies specified by the minister concerned with industry affairs of all the data relating to the industrial production projects set up within Free Zone. The Appropriate Minister shall, in agreement with the minister concerned with industry affairs, set the rules of carrying on activity for such industrial production projects, particularly the export percentages with which such projects shall comply.

Article 36

Subject to the provisions of Capital Market Law enacted by Law No. 95 of 1992; Central Bank, Banking Sector and Money Law enacted by Law No. 88 of 2003; and Law No. 10 of 2009 on the Regulation of Supervision over Non-bank Financial Markets and Instruments, Public Free Zone BoD shall have competence to issue a final approval on the establishment of Investment Projects within the respective

zone thereof, or within Private Free Zone situated in the geographic territory of such zone. Public Free Zone BoD Chairperson shall have competence to grant such Investment Projects license to operate.

Such license to operate shall include a statement of the objects for which the license has been granted; the effective term of such statement; the type and amount of financial guarantee to be provided by a licensee, which may not exceed two percent (2%) of the investment costs in accordance with the percentages set out by the Executive Regulations of this Law. This license may not be waived, in whole or in part, except with the approval of the Public Free Zone BoD.

A licensed Investment Project may enjoy the exemptions or privileges stipulated in this Law only to the extent of the objects specified in the license. When dealing with various State agencies in course of obtaining services, facilitations, privileges and exemptions for Investment Project, a license to operate shall suffice, without any need for registration in the Industrial Register, unless otherwise required by Investment Project; for inventory purposes, a copy of the license shall be furnished to the Appropriate Body.

Article 37

Allocation of real property required for setting up Investment Projects within the Public Free Zone System

shall be made by usufruct licensing in accordance with the rules and provisions set out by the Executive Regulations of this Law.

Investor shall, within thirty (30) days from the date on which Investor has been notified of the approval on setting up the Investment Project thereof, communicate with the Public Free Zone management, in order to receive the land allocated for implementation of Investment Project thereon, to sign the usufruct contract and to pay the prescribed fees.

The approval on setting up an Investment Project shall be null and void, should Investor, within ninety (90) days from the date on which Investor has been served a notice to receive the land in accordance with the terms and conditions agreed upon in the usufruct contract, fail to demonstrate seriousness in implementing the Investment Project. However, this period may be extended for another in light of the justifications provided by Investor, or the representative thereof, and deemed acceptable by the respective Free Zone BoD at its discretion.

The Executive Regulations of this Law shall set out the rules and procedures required to implement the present provisions.

Article 38

Upon Investment Project cancellation or nullification of approval granted thereto, Investor shall hand over the land allocated therefor free and clear of any occupancy to the

respective zone management. Should the land site be occupied with buildings, facilities or assets, Investor shall, at Investor's own expense, within the period specified by the respective zone BoD, vacate such buildings, facilities or assets; which period may not exceed six (6) months from the date on which Investor has been served a notice to vacate by virtue of a registered letter with an acknowledgment of receipt.

Should Investor fail to vacate within the aforementioned period, the respective zone BoD shall issue a resolution of recovery of possession of the land, including the buildings and facilities thereon, through administrative procedures. In the event that there are assets on the land site, the respective zone management and the Customs shall make and furnish an inventory of such assets, and surrender such assets, to the Customs department concerned, which shall either maintain such assets temporarily or sell the same in accordance with the Customs Law provisions on the abandoned or unclaimed goods, and shall, after deducting from the price of such assets GAFI's accruals then the debts due to the government, deposit such price in an account with GAFI in favor of Investor; this shall be in the manner set out by the Executive Regulations of this Law.

GAFI's accruals shall, in application of the provisions of this Article (38), be deemed preferential debts ranked second to the judicial costs and the accruals of the Public Treasury.

Article 39

Subject to the provisions stipulated under laws and regulations concerning the ban on trading certain goods and materials, goods – exported abroad by Free Zone Investment Projects, or imported for carrying on activities thereof – may not be subject to the importation and exportation rules, nor may such goods be subject to exportations and importations customs procedures, customs duties, value-added tax (the "VAT") or other taxes and fees.

Exporting production requirements from the domestic market to the production projects within the Free Zones shall be governed by the rules to be set out under a decision issued by the minister concerned with the foreign trade affairs in agreement with the Appropriate Minister and Minister of Finance.

With the exception of passenger vehicles, all tools, equipment and machinery as well as necessary means of transportation of any type required by Investment Projects, existing within any type of Free Zones, to carry on a licensed activity – even if the nature and necessities of such activity should, subject to the situations, guarantees, conditions and procedures to be set out under a resolution of the Council of Ministers based on a proposal of the Appropriate Minister and Minister of Finance, require the temporary exit of such tools, equipment and machinery from the Free Zone to the Country and the return thereto –

shall be exempt from customs duties, VAT along with other taxes and fees.

The Executive Regulations of this Law shall lay down the procedures of transporting and insuring goods starting from unloading until arrival at the Free Zones and vice versa.

GAFI may allow local and foreign goods, items, parts and raw materials – owned by Investment Project or third parties – to be admitted temporarily into the Free Zone from the Country, for the purpose of being repaired or industrialized, and thereafter to be returned into the Country, without being subject to the applicable importation rules; this shall be in the manner set out by the Executive Regulations of this Law.

Customs duties on repair costs shall be collected in accordance with the provisions of Customs Laws.

Article 40

Importation from the Free Zones into the Country shall be in accordance with the general rules for importation from abroad.

As an exception from the foregoing, materials, waste and scraps resulting from the activities of the Investment Projects operating within Free Zones may be admitted into the Country, whenever such admission is for the purpose of disposal or recycling of such materials, waste and scraps,

using the safe methods and means prescribed in accordance with the Environmental Law enacted by Law No. 4 of 1994, at the expense of the person concerned.

The provisions of the aforementioned Environmental Law shall apply to the ban on importation of hazardous waste from abroad.

Customs duties on the goods imported from Free Zone into the domestic market shall be paid as if such goods have been imported from abroad.

In respect of products imported from Free Zone Investment Projects, where such products contain local and foreign components, the customs duty rate on such products shall be the value of the foreign components based on the prevailing rate of exchange at the time at which such foreign components exit the Free Zone to enter the Country, conditional on that the payable customs duty on the foreign components may not exceed the payable duty on the final product imported from abroad.

Foreign components are those imported foreign parts and materials on an as-is condition upon entry into Free Zone, without calculation of the operating costs within the Free Zone. A Free Zone shall, in respect of freight calculation, be deemed to be the Country of origin for the products manufactured therein.

Article 41

Projects within Free Zones and the dividends of such projects may not be subject to the provisions of the taxes and fees laws in effect in Egypt.

However, such projects shall be treated as follows:

I. In respect of Public Free Zones:

1. The storage projects shall be subject to a fee of two percent (2%) of commodity value upon CIF entry, while the manufacturing and assembly projects shall be subject to a fee of one percent (1%) of commodity value upon FOB exit; transit goods of a certain specific destination shall be exempt from such fee; and
2. Projects whose main activity does not require entry or exit of commodities shall be subject to a fee of one percent (1%) of the total revenues generated by such projects and provided for in the financial statements audited by a chartered accountant.

II. In respect of Private Free Zones:

1. The manufacturing and assembly projects shall, upon exporting commodities outside the Country, be subject to a fee of one percent (1%) of the total revenues derived from such projects, and, upon entry of commodities into the Country, a fee of two percent (2%) of the total revenues derived from such projects; transit goods of a certain specific destination shall be exempt from such fees; and

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2. Projects other than those mentioned in the previous item shall be subject to a fee of two percent (2%) of the total revenues derived from such projects.

The proceeds of the fees stipulated in Item A of this Article (41) shall revert to GAFI. The proceeds of the fees stipulated in Item B of this Article (41) shall be distributed on a fifty-fifty basis between the Ministry of Finance and GAFI.

In all cases, the projects established within the Public and Private Free Zones shall pay, in consideration of the rendered services, to GAFI an annual amount of no more than one per mille percent (0.001%) of the capital, at a maximum of one hundred thousand pounds (100,000), as per the percentages specified by the Executive Regulations of this Law. The equivalent of the value of such percentages may be paid in any currency specified by the Appropriate Minister.

Such projects shall submit their financial statements audited by a chartered accountant to both the Ministry of Finance and the Ministry of Investment.

Article 42

Maritime transportation projects, which are set up within the Free Zones, shall be exempt from the conditions stipulated in respect of the nationality of vessel owner and crewmembers in Law No. 84 of 1949 on the Registration of

Merchant Vessels, and Maritime Trade Law enacted by Law No. 8 of 1990.

Vessels owned by such projects shall be exempt from the provisions of Law No. 12 of 1964 on the Establishment of the Egyptian Public Corporation for Maritime Transport.

Article 43

An Investor shall procure and maintain a comprehensive insurance on all buildings, machinery and equipment against all accidents and risks arising out of engagement in a licensed activity.

A Zone BoD may pass a resolution removing the facilities of an Investment Project, should any accident or hazard, against which insurance is maintained, occur. Such resolution shall be in the form of a reasoned decision of which Investor or the representative thereof shall, within one (1) week from the date on which such resolution has been passed, be notified by virtue of a registered letter with an acknowledgment of receipt. If necessary, Zone management may shorten this time-limit.

Investor shall, at Investor's own expense and within the time-limit to be specified by the Zone management, implement the resolution of removal.

Should Investor fail to implement such resolution, the Zone BoD may suspend or cancel the project, depending on the gravity of the violation.

Article 44

In all cases where a consignment arrives from abroad and is released from the Customs in exchange of payment of the prescribed fee of the Free Zones, such consignment shall be inspected by a tripartite committee composed of the respective zone, the appropriate Customs Department and the person concerned or whomever so authorized thereby within the project site. A statement shall be written and signed by the committee members indicating the results of the inspection, after having matched the consignment against the invoices or the package label. Following that, the consignment shall be delivered to the person concerned and shall henceforth become in such person's full custody and under full responsibility thereof. The Customs Authority shall estimate the value of the consignment and inform the respective zone management of such estimation.

A Director of a Zone Customs Department shall notify the chairperson of such zone of any incidents of unaccounted shortage or excess in the goods manifested in the packing list, whether in the number of parcels or their contents or packed or loose goods.

By a resolution of GAFI BoD, liability to the incidents stipulated in the previous paragraph and the percentages of tolerance in such incidents shall be regulated.

Article 45

Projects within Free Zones may not be subject to the provisions of Law No. 113 of 1958 on Recruitment into Joint-stock Companies and Public Institutions.

The provisions of the Labor Law shall apply to the work relations, as well as to the occupational safety and health within Free Zones. Such provisions, including the labor rights therein, shall be deemed as the minimum that may be agreed upon in the individual or collective employment contracts, which are entered into with the workers of the projects licensed to operate within Free Zones.

Projects within Free Zones shall develop and be bound to internal regulations on the scope of work in such projects, and shall furnish such internal regulations to GAFI CEO, or whomever so authorized thereby, for ratification. Such internal regulations shall be ancillary to the individual or collective employment contracts.

GAFI CEO may raise objections against any such internal regulations provisions violating the public order or comprising privileges less favorable than those conferred in the Labor Law.

The provisions of Social Insurance Law enacted by Law No. 79 of 1975 and Insurance Law on Business Owners and the Equivalents thereof enacted by Law No. 108 of 1976 shall apply to the workers of the projects which are licensed to operate within Free Zones.

Article 46

A person may not engage in any profession or craft in a Public Free Zone for personal account on a permanent basis, except after having obtained a permit therefor from such Free Zone BoD Chairperson in accordance with the terms and conditions set out by the Executive Regulations of this Law, and after having paid an annual fee not exceeding five thousand pounds (EGP 5,000).

Any person violating the provisions of the first paragraph of this Article (46) shall be subject to a penalty of no less than five thousand pounds (EGP 5,000) and no more than twenty thousand pounds (EGP 20,000), and in which case, a criminal lawsuit may not be initiated, except with the permission of the Appropriate Minister. In all cases, projects engaging in liberal professions and consultations may not be set up within the Free Zones. Access to the Free Zones shall be in accordance with the conditions to be set out in a resolution of GAFI BoD.

Article 47

The goals, principles, guarantees and Article (11) of this Law shall apply to Investment within the Free Zone System, exception being made for the provisions inconsistent with the nature of the work within this system.

Projects operating within this system may convert to the Internal Investment System; the Executive Regulations of

this Law shall specify the conditions and restrictions on such conversion, as well as the customs treatment prescribed for the equipment, machinery, production apparatus and lines, and spare parts required by such projects for the activity such projects have license to operate.

Chapter (5)

Companies and Establishments Incorporation Provisions and Post Incorporation Services

Article 48²

Subject to the provision of Article (71) of this Law, GAFI shall provide the companies, governed by the provisions of this Law and Law on Joint-stock Companies, Partnerships Limited by Shares and Limited Liability Companies enacted by Law No. 159 of 1981, with the services of incorporation, post incorporation and ISC, and shall automate and unify the procedures of such services. Only the procedures of electronic incorporation shall, upon having been activated at GAFI, apply, and, in this regard, GAFI may not be confined to any procedures stipulated in the other laws.

The Executive Regulations of this Law shall specify (i) the provisions regulating the promulgation of articles of association of a company, (ii) the procedures prescribed for amendment of such articles of association, (iii) the rules of operation of the electronic incorporation system and (iv) the services rendered to the companies and establishments governed by the provisions of this Law and the aforementioned Law on Joint-stock Companies, Partnerships Limited by Shares and Limited Liability Companies.

2 The last paragraph is added by The Law No. 141 of 2019.

In all cases, signatures of partners or representative thereof on companies' contracts must be ratified, under any investment system whatsoever. This shall be in consideration of a ratification fee worth twenty-five hundredths percent (0.25%) of the paid capital, at a maximum of ten thousand Egyptian pounds (EGP 10,000), or the equivalent of the value of such percentage in foreign currency, as the case may be, whether ratification is made in Egypt or by the Egyptian authorities overseas. These provisions shall apply on each amendment in the articles of association of the company.

Article 49

Upon a decision of the Appropriate Minister, standard articles of incorporation and association for each type of company, as the case may be, shall be issued.

An incorporation applicant shall pay to GAFI in the form of a lump sum all fees prescribed by the legislations and the other sums payable to the entities providing the incorporation and post incorporation related services. GAFI shall collect these fees for such entities.

GAFI shall, in exchange for the actual services provided thereby to Investors, be entitled to a consideration. GAFI BoD shall pass a resolution specifying the categories of such consideration, along with the rules, conditions and procedures regulating the collection thereof.

Article 50

The Appropriate Bodies shall adjust to the activation of GAFI electronic services system (the "E-services System") by providing GAFI with all documentation, application forms and data, and by integrating their work systems and databases with GAFI E-services System and database; this shall be within ninety (90) days from the date on which the provisions of this Law come into force.

The Appropriate Bodies shall grant recognition to the electronic signatures as well as the documents and forms designed using one of the technological means, and shall accept electronic payment to all payables thereto; this shall be in the manner set out by the Executive Regulations of this Law.

Article 51

GAFI shall decide on an application for incorporation within maximum a full business day from the date on which a complete application has been submitted. A company shall have juridical personality once registered in the Commercial Register, and a certificate of incorporation shall be issued for such company; the particulars of such certificate shall be determined under a decision of GAFI CEO.

Upon issuance of the certificate of incorporation, all Appropriate Bodies, banks and relevant bodies shall, in

course of transactions thereof, recognize such certificate as an official document.

A company incorporated in accordance with the provisions of this Law shall submit a certificate indicating that the securities of such company have been deposited with a central securities depository.

GAFI shall develop a system whereby a certificate for an Investment Project may be issued; regulation of such certificate shall be under a decision of GAFI CEO.

An establishment or a company of any legal structure whatsoever shall have an approved unique national number for all transactions carried out by Investor with the various State bodies and agencies, once such number has been activated.

All this shall be as stipulated by the Executive Regulations of this Law.

Article 52

The companies governed by the provisions of this Law may have their capital fixed at any convertible currency, and have their financial statements prepared and published with that same currency, provided that the subscription to such capital is in that same currency. In respect of the corporations, the designated percentage of the paid-up capital shall be paid in accordance with the provisions of

Law on Joint-stock Companies, Partnerships Limited by Shares and Limited Liability Companies enacted by Law No. 159 of 1981.

Companies governed by the provisions of this Law may have their designated capital converted, from the Egyptian pound to any convertible currency, as per the prevailing rate of exchange declared by the Central Bank at the date of conversion.

The Executive Regulations of this Law shall specify the controls regulating this respect.

Article 53

As an exception from the provisions of Article (45) of Law on Joint-stock Companies, Partnerships Limited by Shares and Limited Liability Companies enacted by Law No. 159 of 1981, initial shareholdings and shares of corporations governed by the provisions of this Law may be traded during corporation's first two fiscal years, subject to the Appropriate Minister approval.

Article 54

GAFI shall, within the scope of procedural competence thereof, issue resolutions that streamline and expedite service provision to Investors; in order to do so, and without being confined to any procedures stipulated in the other laws, GAFI may set controls that would ensure

separation of the regulation of investment procedures from subsequent monitoring over companies, without prejudice to the principles of transparency, governance, prudent management and accountability, through the following:

1. Streamline all procedures, relating to the general meetings and boards of directors of companies and ratify minutes of meeting thereof, including the use of modern technology, no later than fifteen (15) days from the date of complete submission;
2. Replace books and papers with electronic means compatible with the technological development; and
3. Develop, standardize and simplify capital increase or decrease procedures, the financial valuation models as well as the process of validating the estimated values for such models, without prejudice to the competence legally prescribed for the Financial Regulatory Authority ("FRA").

All this shall be as stipulated by the Executive Regulations of this Law.

Chapter (6)

Allocation of Real Property Required for Setting up Investment Projects

Article 55

An Investor, shall, whatever percentage of partnership or shares in capital such Investor holds, have the right to obtain the real property required for carrying on or expanding activity thereof, subject to the rules of certain real property located within the geographic areas regulated by particular laws, either from the body having jurisdiction over such required real property in accordance with the rules stipulated in such body's laws and regulations following proclamation thereof, or from GAFI in accordance with the provisions of disposition stipulated in this Law.

Article 56

Administrative bodies of competent jurisdiction shall, upon coordination with all Appropriate Bodies and the National Center for Planning State Land Uses, within ninety (90) days from the date on which this Law comes into force, furnish to GAFI detailed maps on which all real property available for investment and falling within the jurisdiction of such administrative bodies respectively are specified, along with a complete database comprising the prescribed

location, surface area, heights, estimated price, appropriate investment activities to the nature of such real property, as well as the manner of disposition thereof. Such administrative bodies shall regularly update these data every six (6) months or whenever requested by GAFI.

Upon the approval of the Council of Ministers, the President of the Republic shall, whenever necessitated by the implementation of the investment plan, issue a decree transferring the ownership of, the jurisdiction over or the supervision on certain real property from the administrative bodies of competent jurisdiction to GAFI, provided GAFI disposes of such real property in accordance with the provisions of this Law.

Article 57

Disposition of real property, falling within the private-domain property of the State or of other public juridical persons, to Investors shall be for the purpose of Investment in accordance with the provisions, controls and procedures stipulated in this Law, taking into account the State's investment plan, the volume of Investment Project, the nature of the activity thereof as well as the value of Assets invested therein.

The provisions of Law on Regulation of Tenders and Bids enacted by Law No. 89 of 1998 may not apply to the aforementioned disposition, exception being made for matters in respect of which a special provision is not

stipulated in this Law, and for such provisions consistent with the provisions of this Law.

An Investor shall comply with the schedule submitted thereby in respect of the implementation of the Investment Project approved by the Appropriate Body, so long as such Appropriate Body has fulfilled the obligations thereof toward such Investor.

An Investor may not make amendments to the Investment Project, including change of object, expansion, increase in volume or any other amendments, except with the written approval of the Appropriate Body, obtained whether directly or through the Appropriate Body Representative at ISC.

Article 58

Subject to the provision of Article (37) of this Law, real property required for Investment Projects may be disposed of in accordance with the provisions of this Law by one of the following: sale, lease, lease-to-own, usufruct licensing.

This shall be upon either Investor's request or an invitation or announcement by GAFI in accordance with the provisions of this Law.

Administrative bodies having jurisdiction over such real property may be partners in Investment Projects by holding such real property therein as contributions in kind or in

partnership, in the events to be specified under a resolution of the Council of Ministers. The Executive Regulations of this Law shall lay down the conditions, procedures and manner whereby such administrative bodies may be partners in an Investment Project by holding such real property therein.

Article 59

In cases where Investor requests real property falling within the State's private-domain property be made available for setting up an Investment Project, such Investor shall state in the application being made thereby the purpose, surface area and location on which Investor would like to set up such Investment Project. GAFI shall offer such available real property thereat or at the administrative bodies of competent jurisdiction, which are compatible with the investment activity of the Investment applicant. GAFI shall state (i) the nature of such real property; (ii) the requirements attaching thereto; (iii) whether such real property is provided with utilities and the acts of disposition thereof, (iv) the consideration therefor; and (v) any other necessary requirements and particulars.

Article 60

For the sole purpose of development, and pursuant to the investment map, the State's private-domain real property, in the areas to be listed under a decree issued by the President of the Republic upon the approval of the Council of

Ministers, may be disposed of free of charge in favor of Investors satisfying the technical and financial conditions to be specified under a resolution of the Council of Ministers. This shall apply to the acts of disposition stipulated in Article (58) of this Law.

In all cases where disposition of real property is made free of charge, Investor shall, in accordance with the criteria and controls set out by the Executive Regulations of this Law, place with the body in charge of such disposition a cash collateral, or the equivalent thereof, not exceeding five percent (5%) of the value of project investment costs; in respect of projects of production nature, Investor shall redeem such collateral after three (3) years from the date on which actual production starts, or, in respect of other projects, redeem such collateral from the date of engagement in activity, provided Investor complies with the terms and conditions of the disposition.

Article 61

In cases where disposition of real property is made by way of usufruct licensing in exchange for a consideration, a license may be granted for a period not exceeding fifty (50) years that may be renewed, under the conditions agreed upon, so long as the project continues to be engaged in activity thereof; this shall be without prejudice to the right of the body of competent jurisdiction to modify, upon renewal, the consideration for usufruct.

License shall be granted to Investors satisfying the technical and financial conditions specified by GAFI in coordination with the administrative body of competent jurisdiction.

The aforementioned provisions shall apply to all events of disposition by lease.

Article 62

In cases where disposition of real property is made by sale, an Investor may, for the purpose of setting up or expanding Investment Project, apply for entry into a contract on such real property, provided such Investor satisfies the technical and financial conditions specified by GAFI in coordination with the administrative body of competent jurisdiction.

In which cases, ownership of real property may be transferred to Investor, only after full payment of price of such real property and, in respect of projects of production nature, upon commencement of actual production; in respect of real property or tourism projects, upon implementation completion; or in respect of other projects, upon commencement of engagement in activity; a provision to that effect shall be included in the contract entered into with Investor.

Upon Investor's request and following the approval of the administrative body of competent jurisdiction, GAFI may agree to defer full or partial payment, or agree to any other

facilities, until project actual operation commencement; the contract shall specify all required guarantees and procedures in this respect.

The aforementioned provisions shall apply to the lease-to-own disposition.

Article 63

In case of competing investor applications for acquiring the real property required to set up Investment Projects, whether by sale, lease, lease-to-own or usufruct licensing, the order of preference in respect of Investors, satisfying the technical and financial conditions required for Investment, shall be upon a system of points based on preference foundations, such as the value of the bid offered by Investor, or other technical or financial specifications.

If the order of preference in respect of Investors cannot be made based on the point system, it may be conducted based on the highest bid offered from among Investors.

The Executive Regulations of this Law shall set out the events of competing applications, the rules of conducting such order of preference and the foundations upon which the order of preference is made.

Article 64

In application of the provisions of this Chapter (VI), the price of sale or tenancy value, or the consideration for

usufruct shall, based on the nature of the targeted activity, be valued by one of the following: (i) the General Authority of Government Services, (ii) the Supreme Committee of Valuation of State-owned Lands at the Ministry of Agriculture, (iii) the New Urban Communities Authority, (iv) the Tourism Development Authority, (v) the Industrial Development Authority.

A valuation entity shall appoint experienced representatives as members of the valuation committees, and finalize the valuation process within maximum thirty (30) days from the date on which an application for valuation has been submitted thereto.

The Executive Regulations of this Law shall lay down the criteria, controls and procedures required for the conduction of the valuation process, the valuation validity period and the fees to be paid to the valuation entity by the body of competent jurisdiction upon completion of allocation.

Article 65

Upon a decision of GAFI CEO and an approval of the Appropriate Minister, one or more committees shall be formed – comprising technical, financial and legal members, whose job roles and expertise match contractual objects significance and nature – to decide on applications for disposition of real property to Investors in the various events in accordance with the provisions of this Chapter

(VI) within maximum thirty (30) days from the date of receiving the technical opinion on Investor's application from the body of competent jurisdiction; which opinion shall be made within one (1) week from the date of receiving the application. Resolutions of such committee(s) shall be approved by GAFI CEO, and GAFI shall notify the applicant of such resolution.

The Executive Regulations of this Law shall set out the work process of the aforementioned committee(s); the notification method; the methods of payment of price, tenancy value or usufruct consideration, as the case may be; and how accruals revert fully to the Appropriate Bodies. The Executive Regulations shall set out the procedures of preparing and entering into contracts in each case as per the standard contract forms approved by GAFI BoD after having been reviewed by Conseil d'Etat (the "State Council").

Article 66

In all cases of disposition of real property falling within the private domain of the State or of other public juridical persons, an Investment Project shall comply with the object for which disposition of real property is granted; such object may be changed, only after obtaining a written approval of the administrative body of competent jurisdiction, in the events where the nature and the location of the real property accommodate such change, and

conditional upon payment of sums, the criteria determining the value of which shall be laid down by the Executive Regulations.

Such body of competent jurisdiction shall decide on the application for change of object within thirty (30) days from the date of receiving the application; failure to decide shall be deemed rejection of the application.

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

In all cases, an application for change of object may not be accepted before the elapse of one (1) year from the date on which production or activity has started.

Article 67

Based on the follow-up reports submitted by the employees of the administrative bodies of competent jurisdiction in respect of following up the schedule prescribed for completing the implementation phases of setting up an Investment Project, and upon the approval of GAFI BoD, the administrative body of competent jurisdiction may rescind the contract of sale, lease, lease-to-own or usufruct licensing, and reclaim the real property in any of the following events:

1. Investor fails to receive the real property for a period of ninety (90) days from the date on which a delivery notice has been served thereon;

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2. Investor fails, without acceptable excuse, to start project implementation within ninety (90) days from the date on which Investor has received the real property clear of any barriers and obstacles, and continues to be so, after having been served a written notice giving another period of ninety (90) days;
 3. Investor violates the conditions of payment of the financial dues and fails to pay in due dates;
 4. Investor changes the object for which the real property was allocated, mortgages the real property or arrange any encumbrance thereon, without the prior written approval of the administrative body of competent jurisdiction, or before the ownership has been transferred to Investor in accordance with the provisions of this Law; or
 5. Investor commits, at any phase of the project, a substantial violation to the terms and conditions of the contract or the usufruct license, and fails to rectify the violation after having been served a written notice to that effect.

The Executive Regulations shall set out the foregoing substantial violations and the procedures for reclaiming the real property, should Investor be proven to have failed to implement the project, and in which case, the real property may be redisposed of.

Part IV

Bodies in Charge of Investment Affairs

Chapter (1)

The Supreme Council of Investment

Article 68

A Supreme Council of Investment (the "SCI") shall hereby be formed. The SCI shall be chaired by the President of the Republic, and shall, along with the duties assigned thereto in this Law, have competence to:

1. Take all necessary measures to create a more favorable environment for Investment, and give directives to that effect;
2. Set the general framework for the legislative and administrative reform of Investment environment;
3. Develop such policies and investment plan, which would prioritize the targeted investment projects, in accordance with the State's general policy, the economic and social development plan as well as the applicable investment systems;
4. Follow up on the implementation of plans and programs pertaining to Investment by State agencies,

- the work progress of the major economic projects and the status of the public-private partnership projects;
5. Within the frame of the economic development plan of the State, follow up on the updating and the implementation of the investment map across the various specialized sectors and geographic areas;
 6. Explore such investment opportunities available in each sector, and investigate the root causes of the problems pertaining to such opportunities;
 7. Follow up on Egypt's rising in ranks and ratings in the international reports and indicators of investment;
 8. Follow up on the mechanisms of investment dispute resolution and the status of the international arbitration cases;
 9. Study and provide solutions for Investment barriers, and eliminate such obstacles in the path of execution of the provisions of this Law.
 10. Put the joint liability of all ministries, public entities and government agencies concerned with investment into effect, and harmonize their performance;
 11. Resolve such disagreements and complexities that might arise between State agencies in the field of investment.

A decree on the formation and code of procedure of the SCI shall be issued by the President of the Republic.

All State agencies shall execute such resolutions passed by the SCI.

Chapter (2)

The General Authority for Investment and Free Zones

Article 69

GAFI is a public economic authority that has a public juridical personality and reports to the Appropriate Minister. Its role is to manage, administrate, encourage, develop and promote investment within the Country in such a way that would accomplish the national economic development plan.

GAFI headquarters shall be situated in Cairo governorate. GAFI may, upon a resolution of GAFI BoD, establish branches or offices, within the Arab Republic of Egypt or elsewhere, as part of the commercial representation missions.

Article 70

Without prejudice to the provisions of Capital Market Law enacted by Law No. 95 of 1992; Law No. 95 of 1995 on Financial Leasing; Real Property Finance Law enacted by Law No. 148 of 2001; Central Bank, Banking Sector and Money Law enacted by Law No. 88 of 2003; and Law No. 10 of 2009 on the Regulation of Control over Non-Banking Financial Markets and Instruments, GAFI shall be the sole administrative authority which has competence to apply the

provisions of this Law and Law on Joint-stock Companies, Partnerships Limited by Shares and Limited Liability Companies enacted by Law No. 159 of 1981.

GAFI may, in respect of the financial and administrative matters, not be confined to the government rules and regulations. In order to carry out the tasks assumed thereby, GAFI may use the services of the best local and global cadres and experts; however, this shall be without prejudice to the provisions of Law No. 63 of 2014 on the Maximum Income Limit for the Paid Employees of Government Agencies. A resolution of GAFI BoD on the regulation of the foregoing matters shall be issued.

In order to realize the objects thereof, GAFI may enter into contracts and carry out dispositions and acts. GAFI may have real property, within the private domain of the State, allocated or reallocated to GAFI for the purpose of being used in GAFI administrative affairs.

Article 71

In order to realize its objects, GAFI may, in addition to that which is stipulated in this Law, have competence to:

1. Draft, in coordination and cooperation with all appropriate agencies of the State, the investment plan comprising (i) the types, systems, geographic areas and sectors of investment; (ii) the real property owned by the State or other public juridical persons and intended

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- for investment; and (iii) acts and means of disposition of such real property under each investment system;
2. Develop plans, studies and systems that would attract and encourage national and foreign capitals to investment in various fields in accordance with the State's investment plan and take the necessary measures to that effect;
 3. Create a database and a map of the available investment opportunities and of the targeted Investment Projects and activities; follow up on the updating of such database and map; and make such information and data available to Investors;
 4. Issue the required certificates in order for Investor to exercise the incentives and guarantees stipulated in this Law;
 5. Develop an investment promotion plan, take by all means all necessary measures to that effect and publish such plan domestically and abroad;
 6. Standardize, in coordination with the Appropriate Bodies, all investment official application forms and make such application forms available on internet and other means;
 7. Develop for free and investment zones a managerial system that would be in service to the national economy;
 8. Study such legislations relating to investment, recommend the necessary actions in respect thereof and review them regularly;

9. Hold conferences, symposia, training courses, workshops and exhibitions in connection with the investment affairs, and organize them domestically and abroad;
10. Cooperate with international and foreign institutions and organizations operating in the field of investment and investment promotion; and
11. Monitor and inspect, in accordance with the rules and procedures set out by the Executive Regulations of this Law and under other laws, the companies governed by the provisions of this Law.

Article 72

For the purposes of executing its promotional plan for the available investment opportunities locally and abroad, the Authority may assign and contract with specialized companies to assume such mission, without limitation to the provisions of the Law on Organizing Tenders and Bids No. 89 of 1998 in accordance with the rules stipulated in the Executive Regulation of this Law.

Article 73

GAFI shall have a board of directors that undertakes formulation of GAFI general policy and supervises the implementation of such policy. GAFI BoD shall, under a decree of the Prime Minister, be formed as follows:

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1. The Appropriate Minister as GAFI BoD Chairperson;
 2. GAFI CEO;
 3. Deputies of GAFI CEO;
 4. Three representatives of the relevant bodies and agencies; and
 5. Two members of which one is experienced in the field of investment in private sector and the other in law.

Membership term shall be three (3) years that may be renewed.

GAFI BoD shall convene at least once every month. GAFI BoD meeting may not be valid unless attended by at least two-thirds of GAFI BoD members. GAFI BoD may form from among the members thereof one or more committee(s) to be assigned a specific task. GAFI BoD Chairperson may, when necessary, invite those experts deemed thereby fit to attend the meetings.

GAFI BoD resolutions shall be passed by majority vote of attending members. In case of a tie, GAFI BoD Chairperson shall have the casting vote. The Executive Regulations of this Law shall regulate the scope of functions of GAFI BoD.

GAFI BoD members shall submit a declaration of all Assets thereof; such declaration shall, on an annual basis, be furnished and audited by an independent entity, in order to

verify whether there is a violation, or an actual or potential conflict of interests; this shall be reported to the SCI through the Appropriate Minister.

Article 74³

GAFI BoD is the supreme authority governing GAFI's affairs. Pursuant to the provisions of this Law and the Executive Regulations thereof, GAFI BoD shall pass those resolutions deemed thereby necessary to realize the objects for which GAFI has been established, and shall, in particular:

1. Set GAFI activity agenda and GAFI programs within the framework of the State's investment policy;
2. Develop the mechanisms of activation of the ISC system, and follow up on the implementation thereof;
3. Determine the consideration for the services rendered by GAFI;
4. Adopt such internal regulations and implementing resolutions in respect of GAFI financial, administrative and technical affairs, and create the organizational structure thereof;
5. Approve GAFI's draft annual budget and final accounts;
6. Set rules of formation as well as scopes of competence and practice for the boards of directors of Free and

³ The item (14) is added by The Law No. 141 of 2019.

Investment Zones, provided that a decision on such formation and scope of competence is issued by GAFI CEO;

7. Adopt such regulations, systems and application forms required for the establishment, development and management of Free and Investment Zones; and set the rules and mechanisms for the cancellation of projects set up in accordance with the various investment systems and the terms required for the lapse of the issued approvals on such projects;
8. Approve, in accordance with the provisions of this Law, the conditions on the granting of licenses, as well as the occupation and recovery of the real property, including any buildings and constructions thereon or that which is within such real property, particularly in respect of Investment Zones;
9. Approve, in coordination with the Customs Authority, the controls of (i) goods entry and exit rules, (ii) goods registration provisions, (iii) the occupancy consideration for spaces within which goods are stored, (iv) examination of documents, (v) conducting review, (vi) Free Zones control and guard system and (vii) the collection of payable fees;
10. Approve the establishment of GAFI branches and offices, in order to activate the ISC set forth in this Law and provide Investment services;
11. Create an automation system for Investment services provided through GAFI;

12. Set the rules and regulations that would ensure governance principles being applied, enforce the rules of inspection and continuous monitoring over companies and take the necessary procedures to that effect as set out by the Executive Regulations of this Law; and
13. Develop – without prejudice to the national security considerations, the right to privacy and information confidentiality or the protection of third party rights – a system that would ensure access to statistics, data and information required by Investment Project to engage in activity thereof; all Appropriate Bodies must furnish to GAFI anything required to develop such system.
14. Information and data necessary for calculating direct and indirect foreign investment assets may be requested from public and private bodies for statistical purposes; this shall be made as per the applicable international practices and without prejudice to the national security considerations, the right to privacy and information confidentiality or the protection of third party rights. GAFI shall, to that end, have the right to prepare forms and questionnaires in order to fulfill such information and data, and shall apply said forms and questionnaires in all means, including the electronic means; provided that a decree on such forms and questionnaires is issued by the Prime Minister. The bodies referred to shall provide GAFI with the data within the period specified in the Executive Regulations of this Law.

Article 75

GAFI resources shall consist of the following:

1. Financial appropriations allocated by the State to GAFI;
2. Fees and consideration for services collected by GAFI, except those collected for other bodies;
3. Domestic and international donations, grants and loans approved by GAFI BoD in accordance with the prescribed rules in this regard;
4. Consideration for occupation of those real property owned by or allocated to GAFI; and
5. Any other resources listed under a GAFI BoD resolution issued upon the approval of the Council of Ministers.

Article 76

GAFI shall have an independent budget that shall be drawn up comparable to the budgets of economic entities. GAFI's fiscal year shall be fixed to coincide with the commencement and end of the fiscal year of the State. GAFI's accounts, balances and assets shall fall under the oversight of the Accountability State Authority. All GAFI's resources shall be deposited in a special account under the Treasury Single Account at the Central Bank of Egypt. Budget surplus shall, from one year to another, be carried forward into such special account. Disbursement from the special account shall be under a resolution of GAFI BoD.

Article 77

Based on a proposal of the Appropriate Minister, a decree of the Prime Minister on the appointment and financial remuneration of GAFI CEO and deputies thereof, for a term of three (3) years that may be extended for a similar term for once, shall be issued. Number of deputies of GAFI CEO may not exceed five (5). The scope of competence of deputies of GAFI CEO shall be specified under a decree of the Appropriate Minister.

GAFI CEO shall represent GAFI before the Judiciary and third parties, assume the direction of GAFI affairs and carry out GAFI BoD resolutions; in order to do so, GAFI CEO may take any necessary measures to streamline the process of the services provided by GAFI to Investors and to apply the control, transparency, governance and prudent management system.

GAFI CEO may authorize any deputy thereof in part of GAFI CEO competencies, exception being made for GAFI representation before the Judiciary or third parties.

The Executive Regulations shall lay down the other competencies and roles of GAFI CEO.

Article 78

GAFI CEO shall prepare an annual plan, a sustainable strategy for GAFI every five years and a biannual report,

comprising a statement on GAFI's work outcome and achievements made in course of investment process streamlining and investment promotion, to be presented to GAFI BoD.

The Appropriate Minister shall submit to both the SCI and the Council of Ministers GAFI's annual plan, the aforementioned report and any conclusions contained in and reached by such report in light of the annual plan or the 5-year strategy of GAFI, GAFI's achievements in respect of investment process streamlining and investment promotion as well as the key barriers of investment, and shall present such policies, procedures and legislative amendments recommended by the Appropriate Ministry to improve Investment climate in the State.

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

The Executive Regulations of this Law shall lay down the rules for the aforementioned completion or development, the criteria for valuation of such incurred expenses and the methods of recovery of such expenses.

Article 79

GAFI shall every year list such companies, enjoying the incentives stipulated in this Law, in a report to be published by GAFI on the website thereof; such report shall comprise the business activity type and location, the type of incentives as well as the names of company partners, shareholders or owners.

GAFI shall every year list such companies, accorded lands from among the State's lands under the provisions of this Law, in a report to be published by thereby; such report shall include the purpose of use for which such land is granted; the nature, coordinates and location of such land precisely, experts' valuation, and the names of the partners and the shareholders or the company owners.

The companies shall submit a statement comprising their volume of investments and their annual financial statements, and a statement comprising the number, positions and nationalities of employees recruited by such companies, the total wages of such employees and any other data specified by the Executive Regulations of this Law.

Article 80

GAFI's employees, to be listed under a decision of Minister of Justice in agreement with the Appropriate Minister, shall have the capacity of judicial officers in course of proving

crimes committed in violation of the provisions of this Law and Law on Joint-stock Companies, Partnerships Limited by Shares and Limited Liability Companies enacted by Law No. 159 of 1981 along with the implementing decrees of both laws. Such employees shall, in so doing, have the right to access Investment Projects governed by the provisions of this Law to review the documents and records of such projects; this shall be upon a decision of GAFI CEO to whom shall be reported the outcome of the work of such employees. Investment Projects concerned shall facilitate the mission of such employees.

Article 81

In the event a company or an establishment should be in violation of the provisions of this Law, GAFI shall immediately notify such company or establishment to rectify the violation within a period not exceeding fifteen (15) business days from the date of service of notice.

The notice shall include the time limit specified for violation rectification. If such time limit should lapse while the violation remained unrectified, GAFI CEO may, upon the approval of GAFI BoD, issue a decision suspending the activity of such company or establishment for a period not exceeding ninety (90) days. Should such company or establishment continue to be in violation or commit another violation within one (1) year from the date of the former violation, one of the following actions may be taken:

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

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

Part V

Investment Disputes Settlement

Article 82

Without prejudice to the right to litigation, any dispute arising between Investor and one or more of the government bodies concerning Investor's capital, the interpretation of the provisions of this Law or the application of this Law may be settled amicably without delay through negotiations between the parties to the dispute.

Chapter (1)

Grievance Committee

Article 83

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

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

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

Article 84

Grievances shall be submitted to Grievance Committee within fifteen (15) business days from the date of service of notice or knowledge of the decision subject matter of grievance. Filing a grievance shall result in the lapse of appeal time limits. Grievance Committee may communicate with the parties concerned and the appropriate administrative bodies to request clarifications, documents and answers to inquiries deemed necessary by Grievance Committee. Grievance Committee may use the various experiences and specializations of GAFI and of other administrative bodies.

Grievance Committee shall, by reasoned decision within thirty (30) days from the closing date of hearings and submissions, decide on matters brought therebefore. Grievance Committee's decision shall be final and binding on all Appropriate Bodies; this shall be without prejudice to Investor's right to recourse to the Judiciary.

The Executive Regulations of this Law shall lay down the place of meeting of Grievance Committee and the methods of service of notices of decisions passed by Grievance Committee.

Chapter (2)

Ministerial Committee for Investment Disputes Resolution

Article 85

A ministerial committee entitled the “Ministerial Committee for Investment Disputes Resolution” (“MCIDR”) shall hereby be formed having competence to look into any claims, complaints or disputes, submitted or referred thereto, which might arise between Investors and the State, or to which any entity, authority or company affiliated to the State is a party.

A decree on MCIDR formation shall be issued by the Prime Minister. A vice-chairperson of the State Council to be selected by the Administrative Panel at the State Council shall be a MCIDR member. Approval on MCIDR resolutions shall be obtained from the Council of Ministers. Ministers who are MCIDR members may, when necessary, delegate representatives to attend MCIDR meeting on their behalf and vote on MCIDR resolutions during such meeting.

MCIDR shall have a technical secretariat; a decision on the formation and code of procedure of which shall be issued by the Appropriate Minister.

Article 86

MCIDR meetings shall only be valid if attended by MCIDR chairperson and half of MCIDR original members at least. MCIDR shall pass its resolutions by majority vote of those present. In case of a tie, the chairperson shall have the casting vote.

An appropriate administrative body shall submit explanatory notes and any required documentation, upon request. If such appropriate administrative body is a MCIDR member, it shall have no vote in any deliberations concerning a matter relating thereto.

MCIDR shall, by a reasoned decision within thirty (30) days from the closing date of hearings and submissions, decide on matters brought therebefore.

Article 87

Without prejudice to Investor's right to recourse to the Judiciary, MCIDR resolutions, following approval thereon by the Council of Ministers, shall be final and binding on the appropriate administrative bodies and shall have the same effect as writs of execution. Failure to execute MCIDR resolutions shall warrant the application of the provisions of Article (123) of the Penal Code and the infliction of the penalty prescribed in such Article (123) of the Penal Code. Filing a grievance against MCIDR resolutions may not result in stay of execution of said resolutions.

Chapter (3)

Ministerial Committee for Investment Contracts Disputes Settlement

Article 88

A ministerial committee entitled the “Ministerial Committee for Investment Contracts Disputes Settlement” (“MCICDS”) at the Council of Ministers shall hereby be formed having competence to settle any disputes arising out of the investment contracts to which the State or any entity, authority or company affiliated thereto is a party.

MCICDS shall be formed by a decree of the Prime Minister. A vice-chairperson of the State Council to be selected by the Administrative Panel at the State Council shall be a MCICDS member. Approval on MCICDS resolutions shall be obtained from the Council of Ministers. Presence by proxy in MCICDS meetings shall not be permissible.

MCICDS meetings shall only be valid if attended by MCICDS chairperson and half of MCICDS members. MCICDS shall pass its resolutions by majority vote. In case of a tie, the chairperson shall have the casting vote.

MCICDS shall have a technical secretariat; a decision on the formation and code of procedure of which shall be issued by the Prime Minister.

Article 89

MCICDS shall investigate and handle any disagreements arising between the parties to the investment contracts. In order to do so and with the consent of such contracting parties, MCICDS may reach any required settlement to redress any imbalance in such contracts and to extend the time limits, terms or grace periods stated therein.

MCICDS shall, when necessary, reschedule the financial accruals or correct the pre-contract procedures; all this shall be in the manner that would maintain as far as possible contractual balance and ensure an optimum economic situation saving public property and Investor's rights in light of the circumstances of each case.

MCICDS shall report its findings on the status of each settlement, including all elements thereof, to the Council of Ministers. Each settlement shall, upon the approval thereon by the Council of Ministers, be enforceable and binding on the appropriate administrative bodies, and shall have the same effect as writs of execution.

Chapter (4)

Dispute Settlement Amicable Means along with Arbitration and Mediation Center

Article 90

Investment disputes arising out of execution of the provisions of this Law may be settled in the manner agreed upon with Investor or in accordance with the provisions of Law on Civil and Commercial Arbitration enacted by Law No. 27 of 1994.

The two parties may, at any time during the dispute, agree to seek settlement of any kind whatsoever in accordance with the applicable rules of dispute settlement; this includes seeking ad hoc arbitration or institutional arbitration.

Article 91

An independent arbitration and mediation center entitled "The Egyptian Arbitration and Mediation Center" ("EAMC") shall hereby be established, shall have juridical personality and shall have its headquarters situated in Cairo governorate.

EAMC shall settle any investment disputes, which might arise among Investors, or among Investors and the State or any public or private subdivision thereof, should they agree at any point to settle the dispute through arbitration or

mediation before EAMC; all this shall be subject to the provisions of Egypt's laws regulating arbitration and dispute settlement.

EAMC management shall be assumed by a board of directors ("EAMC BoD") consisting of five (5) experienced, specialized, efficient and well-reputed members; a decree on the appointment of such members shall be issued by the Prime Minister.

The term of EAMC BoD shall be five (5) years that may be renewed for once only. An EAMC BoD member may be dismissed during such term only if medically incapacitated to discharge work duties thereof, or in case of loss of trust and confidence in such member, or if such member committed a fundamental breach to work duties thereof as laid down in EAMC articles of association.

EAMC BoD members shall elect from among themselves the chairperson. EAMC shall have a CEO; a resolution appointing and determining the financial remuneration of such CEO shall be issued by EAMC BoD.

A resolution on EAMC (i) articles of association, (ii) work regulation, (iii) code of professional practice and procedure, (iv) consideration for services rendered by EAMC and (v) the lists of arbitrators and mediators along with their fees respectively shall be issued by EAMC BoD. EAMC articles of association shall be promulgated in al-Waqa'e al-Misreyya [Supplement to the Official Gazette].

EAMC financial resources shall consist of the consideration for the services rendered thereby as specified under EAMC articles of association.

During the first three (3) years from the date on which this Law comes into force, EAMC shall be provided with sufficient financial resources from the State's Public Treasury; EAMC may not otherwise obtain any other assets from the State or any agency thereof.

Article 91 (bis)⁴

The individual in charge of actual management of a juridical person, concerning violation of Article (74), Item (14) of this Law, shall subject to a fine not exceeding fifty thousand Egyptian pounds (EGP 50,000) if proven to have had knowledge of such violation, and that the breach of duties imposed by that management has contributed to committing the crime.

Article 92

Should a crime be committed in the name of and for the account of a juridical person, the individual in charge of actual management thereof may not be subject to any penalty, unless proven to have had knowledge of the crime and intent to commit it to secure a self-interest or an interest for others; this shall be without prejudice to the civil liability provisions.

⁴ The article is added by The Law No. 141 of 2019.

In the event where a natural person is not found liable to a crime in the manner specified in the previous paragraph, the juridical person shall be subject to a fine of no less than four times and no more than ten times the legally prescribed fine for the crime. In the event of recurrence, a judgment of revocation of license or dissolution of such juridical person, as the case may be, shall be delivered. Such judgment shall be published at the expense of such juridical person in two (2) widely circulated newspapers.

Article 93

In any event other than flagrante delicto, an application for a criminal action in respect of the crimes laid down in Customs Law enacted by Law No. 66 of 1963, Income Tax Law enacted by Law No. 91 of 2005 and Value Added Tax Law enacted by Law No. 67 of 2016, shall be filed after obtaining the opinion of the Appropriate Minister as to whether the person accused of committing the crime is affiliated to any Investment Projects governed by the provisions of this Law.

The Appropriate Minister shall give opinion in this regard within seven (7) days from the date on which the same has been served a letter of request of opinion to that effect; otherwise, the action may be filed in accordance with the rules prescribed in the aforementioned laws.

Article 94

Without prejudice to the provision of Article (131) of Central Bank, Banking Sector and Money Law enacted by Law No. 88 of 2003, and Clause (XVI) of Law No. 10 of 2009 on the Regulation of Control over Non-Banking Financial Markets and Instruments, any criminal action or investigation may not be taken against Investor in respect of the crimes laid down in Part (IV) of Book (II) of the Penal Code, unless the Appropriate Minister's opinion has been obtained in the manner and in accordance with the same rules laid down in Article (93) of this Law.

